



STANDING COMMITTEE ON SOCIAL AFFAIRS

Review of Report of the Fiji Airports 2021 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
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CHAIRPERSON’S FOREWORD

I am pleased to present the report of the Standing Committee on Social Affairs on the Fiji Airports 2021 Annual Report.

As mandated under Standing Orders 109(2) (b), the Committee looks into issues related to health, education, social services, labour, aviation, culture and media.

Fiji Airports ability to rebound from the setbacks of successive lockdowns as the second wave of the pandemic hit Fiji is evidence of the organization resilience in a time of extreme challenges.

Fiji Airports manage to complete major runway maintenance work in half the usual time due to a longer working window caused by the absence of International and domestic flights.

The committee was informed of the upgrade and extension of the Nausori Airport runway. This \$60m project will allow opportunities for increased flights on both domestic and international routes.

Furthermore, the committee commends Fiji Airports in its commitments to the SDGs on the Green Airports Initiatives attaining a level 3 Airport Carbon accreditation in having their solar farms and the introduction of electronic vehicles.

I wish to convey my gratitude and sincere appreciation to the CEO of Fiji Airports and his team for their valuable contribution to this review process.

Finally, I take this opportunity to thank the former Chairperson of the Committee Hon. Alitia Bainivalu for her leadership and guidance. To the former Committee Members; the Hon. Parveen Bala, alternate members Hon. Ketan Lal and Hon. Penioni Ravunawa for their constructive input and tremendous teamwork, and the Current Committee members for the finalization of this Committee report.

On behalf of the Standing Committee on Social Affairs, I commend this report to Parliament.



.....
Hon. Iliesa Vanawalu
Chairperson

ACRONYM

Acronym	
AF	Airports Fiji
ICAO	International Civil Aviation Office
MP	Member of Parliament
SO	Standing Order

COMMITTEE REMIT AND MEMBERS

The Standing Committee on Social Affairs (**‘Committee’**) is established under Section 70 of the Constitution and SO 109. The Committee’s mandate and functions are provided under SO 109 (2) and 110 (1) (a)-(d) & (f). The Committee consist of the following members:



Chairperson
Government Member



Deputy Chairperson
Government Member



Member
Government Member



Member
Opposition Member



Member
Opposition Member

RECOMMENDATION

The Standing Committee on Social Affairs conducted the review report of the *Fiji Airports 2021 Annual Report* and recommends that Parliament take note of this report.

1. INTRODUCTION

The Standing Committee on Social Affairs (**‘Committee’**) was referred the *Fiji Airports 2021 Annual Report* on the 20th of November 2023, as pursuant to SO 38 (2). Therefore, the Committee was referred to review the annual report as pursuant to its mandate as stipulated in SO 110 (1) (c).

1.1. Committee Procedure

The former Committee Deliberation and formulation of questions pertaining to the *Fiji Airports 2021 Annual Report* were undertaken. The Committee also conducted a site visit on 17th May 2024 to the Nadi International Airport. Following this, the executive management presented its responses on 5th June 2024. Upon receipt of all relevant information, the current committee compiled and endorsed its findings.

The committee received a written response from *Fiji Airports* for this annual review. It is available on the Parliament website at the following link:
<https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

2. Fiji Airports

2.1. Background

Fiji Airports (FA) is a fully owned Government Commercial Company that was established on 12 April 1999. FA has an obligation to deliver the 10% return on shareholders' funds to Government. The company has a dual reporting system where it reports to the Minister for Public Enterprises for its commercial performance and to the Minister for Civil Aviation on policies relating to the aviation industry.

3. KEY FINDINGS

Below are the key findings that the committee compiled through its deliberation and review of the Fiji Airports 2021 annual report:

- 3.1 Fiji Airports under the period of 2019-2021 recorded a loss in its operations due to COVID-19. For 2021-2023, it has recorded a gradual growth in its operations.
- 3.2 Fiji Airports has a Master Plan 2018-2043. But due to the impact of COVID-19, some of the plan's targets were not fully implemented. Fiji Airports has engaged a consultant to revise the Master Plan for the proposed land sites for Nadi and Nausori Airports.
- 3.3 The Financial Strategies Fiji Airports undertook due to the impact of COVID-19.
 - a) Management pay-cuts of up to 40 percent, a few months later the 30 percent hours for the staff in overtime was reduced.
 - b) All other allowances had to be ceased.
 - c) EFL bills were reduced by 70 percent with various energy conserving measures. Fiji Airports used to pay around \$500,000 a month for the EFL bills but reduced to approximately \$150,000.
 - d) All contracts had to be reviewed with suppliers on reduced cost.
 - e) For the diversification of the real estate, Fiji Airport is looking at alternate revenue stream to mitigate future challenges.
- 3.4 Fiji Airports has a reserve of \$85 million as a contingency fund to cater for unexpected events, such as a pandemic.
- 3.5 Fiji Airports together with other government ministries is in the process of investing on a Digital Transformation platform by using SI Tracker to capture data digitally and artificial Intelligence cameras on the gates to replace manual marshals to improve its operations.
- 3.6 Fiji Airports has successfully attained Level 3 accreditation from Airport Carbon Accreditation (Green Airport Initiatives) and plan to submit for a level 4 accreditation in 2024.
- 3.7 The upgrade and extension of the runway at Nausori Airport was around \$60 million, unfortunately this project has resulted in a loss because Fiji Airways had ceased its international flights in 2022 as it considered it commercially unviable.

- 3.8 There are a total of fifteen airports that are operational but only one is profitable. Nausori Airport alone accounts for the highest loss – \$5.9 million, followed by Rotuma, and the others.
- 3.9 Fiji Airport has adopted the ADS-B Surveillance system for surveillance control of domestic air space and Fiji is the first country to use this system.
- 3.10 Fiji Airports has continued to work in achieving the relevant Sustainable Development Goals.

4. COMMITTEE RECOMMENDATIONS

Upon deliberation and review of the annual report, the Committee recommends.

- 4.1 Fiji Airports to continue to improve their plans to achieve their strategic objectives and maintain business continuity.
- 4.2 That whilst Fiji Airports is reviewing its Master Plan 2018-2043 proper feasibility studies for Nadi and Nausori Airports land sites is to be carried out.
- 4.3 That Fiji Airports to consider increasing its contingency/reserve fund, to meet future challenges.
- 4.4 That Fiji Airports to work in collaboration with the relevant agencies to produce a cyber-security framework as required by ICAO.
- 4.5 That Fiji Airports maintain and improve the standards that is required for the next level of accreditation for their Green Airport Initiatives.
- 4.6 That further consultation be done between Fiji Airports and Fiji Airways for Nausori Airport to be used for more international flights.
- 4.7 That Fiji Airports explore avenues to make the non-profitable airports more commercially viable.

5. Sustainable Development Goals

Fiji Airports is committed to the Sustainable Development Goals, below is the status of Fiji Airport with goals that they are committed to.

SDG4 – Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

Fiji Airports, positions are not gender specific. Fiji Airport are of international now in terms of our recruitment; to see our number of women increased and Fiji Airport are also planning to recruit a Gender Equity and Diversity and Social Inclusion (GEDSI) Specialist. In terms of promoting quality education and lifelong learning, Fiji Airports Aviation Academy train Air Traffic Controllers, and continues to provide training for them in terms of increasing and renewing of their license. The Fiji Aviation Academy to become a regional aviation academy and that DFAT is in support for this and the region through the Civil Aviation Unit to be in Nadi.

SDG 7 – Ensuring access to affordable, reliable, sustainable and modern energy.

Fiji Airport is looking at setting up a solar farm a consultant to design it. It is important to get the right designers due to the high voltage, it will need to properly design so that it will fit electricity into the high voltage ring and also upgrade it.

Furthermore Fiji Airports will be receiving first lot of electric vehicles. Fiji Airport is expected to become the first organization in Fiji with the largest fleet of electrical vehicles. That will trigger the process of electrical vehicles used on the air side.

SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

Fiji Airport continue the development of airports and development of our people to support the work that Fiji Airports does in the outer islands, particularly, technical staff.

SDG 9 – to build resilient infrastructure, promoting inclusive and sustainable industrialization and foster innovation;

Fiji Airports continue with the work at the Nadi Airport International Terminal roof, to allow the sunlight and air to flow, so with that concept, be used at outer stations, including Nausori Airport.

SDG 13 - to take urgent action to combat climate change and its impacts;

Fiji Airport is accredited at Level 3 of the Airports Counselling International De-carbonisation level, and now embarking on Level 4 accreditation. Fiji Airport is mindful of the impact of climate change and is undertaking such projects like the solar farm project and electronic vehicles to combat it.



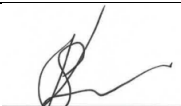


6. CONCLUSION

In this review report, the committee highlighted various areas that needs to be strengthened by the Fiji Airports and relevant recommendations formulated for resolution.

The Committee commends and supports Fiji Airports in its commitments to the SDGs, and looks forward to positive results in the upcoming reports.

COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:

Committee Member	E-Signature
Hon. Ilesa Vanawalu Chairperson	
Hon. Ratu Rakuita Vakalalabure Deputy Chairperson	
Hon. Sashi Kiran Member	
Hon. Viam Pillay Member	
Hon. Ioane Naivalurua Member	
Date: 2 nd September 2024	

ANNEXURE

Published evidence.

Written evidence, transcripts and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

[VERBATIM REPORT]

STANDING COMMITTEE ON **SOCIAL AFFAIRS**

ANNUAL REPORT

2021 Annual Report

SUBMISSION: Fiji Airports, Nadi Airport

VENUE: Big Committee Room, Government
Buildings, Suva

DATE: Wednesday, 5th June, 2024

VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD AT THE BIG COMMITTEE ROOM, EAST WING, GOVERNMENT BUILDINGS, ON WEDNESDAY, 5TH JUNE, 2024, AT 10.50 A.M.

Interviewee/Submittee: Fiji Airports Limited

In Attendance:

- | | |
|-----------------------------|---------------------------------------------------|
| 1. Mr. Mesake Nawari | - Chief Executive Officer |
| 2. Mr. Amit Singh | - General Manager Traffic Management & Operations |
| 3. Mr. Kelepi Dainaki | - General Manager Assets & Infrastructure |
| 4. Ms. Salote Delailomaloma | - General Manager Airports |
| 5. Ms. Sanjana Mishra | - Acting General Manager Finance |
-

MADAM CHAIRPERSON.- Honourable Members, members of the media, the Secretariat, ladies and gentlemen; a very good morning to you all. It is a pleasure to welcome you this morning.

Pursuant to the Standing Orders of Parliament, specifically Standing Order 111, all Committee meetings are open to the public, except in few specific circumstances which include national security matters, third-party confidential information and personnel or human resource matters and deliberation, and the development of Committee recommendations and reports.

The public hearing will be open to the public and the media, so for any sensitive information concerning this inquiry that cannot be disclosed in public, that can be provided to the Committee either in private or in writing.

I wish to remind honourable Members and our submittees this morning, that all questions asked are to be addressed through the Chair. This is a parliamentary inquiry and all information gathered is covered under the Parliamentary Powers and Privileges Act but, please, be reminded that we do not condone libel or slander of any sort. In terms of the protocol of this Committee meeting, please, be advised that the movement within the meeting room will be restricted, minimise the usage of mobile phones and all mobile phones are to be on silent mode while the meeting is in progress.

Firstly, before I move any further, I will give the floor to the honourable Members of the Committee to introduce themselves.

(Introduction of Committee Members)

As clearly outlined in our Standing Orders 109(2)(b), the Standing Committee on Social Affairs is mandated to look into matters related to health, education, social services, labour, aviation, culture and media. The Standing Committee is currently deliberating on the Fiji Airports 2021 Annual Report and the Committee is here to engage and have a fruitful discussion with you on the issues and achievements during the period of the Report and discuss any future plans of the organisation in moving forward.

Honourable Members, before us, we have the representatives from Fiji Airports - the CEO and his team. Welcome and *ni sa yadra vinaka saka*. They will be making a submission on their 2021 Annual Report. I will now give the time to the Team to introduce themselves before you proceed with your presentation.

(Introduction of Fiji Airports Officials)

MADAM CHAIRPERSON.- Once again, thank you for availing yourselves to be part of the meeting this morning. Before you begin with your presentation, I have allowed the Members to interject on your presentation or when you are presenting with the responses, should they have any questions.

Before I give the floor to the CEO and his Team, I would like to also declare my interest as the Assistant Minister for Tourism and Civil Aviation. *Vinaka saka.*

MR. M. NAWARI.- Thank you very much, Madam Chairperson and honourable Members. Yes, just to start with my background, I started with Fiji Airports Limited in August 2023. This is the report for 2021 and three of our members, or the Executive Team here with me were there in 2021. So, I am very grateful that they are being part of the Team this morning to present to you. The team members who were there in 2021 and are still here is Mr. Amit Singh, Ms. Sanjana Mishra and Mr. Kelepi Dainaki. So, it is on behalf of the Board in 2021 and also the Acting CEO at that time, that we present this Report and answer the questions that were sent.

Also, my apology for not being available on 17th May, 2023 when you came to visit Nadi Airport. We were away in Canberra for a visit and for most of us, it was the first time to go to an airport and it was a wonderful experience. It is a privately owned airport. They make most of their money from the Australian Defence and they turn the paddocks of Canberra into an aerotropolis or a city within a city in Canberra, so that was a wonderful, wonderful experience and eye opener for us.

Madam Chairperson and honourable Members, 2021 was definitely the most difficult year for Fiji Airports and, of course, for the country as we experienced the second wave of COVID-19. But, at the same time, just like how we do it now in the Fiji way, out of the challenges, we rose from there to turn things at the airport and the economy into an economic turnaround that I think was seen and respected right across the world with what Fiji was able to do. We recognised the leadership at that time in the country and, of course, at Fiji Airports, the medical services and the tourism industry got together to turn the industry around.

Madam Chairperson, for Fiji Airports, we have our Vision, which is to transform the Fiji Aviation by delivering World Class Airport experience. We are part of the international network of airports so world class we must be.

Our Mission is to be the number one aviation group in the South Pacific, providing great services to all. As you know, we are already a hub of the South Pacific, but it just how we continue to enhance that position. We are so grateful that the entire industry, led by Tourism Fiji and the Fiji Airways, really stamp our position in the region. We commenced operations from 12th April, 1999, with the result of the restructure of the Civil Aviation Authority of Fiji, and we celebrated our 25th anniversary this year.

With the focus on infrastructure development, in your visit last month, you would have seen the ageing infrastructure of the airports. We have done well in the front side of things, at the Departures check-in area and Arrival inside, but it is the back end that we need to focus on. Apart from expanding, it is investing in our assets.

You would have seen the need for changing aerobridges, the need for the back end on the baggage handling system, and the scanning system. In the airports, we talk about spending millions and billions of dollars for thousands and millions of dollars in return. We have to spend a lot of money.

I have come to appreciate that in my less than one year at the Fiji Airports, we are an infrastructure company, where we provide the infrastructure, we provide the assets, and we allow the service providers to come in and provide the services. So, that is our focus in the next 10 years, continuing on with the good work in the previous leadership of Fiji Airports in terms of the Master Plan, revising that and taking it forward, and in the process improve passenger experience.

You have all the travelled and seen the best airports in the world, the contactless systems and the processes. We have to continue to focus on that, do a bid, work with Government Ministries that are there - the Department of Immigration, Customs and, of course, the Airline and our baggage handlers, to progress that way.

HON. P.K. BALA.- Madam Chairperson, through you, when the facelift took place some years back, and as you have mentioned that there are some ageing infrastructure, I can recall that there was a plan to continue the upgrading of those facilities, is that still in the plan?

MR. M. NAWARI.- Madam Chairperson, yes, we have a 2018 to 2043 Master Plan for the airside of the airport, and we were going to continue that. Yes, we did, but it was slowed down because of COVID-19. We have picked that up and the plan is currently being reviewed.

Internationally, we have a five-year life of a plan, so it is being reviewed and it is a good time because of the turnaround last year. After COVID-19, the numbers surged, et cetera, so some of the things need to be revised. So, we continued to do that and also, add on the Master Plan for the land site - the Namaka site, the site in Newtown, Wailoaloa, the site in front of the Crown Plaza, which are part of the land on the other side of the runway. So, we have engaged a consultant to draw up a Master Plan for that and also a Master Plan for the land site in Nausori. I think Fiji Airports has performed well over the 25 years and it has set a standard for us to continue that growth in the next 25 years.

In terms of our performance, this is for the 2023 period, so just to see the breakdown of our sources of income. You will see that air navigation and airport charges account for 52 percent, so the blue and the green. Then we have the Passenger Fees of 19 percent and then commercial revenue in red, which is growing, is about 27 percent and others is 2 percent. But you see that we need to grow the red part and that is the key learning from COVID-19.

With properties, you know the income is going to come. We provide some discounts, but the income will continue, whereas with services associated with flights coming in passengers, yes, the volatility is there where things like that happen. So, really, diversification for us is a way to go to ensure that if something like COVID-19 happens again, we will be able to sustain ourselves while, the same time, we have created reserves to protect us in future.

HON. RATU R.R.S.S. VAKALALABURE.- Madam Chairperson, just a question, Mr. Nawari what do you mean Air Navigation and Airport Charges? Just for clarification, we do not know what are those.

MR. M. NAWARI.- Madam Chairperson and honourable Member, yes, the Air Navigation Charges is when flights fly over our information region, so we charge them whether they land or they go to another place to land, we charge that for crossing over our air space. Of course, the Airport Charge is what we charge at the airport - the landing and for security costs, et cetera, and then we have the passenger charges for the services.

HON. V. PILLAY.- Madam Chairperson, through you, in regards to the commercial revenue, we visited Airports Fiji and we have seen the space that you have provided to the people who are already there . But are you thinking of having more spaces available so that you can increase your revenue stream?

MR. M. NAWARI.- Madam Chairperson and thank you, honourable Member, for your question. Definitely, that is the growth area for us. One of the things that we are looking at is a transit hotel at the Airport and next to it will be commercial retail. As you stay in a hotel, you will need services, plus the demand for office space within the Airport is increasing and we do not have enough space, so creating that commercial space as well. That is just within the Airport and then I talked about earlier the Masterplan for Namaka. Yes, you will see all around the Airport how the growth of Namaka is, the opportunity that is there to create a town within a town or, if possible, a city in Namaka.

The next slide, Madam Chairperson and honourable Members, you will see our performance over the five years from 2019 to last year and you can see that we are back to pre-COVID-19 levels and we thank, again, the leadership of the company at that time to make the hard decisions and also the opening up of the borders in December 2021, that has seen us climb back to the 2019 levels in 2023.

The next slide, just from the Government as a shareholder, that is your return - the return on shareholders' funds or equity. In 2019, it was around just under 15 percent and 2023, around just under 10 percent. You will see that the revenue figures are the same in the previous slide and also the income level before tax was around the same, but it is because of the increase in tax rate that we ended up with a bit of a lower number. But it is still better than a number of companies here in Fiji in recording close to 10 percent equity at a very short period of time after COVID-19.

The next slide, Madam Chairperson and honourable Members, if you allow me, I will now pass on to Amit, the Head of Operations and Traffic Management to present the next bit.

MR. A. SINGH.- Madam Chairperson, so Fiji Airports operates 15 Airports around the country, including Nadi and Nausori international Airports. The 13 domestic outer island Airports and we are responsible for the infrastructure, safety, security and rescue firefighting, including the air traffic services that allows the flights to go from one point to another.

We have a Master Plan for the long term development, which is under review as CEO had highlighted, and that will consider the next 20 or 30 years for Nadi and Nausori Airports, including the outer islands infrastructure.

The other point that we are working hand in hand with other Government Ministries is the digital transformation. We have, on the runway, maintenance and the monitoring of safety, the SI Tracker which is a ability for our staff to capture data digitally on a tablet and record it, so that it is easy to access rather than going back to the office and writing logbook entries and things like that. We have the automatic aircraft visual guidance system that is in progress.

With our partnership from Canberra Airport, they will be providing us with 10 of these units to allow aircrafts to park at gates without the need for manual Marshalls. So, this will be a digital system that allows aircrafts to talk as a gate monitoring - using artificial intelligence cameras on all the gates to allow monitoring of operations along all the gates where aircrafts are parked and being serviced. That will help in the turnaround time for all the aircrafts and activities at the Airport.

Apart from that, Fiji Airports is working with the Ministry of Immigration and Border Control for the smart gates and electronic gates transformation that will be happening in future. Those are some of the digital transformations.

Aircraft Traffic Management – this is the upper airspace that was being mentioned for the air navigation charges. The Nadi Flight Information Region has 6 million square kilometers of upper airspace covering Fiji, New Caledonia, Vanuatu, Wallis & Futuna, Tuvalu and Kiribati. Then we have the Fiji Domestic Airspace, closer to the Fiji's Economic Exclusive Zone (EEZ) and we have implemented surveillance - the Automatic Dependence Surveillance Broadcast (ADSB). This is just similar to radar where we provide five nautical miles separation in the domestic airspace.

Apart from that, all our practices are monitored by CAAF, in line with the ICAO Standards and Recommended Practices and our communication, navigation and surveillance; air traffic management systems, CNS ATM systems are in line with the international Civil Aviation System Block Upgrades. So, this five-year plan for States to achieve certain goals so that no country gets left behind. These are block upgrades that we ensure that we are able to progress Fiji's position in the Pacific.

We have to be considerate of the island States in our Flight Information Region (FIR) so that we do not go too far ahead in terms of technology for them not to be compliant. Yet, at the same time, we have to play in the big league with our neighbours - Australia, New Zealand and United States of America, so Fiji provides that good transition for the Pacific Islands and the international.

The Civil Aviation Navigation Services Organization (CANSO) and Airports Council International (ACI) are two professional bodies that we align to.

The Nadi Airport Masterplan that was done in 2018, we are currently reviewing. The pink outline on the map or display shows the area Fiji Airports currently owns. You will note the Namaka area right opposite the Namaka township is our estate (Housing Estate) and that is a potential development site that the CEO has mentioned. Right opposite that, towards the Wailoloa foreshore is where Crown Plaza has come up, is another big chunk of land where the golf course is and the foreshore which Fiji Airports has for future tourism development opportunities.

On the Northwest precinct - Naisoso side, right opposite the Airport Terminal, that is an area for our future cargo development, and we have acquired additional land along the Nasoso Road, to allow access to that area to unlock that land.

The terminal building, the dark blue area, is the current footprint and the lighter blue and the white is the future planned development that is progressing under the Masterplan and the projects for the next 10 years.

HON. P.K. BALA.- Madam Chairperson, through you, what is the total area of the proposed development because I can see you have talked about the staff quarters? The CEO wants to create that to Nadi City, and then you have talked about the land where the golf course is. So, what is the total area, if you have?

MR. M. NAWARI.- Madam Chairperson, if that is just the question on the area of land, we will have to provide you with that. I have asked the question yesterday, we have our consultant who is abroad to provide us with the details, so we will provide to you. I have some figure, but I am not certain exactly with that.

HON. P.K. BALA.- So that we can understand the nature of development that will take place.

Just on Namaka Market, that comes under you or CAAF?

MR. A. SINGH.- Fiji Airports.

HON. P.K. BALA.- So, the initial arrangement was given to Nadi Town Council but now I am hearing that you people want to charge, or want to get some shares from the market or something. Is there anything of that sort, because this was raised during our visit to Nadi Town Council?

MR. M. NAWARI.- Thank you, Madam Chairperson and honourable Member, for the question, that is news to me - the charging, but as far as we know, Nadi Town Council looks after that place for us. We see the importance of having it there and we have seen the increased number of women who are starting their business and it is important for the Namaka community.

HON. V. PILLAY.- Madam Chairperson, with all the plans in place, CEO, will you have to acquire more land or land is available to work according to this plan?

MR. M. NAWARI.- Thank you, Madam Chairperson and honourable Member for the question. As you have heard from Mr. Singh, we have to acquire the land on the way to Naisoso to be able to access the airport land where the Master Plan was identified as the cargo area. In that Master Plan, it was identified where we should acquire the land. As you had seen all over the world, there is never going to be enough land for airports. You have seen that even with Sydney, they have to go and open a new airport. So, I can say confidently, over the long term, that there is not going to be enough land.

HON. P.K. BALA.- Madam Chairperson, through you, land does not grow so there you are with the problem. I do understand that there are a lot of sitting tenants. Will they be there, or a time will come that they will have to move?

MR. M. NAWARI.- Madam Chairperson, the Master Plan will help us inform them on the preparation to move. Right now, if we are going to ask them, "You have to go", we do not really have a plan in place to say, when they should move, what is going to go in there, et cetera. So, the new land site Master Plan will be helpful, but at the same time, we have to think about housing close to the Airport our staff in case of emergency, and at the Airport, we need particularly technical people to support the delivery of the service close to the Airport, so that has to be taken into account as well. We have the school in there, we have a church, a mosque and a temple in there, so all that needs to be properly managed.

MADAM CHAIRPERSON.- Still on the issue of land, I understand that the land opposite the Fiji Airways Hangar belongs to Fiji Airways. Have you had any talks with the Fiji Airways on acquiring that land to assist in the extension of the airport area?

MR. M. NAWARI.- Madam Chairperson, we have not spoken to them about acquiring the Voivoi land which is opposite, but we have talked to them about the land that we have acquired, and if we acquire any other land that is close to the Airport precincts because that would be ideal for them and I hope that in the process of discussing options, we can also talk about what they have.

Madam Chairperson and honourable Members, I will take us through the first two questions and my colleagues will have other questions to go through.

Question No. 1

Please, provide the list of all the policies that are in place to guide the implementation of the work of the Fiji Airports?

I am very grateful that you have asked this question. It is something that is very critical for us and personally coming in, it was something that I wanted to look into. For the transformation, we need modernised policies and aligned to the ICAO requirements and our SOPs to be modernised and linked clearly to the policies.

What we have now is listed there. Of course, as a private company, we have the Articles of Association to follow and our new Article, which is now going to harmonise the requirements of the Companies Act and the Public Enterprises Act, and that should go to our AGM at the end of this month. So, that is the first start.

Then we have a Finance and Procurement Policy, the HR Policies, the Corporate Governance policies and for Corporate Governance policies, we had just completed the review and the Board approved it in their last Board meeting at the beginning of the last month. We are in the process of reviewing more of our HR Policies, our Information Technology Policies and, in particular, cybersecurity, which is a big thing now. We really require specialists to assist us so we have gone out and got that, and the list of all those policies that are in place.

Together with our Standard Operating Procedures (SOPs), we will have Business Continuity Plans in there because if something goes wrong, how do you fix that? For us, as I have said earlier, to be able to be effective in our transition, the documentation needs to be done properly and the key thing there is the policies to be in place.

The next slide is on what we have done. It is also empowering our people, so it becomes integrated into the business - the continuous review of policy, we have an internal working team for that.

Question No. 2

Update on the implementation of the three focussed areas for Fiji Airports which were identified during the COVID-19 pandemic, namely:

(a) Prioritizing Health and Safety for all

During the pandemic, as you know, we have to work in bubbles, there was no mixing of teams that took place. It was not easy, but we got through that.

All our trainings was suspended, except for the surveillance training, that is, the specialised training for Air Traffic Controllers and we are very grateful that we took that risk and continued with the training and today, we have Air Traffic Controllers who are licensed to do surveillance for us, which will definitely contribute to efficient fuel usage by aircrafts that come into our airspace.

Of course, the use of Personal Protective Equipment (PPE) - the hand sanitizers and masks were mandatory, plus the COVID-19 testing was available to all staff and we thank the Ministry of Health for their great support in this area.

(b) Recovery of the Tourism Sector

I think, last year, we celebrated the record-breaking visitor arrivals. Even though we took the

huge risk in December 2021 to open the borders, but we saw the returns in 2022 and more so in 2023, and it will be a challenge to continue that growth in 2023 but we will maintain it.

HON. P.K. BALA.- Madam Chairperson, through you, you celebrated the record breaking of visitor arrivals last year. Is there any projection for this year?

MR. M. NAWARI.- Thank you, Madam Chairperson, and honourable Member for the question, yes, we have forecasted a growth this year, as I have said, it will be very difficult to grow with the growth experience of 2022 and 2023 – the huge growth. However, for this year, we have done a growth forecast for the organisation at around 8 percent, but 4 percent growth in visitor arrivals. So, it is quite conservative, but based on the forecast numbers that we saw in the system that we extract our numbers from.

We are hoping that it is going to be better now with the Australian Budget that came out last month, they got the \$300 subsidy incentives in there. The airfares is becoming more and more competitive, so we are hoping that the numbers will be better than the 4 percent forecast that we have got.

Our partnerships approach with Airlines, as you know, they face difficult times. We are there to provide huge discounts to them and now, they are doing very well. The support that we continue to provide our own airline (Fiji Airways) was doing incredibly well out there in the international market.

We have got from the ACI our Airport Health Accreditation Programme so we became the first airport in the Pacific region to achieve the ACI Airport Health Accreditation in both, 2020 and 2021, allowing us to open our doors in December 2021.

The vaccination rolls out at the Airport to ensure our people were vaccinated at the borders. Just an experience, I was working in the Solomon Islands in 2020-2021, and I was wanting to come home. I could not come home at that time and then the Solomon Islands could not provide vaccination for us before we could leave the country to come here. We were waiting at the airport anxiously to be on that repatriation flight to come home and the call that we got was, the green light has been given, you can get your vaccination done at Nadi Airport and get cleared. So, it is just the different feeling when you are outside and for 18 months, you have never seen your family - the impact, but positively, we got out of that. The team at Fiji Airports and from the all the Ministries did very well.

(c) Resetting and re-prioritising our infrastructure development plans

I think we have talked about that. For Nadi, the air side continues. This year, our capital expenditure budget is \$140 million, \$100 million is for asset replacement, and \$40 million is to start the infrastructure projects roll out again because we have just set up our Project Management Unit. We disbanded that Unit in COVID-19. It is very hard to find civil engineers, so we took time from when I started in August until April this year, to start that and to get the technical people back. But we are glad that we can sit here today and say, “we have the key team in place,” so you will begin to see a lot more work happening in the project area.

HON. P.K. BALA.- As you have mentioned, it is very difficult to get specialized workers. I have heard that there is a lot of acting positions here. When will they be confirmed?

MR. M. NAWARI.- Madam Chairperson and honourable Members, all the members sitting here are General Managers and not acting, except Sanjana, who is just Acting General Manager from February this year, so in six months, we are going through the process. Almost all the acting after that, have been confirmed. We followed the process, so that was one of my priorities when I came in here.

HON. V. PILLAY.- Madam Chairperson, we have talked about Nadi Airport and the Master Plan and the work in regards to Nausori Airport. Are there any plans to upgrade airports in maritime areas and the smaller airports to better provide the services to our people?

MR. M. NAWARI.- Madam Chairperson and honourable Members, definitely. You would have seen that we have just announced a \$10 million project for five outer stations for the upgrade of the pavement, the runway, and that has not been done for a number of years. We did some work in Savusavu late last year and early this year, and there are other works that will continue.

Also, for Nausori, as you know in 2020-2021, we spent \$60 million on the runway, hoping that more international flights were going to land in Nausori. Unfortunately, the international flights that used to fly out of Nausori, like to Sydney and Auckland once a week, did not continue after October 2022, and it is only Fiji Airways that can fly there. All we have to do is to look in every aircraft that we board to come back, how many locals are coming home and how many are tourists, so the majority are tourists and going to Nadi, so for Fiji Airways, it is a commercial decision to fly.

That maybe an area that Government can look at in how it can support Fiji Airways to start flying some international flights and bring the visitors here and, in that way, it also helps Fiji Airports to make the necessary investment. You make \$60 million, and you get almost \$10 million a loss every year, it does not make commercial sense unless there is support provided, at least, in the capital expenditure side. That is for Nausori Airport.

We are looking at the options for Nausori now and we should take it to our Board in June and, hopefully, go to the honourable Minister for Tourism and Civil Aviation and also the honourable Minister of Finance, to see how we can work on the capital expenditure to, at least, expand the current building and/or build a new international terminal for Nausori.

For Fiji Airports, once it is done, it should be able to build the commercial side to support and sustain the operations of the Airport. So, we just need a funding partnership in there, or something similar to what is happening in Labasa with the World Bank providing some funding and Fiji Airports providing some funding in there. But that is what is necessary overtime as we plan with the outer islands.

HON. V. PILLAY.- Madam Chairperson, through you, CEO with the \$10 million allocation, is there any timeframe as to when the work will commence and by when it should be completed?

MR. M. NAWARI.- Madam Chairperson and honourable Member, the work has started in Labasa and it should be completed before the end of this year. We will also start the works on the new terminal building in the next couple of weeks. Unfortunately, the new building will have to be pulled down and we have to build a new one there because we do not have any land to build a totally new one. They have identified a potential piece of land at Labasa Airport where they can build a new terminal building but once we are able to get the lease, then hopefully the World Bank can agree to fund a totally new building in there and use the building that we are going to build for something else in commercial or lease it out.

HON. V. PILLAY.- So that \$10 million is allocated just for Labasa Airport or is it also for outer islands?

MR. M. NAWARI.- Madam Chairperson, it is for five airports - Labasa, Savusavu, Matei, Rotuma and Lakeba, so that is for this year. We call that Phase 1, and then we will go to Phase 2 next year. That is just the runway.

HON. P.K. BALA.- Madam Chairperson, is there any truth in regards to Savusavu, as you have mentioned about Savusavu, instead of doing a runway, you have prioritised doing the terminal or the building, and that is why one of the operators have stopped operating. Is there any truth in that?

MR. M. NAWARI.- Madam Chairperson and honourable Member, thank you for the question. The \$10 million is all included in the fixing of the runway, and the building, it was just the repairs that happened earlier this year.

Madam Chairperson, one thing that we have learnt from COVID-19 and we are progressing with is the process of getting air filtration and that is to help reduce transmission of airborne viruses at the airport.

Madam Chairperson and honourable Members, if you allow me, I want to pass on the next two questions to Ms. Mishra to go through. *Vinaka*.

MS. S. MISHRA.- Madam Chairperson, I will go through the next question.

Question No. 3

What were some of the financial strategies that were put in place to boost the overall financial resilience in times of extreme challenges?

Of course, as highlighted by the CEO, this was a very challenging time, and we have to put in stringent measures to contain the costs. Some of the examples which we did straightaway was:

1. Management pay-cuts of up to 40 percent. We waited a few months and we had to reduce the 30 percent hours for the staff in overtime.
2. All other allowances had to be ceased.
3. EFL bills were reduced by 70 percent with various energy conserving measures. We used to pay around \$500,000 a month for the EFL bills, we had to cut it down to about \$150,000, and that is how much we used to pay at that time.
4. Leased lines we either disconnected or the bandwidth was reduced.
5. All contracts had to be reviewed. We re-negotiated with suppliers on reduced cost.
6. Postponed capital expenditure projects and prioritise only essential investments. For example, we continued with the Nausori runway because it was nearing completion, so we had to do it.
7. Diversification of the real estate, as the CEO has highlighted, now we are looking at that as an alternate revenue stream so that the next time we are hit by COVID-19 or any other pandemic, we are covered.
8. We have also set aside \$85 million reserve to ensure that if we are once again hit by a pandemic, we will remain sustainable for, at least, 18 months.

Question No. 4:

What is the status of the upgrade and extension of the Nausori International Airport runway?

I think the CEO has already mentioned it, we did the upgrade and extension at around \$60 million, and it was completed in November 2021. Now, the Airlines with full capacity - B737 operations can operate out of Nausori.

Fiji Airports started operating straight after it was extended but then they stopped in 2022. I think it was a decision they had made in terms of the commercial viability of running that route.

In terms of the works on that runway, it included lengthening, widening and strengthening the runway, installing new runway lights and instrumental landing system to ensure improved flight safety and all-weather operations. Currently, we only have three regional ATR72 flights a week to operate to Funafuti, apart from the domestic flights that we have from Nausori.

HON. P.K. BALA.- Madam Chairperson, while we are on cents and dollars, I have seen in the Report where it says that the Directors have not received or have not benefited from the entitlement for that period. What is the situation now?

MS. S. MISHRA.- At that time, the Chairman of the Board had asked us not to pay him allowances because he supported the staff who were on pay cuts and reduced hours. Now, the Directors are receiving their allowances.

HON. V. PILLAY.- Madam Chairperson, we see there that \$60 million has been spent on upgrading Nausori Airport runway, especially to get international flights, and ceased operating in 2022, as mentioned by Madam, in regards to some commercial viability. So, what is the status now because a lot of money has been spent with the thought that international flights will be coming to Nausori?

MR. M. NAWARI.- Thank you, Madam Chairperson, and honourable Member for the question. You will recall that I mentioned that it is Fiji Airways that had cancelled their international flights to Sydney and Auckland in October, and there has not been any flights that has started so it is really the Airline's decision. I guess from Fiji Airport's side, yes, we have improved the runway, that is another piece to the equation, it is the terminal building that we need to improve. That is from us, but there is nothing stopping a full load Boeing 737 land there again on Friday afternoon and in the weekend, like they used to.

I am also told that the Funafuti flights are being subsidized by the Tuvalu Government and that is why they are able to do it out of Nausori three times a week. So, that is probably something that the Government can look at and encourage but, again, Madam Chairperson, we are talking about October 2022 when they ceased and that was after COVID-19. So, I am not really sure now because as you know, Fiji Airways is looking at those international strategies right now where the money can be made and you hardly find the aircrafts sitting on the tarmac for long, so that is the other thing that they need to look at.

It is a decision that Fiji Airways needs to make. I had mentioned a figure earlier, about the cost. For the net loss for Nausori Airport alone to Fiji Airports, it was \$9.9 million last year. That is just for running the Nausori Airport.

Madam Chairperson, if you agree with the honourable Members, I will ask Ms. Salote Delailomaloma to present the next two questions.

MS. S. DELAILOMALOMA.- Thank you Madam Chairperson and honourable Members.

Question No. 5

How has the Green Airports initiative positively contributed to the work of Fiji Airports, if any?

As a result of the Green initiatives implemented, Fiji Airports successfully attained Level 3 accreditation from Airport Carbon Accreditation. So, this is the only internationally endorsed standard that evaluates and recognises Airport initiatives that manages and reduces their carbon emissions.

In 2023, Nadi International Airport achieved the Level 3 accreditation successfully. Currently, we have a solar farm project at Nadi International Airport. A consultant has been selected and that is first phase of the Solar Project. We are also looking at the provision of alternative energy as well for the outer islands. There is also currently an upgrade of the halogen airfield lights to LED lights, as well as a fully-fledged waste recycling system that is currently being introduced.

We currently have a working committee that is actively reviewing the plans under each of these seven themes. So, under the Greener Airports Plan, there are seven themes that is currently being looked at with identified actions and plans to be able to implement and successfully deliver this. For 2024, we are going to be submitting our plans for a Level 4 accreditation.

Question No. 6

What were some lessons learnt during the period of lockdown through to the recovery period and at present?

I think from our CEO, he had mentioned that during COVID-19, there were lot of challenges that were being faced, particularly the implementation of the health protocols, accommodating the social distancing, and then one of the lessons learnt is that it was imperative that we maintain a sustainable balance sheet. This was one of Fiji Airport's strength during the COVID-19 period, and then it became very important then to prioritise the long-term viability of the operations with immediate gains.

Secondly, we are also looking at accelerating the non-aeronautical side of the business. Maintaining a reserve to cater for such events is also important and also the implementation of cost-cutting measures that was shared by my colleague previously. Of course, a resilient workforce is equally important and during that time, the review of SOPs, processes, continuous training and ensuring that the workforce is ready to be able to deliver once we go back to normal operations.

MR. A. SINGH.- Madam Chairperson, I will go through the next two questions.

Question No. 7

Does Fiji Airports have any contingency plan in place should there be any activity such as COVID-19, that affected the operations of Fiji Airports?

Yes, Madam Chairperson, we currently (as mentioned previously) have a reserve of \$85 million and that is to cater for such unexpected events, such as COVID-19, or a pandemic. Fiji Airports have also gone through, ensuring our Business Continuity Plan and Operation Continuity Plan are reviewed and that includes reviewing all the SOPs to ensure that we have resilience inbuilt into the system.

Additionally, from a strategic perspective, we are in the process of developing our 10-Year Strategic Plan this year, which should guide us to carry aspects of operations and development

opportunities at Fiji Airports that can be done during the pandemic. So, it is future proofing.

Question No. 8

What were some of the challenges faced by Fiji Airports in terms of human resource during the pandemic? What is the status at present?

The organisation faced its toughest challenge when it had to implement measures, such as reducing staff hours and lowering the retirement age, implementing staff redundancies. However, you may note that those that did leave, we gave them a full redundancy package.

For working hours, it has been restored, just prior to the border opening in December 2021, and all other allowances that were removed were restored in 2022.

We now have an open-ended employment contract rather than a three-year contract for our employees. We are slowly rebuilding our workforce and the retirement age has gone up to 60. Staff with good health who are willing to work and required by the organisation, can continue up to 65 years of age, subject to annual medical checks.

Currently, we have 474 active employees in Fiji Airports, compared to 538 in 2019, so we have a lot of recruitment going on, as we speak. Attrition rate in 2022 was 10 percent and in 2023, it was 11 percent.

In terms of gender, Fiji Airports has Departments that have been traditionally male dominated, for example, Firefighting, Engineering, Runway, Maintenance Team, Building & Civil Works, Security and Air traffic Control. It is encouraging that we have for Air Traffic Management, it is actually around 45 percent right now. I would like to correct that figure there, 45 percent of the workforce currently are female in Air Traffic Management but for all Fiji Airports, it stands at around almost 20 percent.

MR. M. NAWARI.- Madam Chairperson, just to add to what Mr. Singh just said, yes, we need to recruit, at least, 108 staff in this calendar year. We continue to struggle at technical level, as I have already mentioned, but that has also given us an opportunity to relook at our recruitment and retention strategy and also attracting new people and putting them through the process, keeping in mind that Fiji Airports is a specialised organisation, particularly in certain areas of air traffic control, air navigation and engineering services.

What has worked very well in the past is the cadetship and apprenticeship system, so that is what we are looking at. Hopefully, when people come in, join and in the process, go through, they will stay with Fiji Airports. Again, we are talking about a different generation now. But we see with the generation that we have now, the people who are here with me, my colleagues, have been with the company for almost 20 years or more than 20 years and they have gone through the process, so we have seen it has worked.

Of course, there will be some people who will go but it is just rethinking about our strategy in terms of recruitment, development, competencies and also building Fiji Airports and what it is known for as a community organisation that brings everyone together and it is a glue at what we do. I think there is a lot of social returns in there, Madam Chairperson and honourable Members.

Madam Chairperson, if you allow me, I will ask the technical man himself, Mr. Dainaki, to go through the last two questions. Thank you.

MR. K. DAINAKI.- Madam Chairperson and honourable Members, I will ask the last two questions.

Question No. 9

What is the status of the ongoing projects for the year 2021?

Regarding the Nausori Runway Extension, it was completed in November 2021. We went ahead doing this project on the requirement from Fiji Airways and we fulfilled the requirement - extending the runway, putting in the new runway lights and even putting in the Precision Approach and Landing System, which is only available in Nadi, so now it is in Nausori, that allows aircrafts to land at any kind of weather at any time. So, that is what Nausori Airport is built for operation right now.

The ongoing project - the Nadi Apron project, if you go to Nadi Airport. you will see towards the side of the Fiji Airways' Hangar; we are doing off gate to add into the parking of the aircraft. With regard to the Nadi Airport modernization plans, what will happen is when that is finished, then we are going to start to work on the Lounge, the expansion of the Arrival, so those are part of the Nadi Airport Masterplan, but this needs to happen first. So, we are hoping that this project will complete by the end of this year and next year, we are going to start on the second phase of modernising the back end of the Nadi Airport.

The work that has been completed, it is more from the front end, so now we are going to the back end. In doing that, we need to re-establish our Project Team which was disbanded during COVID-19 and, again, like you have said, it is very hard to find technical people with the expertise. But we are happy that we have started to build up the team, to ensure that we continue with our modernisation, not only for the Nadi Airport, but also for Nausori Airport, as well as for outer stations.

Question No. 10

Update on the Air Traffic Management System upgrade.

Fiji Airports has spent millions of dollars to try and maintain one of the critical services. The Nadi Flight Information Region was delegated by ICAO to Fiji to look after the Nadi flight Air Traffic Management (ATM) as shown on the map. We have three big international partners - the US, Australia and New Zealand, so that means for Fiji to keep up with the technology under the ICAO requirement for ATM, we are going towards stimulus airspace, where there is less control. It is basically going for a machine-based service, where aircraft does stop on the ground system.

We have spent millions of dollars on the upgrade of the ATM system – the Aurora, that is, the Oceanic system. The major change here is, we are moving away from flight strip into electronic strip. It is all automated, so that is the system that we have now in Nadi. With that, we have a simulator training system where we train to keep up the competency of our Air Traffic Controllers to do their Oceanic training and very importantly, the surveillance control for the domestic airspace that we rolled out in 2022 using the satellite system, which is called the ADS-B. If I can share more on how ADS-B works, we have fitted this into the aircraft. In 2013, CAAF mandated that any local registered aircraft has to be equipped with ADS-B. At the moment, there are 10 runway stations around the country to be able to receive the ADS-B position of the aircraft, and that is displayed to the Air Traffic Controllers in Nadi.

We are the first country in the world to make ADS-B a primary surveillance system, it has always been radar. We did a presentation during the ICAO meeting last month and it generated a lot

of interest, especially from major States that have been using the radar system. They want us to come and present in the August meeting to share this technology. Even countries, like Japan, asked us how we did it. So that is what we have done to the system, to go along with the requirement by ICAO, and we are leading that in the region, where we are also helping our neighbouring States to ensure that we move together.

In addition to that, we also have ongoing new projects based on the technology change. We are replacing our HF radio. If you know the understanding between analogue and digital, that is what it is. We are bringing a digital HF radio now, according to the ICAO plan. We are changing our messaging system in readiness for machine-based messaging. The main information management system which we call, System Wide Information Management (SWIM), for the global aviation, going into the future, as I have said, is going to be more like a machine setup. That is where the technology is going to, and we are developing along that requirement.

Of course, moving forward, like you may have seen in every airport, there used to be a tower, but there will be no more tower, going forward. I think Sydney has started that, they call it 'remote towers', which we are planning to put into the project in Labasa and Savusavu under the World Bank. We are planning that for Nausori and, may be going forward, for Nadi as well. This is what the technology is bringing in and we are there with it.

The good thing is, we are participating in the ICAO meeting, and we are even leading some of the ICAO meetings as Chair of those meetings. So, our involvement is reflected to what we have for ATM, and we thank the Board for all the investments that have been done to ensure that we compete, especially with Australia, New Zealand and the United States.

MR. M. NAWARI.- Madam Chairperson, just to add on to what Mr. Dainaki said, he Chairs two committees of the ICAO, so he is able to drive these things at that level, and we are very grateful for that.

Just on Question No. 9 on the ongoing projects and he talked about the Nadi Apron Project, he was saying that after we complete that, we can expand the international Departures Lounge that you saw in your visit last month. Because it is an operating airport, unfortunately, we have to do one part and then move to the next part, and then the next part, so we will have the two off-gate parking created, and then once we expand, we will close two gates, so aircrafts need to be there.

We have to build the bus station to take passengers by bus to the airplanes and when we have that, then we move. We finish another two gates and move to the next two gates, and then we work around right up to the Domestic Airport in Nadi and then build the new domestic airport.

When can we do the work? Only from 11.00 p.m. to 5.00 a.m., that is when hardly any aircraft is there, but at the same time we are wanting to develop our cargo dismissed. So that is going to be a challenge moving forward in terms of the timing and working on operating airports. I have been told by the experienced people in the airport business that it is cheaper to build the new airport altogether than work on an existing airport. I guess, we all know the story of renovation and repairs to our homes or properties.

Madam Chairperson and honourable Members, just go through the last bit as was contained in your letter to us to cover. What are we doing under some of the SDGs?

SDG4 – Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all. At Fiji Airports, positions are not gender specific. In fact, we are quite

intentional now in terms of our recruitment; to see our number of women increased and we are also planning to recruit a Gender Equity and Diversity and Social Inclusion (GEDSI) Specialist. Also, as Mr. Singh had mentioned about our Strategic Plan as part of the Strategic Plan Process, a Planning Unit is in the process of being set up and together with that, a Monitoring and Evaluation Team. So a bit more structured approach would be used to measure what we do against SDGs. So, this is really our first try at it.

As I have mentioned already, in terms of promoting quality education and lifelong learning, we have our Fiji Airports Aviation Academy that we train our Air Traffic Controllers, and we continue to provide training for them in terms of increasing and renewing of their licences. We are looking at our Aviation Academy to become a regional aviation academy and we are glad that DFAT is looking at supporting us and the region through the Civil Aviation Unit and to be in Nadi and, hopefully, we will hear more about it before the end of the year. So, again, lifelong learning for our people in the aviation sector will be available locally when we know that tertiary institutions in Fiji do not provide that full range of aviation-related training.

On SDG 7 – ensuring access to affordable, reliable, sustainable and modern energy for all, as you have heard from our side, we are looking at setting up a solar farm so the consultants to design that, it is important that we get the right designers because at the airport, we have high voltage ring in there, so properly designed so that it will fit electricity into the high voltage ring and also upgrade hopefully the high voltage ring as part of the process while you are talking about a 50 year old system, sitting out there and needs to be upgraded.

We have talked about the solar lights and the LEDs, and by the end of this month, we should have the delivery of our first lot of electric vehicles. We should have the first two by next week with a solar charger installed in our office and once you get the 15, we will become the first organisation in Fiji with the largest fleet of electrical vehicles. That will trigger the process of electrical vehicles used on the air side.

On SDG 8 – promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; we continue the development of our airports and development of our people to support the work that we do in the outer islands, particularly, our technical people in that regard.

SDG 9 – to build resilient infrastructure, promoting inclusive and sustainable industrialization and foster innovation; we continue with the work that you will see at the Nadi Airport International Terminal. You will see the high roof, how we allow the sunlight and air to flow, so with that concept, to continue that and continue on with the use of that in our outer stations, including Nausori Airport.

The last one Madam Chairperson is SDG 13 - to take urgent action to combat climate change and its impacts; as we have already mentioned, we are accredited at Level 3 of the Airports Counselling International De-carbonisation level, and we are embarking on Level 4 accreditation. We know that we are on our way there because of our solar farm project and our electronic vehicles.

Madam Chairperson and honourable Members, that is our presentation and responses to the questions that we were sent.

MADAM CHAIRPERSON.- *Vinaka vakalevu*, CEO and the Team, for your comprehensive presentation and very clear responses to the questions that were submitted by the Committee. I will now give the floor for the Members to ask their questions.

First, I have one question which is directed to Mr. Singh. He mentioned that Fiji Airports is moving to a side tracker and Mr. Kelepi also mentioned that Fiji Airports is also moving to a simulated controlled system. For dynamic and a growing organisation such as Fiji Airports, what measures do you have in place to ensure that the information that is collected through this system is not manipulated by generative Artificial Intelligence?

MR. A. SINGH.- Madam Chairperson, the systems that we are implementing at the Airport, as far as we are concerned, need to be in a closed community, meaning, it is not open-use outside the network. So, our SI tracker, the data collected, remains within our network.

Similarly, for any development, like we mentioned on the installation of cameras and use of Artificial Intelligence, the network will be Fiji Airports Network and access will be via permission. So, only the Airline and the Airport will be able to access. Similarly, our infrastructure for Air Traffic Management and for messaging relating to aviation, are all within these fixed networks.

MR. K. DAINAKI.- If I can add to that, it is more on the cyber security side of it, that data can be under threat. So, under the ICAO requirement, the State needs to come up with their own cyber security framework, and we are waiting for the Ministry of Home Affairs to come with the State, while we do our own best practice to ensure that we maintain on that. But it is a requirement really that the State needs to have a framework. We have had a few meetings with the Ministry of Home Affairs, and I think they are going to Cabinet for the framework. I was told, it is in August. Thank you.

HON. RATU R.S.S. VAKALALABURE.- Thank you very much, Madam Chairperson. Thank you, Mr. Nawari and your Team, for the presentation. I just have a few questions; I am particularly interested (if you can just throw it up) in the Pie Chart on the revenue breakdown. How much do you charge an airplane coming in? Who determines the price you charge?

MR. M. NAWARI.- Madam Chairperson and honourable Members, I will answer the second part of the question on who determines and the details I will give it to the money woman - Ms. Mishra, to provide. Yes, the price is controlled by FCCC. Ms. Mishra will provide the details of the charges.

MS. S. MISHRA.- In terms of the charges to the airlines, it depends on the weight of the aircraft for landing and we have a rate to it as well. With that, the landing charge in terms of air navigation, it services miles and distance factor is calculated, and then FCCC approve charges. Then we have the parking charge which is separate, incineration and terminal has a charge. All these rates were determined through a financial modelling exercise and then we make a submission to FCCC, and that is how we determine the airline charge.

HON. RATU R.S.S. VAKALALABURE.- On average, fully loaded 737, how much would it cost?

MS. S. MISHRA.- Taking it into account all the charges, it would be around \$11,000.

HON. RATU R.S.S. VAKALALABURE.- The reason why I asked that is because as I see in your Pie Chart, it is the biggest revenue earner for you. My question is leading to Open Skies which your line Minister has announced. Will this affect that, or no?

MR. M. NAWARI.- I see it as more aircrafts, hopefully, that land, so it would be good for us. It is the protection to our local Airline was the issue, I think, with the Open Skies.

HON. RATU R.S.S. VAKALALABURE.- Madam, you have highlighted something with regards to Level 4 accreditation. Are we not yet up to that?

MS. S. DELAILOMALOMA.- Madam Chairperson, thank you for the question. We are currently at Level 3. Level 4 is what we are striving to attain for 2024.

HON. RATU R.S.S. VAKALALABURE.- If we get Level 4 accreditation, what are the benefits that come with it? How will this impact AFL's operations, is it good or bad?

MS. S. DELAILOMALOMA.- Definitely, it will be of a positive impact. It just means that we have transformed our operations. We have introduced and have also worked with our fellow stakeholders to be able to implement the seven things that come under the accreditation.

HON. RATU R.S.S. VAKALALABURE.- Is this accreditation from ICAO?

MS. S. DELAILOMALOMA.- It is accredited through ACI.

HON. RATU R.S.S. VAKALALABURE.- Most of these things we do not know.

MR. M. NAWARI.- If I may just add, that brings us to par or to a same level as the Hong Kong International Airport and other leading Airports, like Dubai Airport, in terms of practices for the protection of the environment.

HON. RATU R.S.S. VAKALALABURE.- Do you have any data showing how much earning does every airport earn in a financial year? For example, we have 15 operating Airports, and I understand, you gave the holistic one. I am not sure if you may have it with you, but just to give us a clear idea, because it is very costly to run this business.

What you have been giving to the Committee is the holistic one, for all the operations, but if you can just break it down, for example, how much does Labasa Airport earn, how much does Nadi Airport earn, just some information for the Committee and we will even throw this in Parliament. So, how much are we earning from these 15 Airports?

MR. M. NAWARI.- Yes, we have the data of the income and the cost on an annual basis and we also have the capex - how much we spent over the years on the development. We can provide that.

One thing we have also talked about as part of our reporting moving forward is to have notes to the accounts, showing that so that we become more transparent in showing what we consider as our social obligation, what is in the commercial side, and also able to manage when the Government pushes for more dividend, we can say that we are all spending part of the money already on the outer island Airports.

HON. RATU R.S.S. VAKALALABURE.- In addition to that, CEO, I am just looking at the Report itself, this is my take from the Report - it is a well-produced report and I thank the Team for that. I just have another request, if it is possible, and I am sure you do not have it now, there was a refinanced loan from ANZ in the reported year, of \$40 million. I am not sure if you have the data of how the \$40 million was used, if we can also have that, because you have highlighted it in your Report, it is the public knowledge, so if the Committee can have access to that, Madam, as you are the money lady. I understand, according to the Report, it was for the capital works upgrade. If you can divide what upgrade works were done, and how much was spent on that?

MR. M. NAWARI.- We will take that on board. It is an important information that needs to be shared. Just very briefly, the \$40 million was spent mostly on those two new off-gates parking that we have talked about, outside. The amount of concrete that is poured in there was quite expensive. The \$60 million went to Westpac for the refinancing of our modernization project and I think we still have a little bit left to spend because it is still ongoing.

Part of the loan came from the AIFFP. What they did was, they gave us \$10 million and then provide a guarantee for the other sum because it was during COVID-19. We were grateful that they did that, but it is Australian money, the interest rate in Australia is high, but now we are better quite strong with our balance sheet, and we are able to refinance locally at a much better rate now. However, we will provide the details, Madam Chairperson.

HON. RATU R.S.S. VAKALALABURE.- Madam Chairperson, a last one from me and this is my comments, firstly, I am thankful to Airports Fiji Limited for the backup money of \$85 million that you have because should we ever be hit by pandemic again, we are prepared. We never know. When COVID-19 came, no one was prepared for that, and I am thankful that you have something in storage should, God forbid, something like that ever come again.

So, from the perspective of us, as Members of Parliament, we are looking at it as AFL has taken the initiative forward. However, we never know but maybe in the long run, you could always top it up to \$100 million, but I will leave that to your capable hands and to the Board, but that is a very good initiative from AFL. That is one thing I really like.

Most of the time, I ask this question when people come and make their public submission, are you ready if something like this happens? Most of the time, they will just say, “Yes, we are ready”, but when I ask them, “Do you have a plan in place and money allocated for this?”. They say they do not have, but to have that from you, thank you very much for that. That shows the initiative that AFL is taking.

Secondly, my comment is with regards to the human resources that you are lacking. So, CEO, I hope that you retain those 100 plus staff, as you had alluded to and you hope to get them back on board this year, given that most of those positions are technical people. I wish you well in finding those people. It is all about the retention, probably bulk up the incentive, so that they can come on board because we need those people to get our Airports running and I wish you all the best in getting those people back on board.

Lastly, from me, I thank AFL for the initiative to go solar. We are meeting up to the SDG, et cetera, and it will even reduce the expenses for AFL. Thank you very much for that, that is a very good initiative, and I wish you well as you venture into Greener Airports Plan.

My last request, please, do not forget the smaller Airports but assess the development needs, especially because there is an initiative by Government to move North, so some of your target areas can also be Savusavu or Labasa, but it all depends on how it is raking in the money.

We do not want what happened in Nausori, you are using all that money and then the return that you expected did not come. So, it is all about the assessment or maybe the feasibility study on what the return can be.

Thank you very much for coming and a well-written up Report and we look forward to your next Report, may be next year or probably the following year. But apart from that, Mr. Nawari, if

you we can get a copy of your presentation to help us compile our report and get it back to Parliament. Thank you.

MR. M. NAWARI.- Madam Chairperson, thank you very much for those kind words, honourable Vakalalabure. Yes, we will provide the data for all the Government-owned Airports, we will provide the breakdown on the use of the \$40 million additional loan.

Thank you for the point on the \$85 million. The other benefit that has come out of the reserve for \$85 million is that we are able to increase our insurance but do not pay the insurance premium. What I mean is that \$85 million has now been considered as part of self-insurance, so we save some money from the high insurance premiums that are now being charged post-COVID-19, so that has worked really well.

The retention of staff, I think, it is going to be a continuous challenge. We are going through our Job Evaluation Exercise (JEE) now and, hopefully, we will implement something in the next couple of months, weeks, and then continue on that work.

Yes, solar project is an exciting one for us, but also developing the competencies inhouse to manage solar in future and be able to take it across to the smaller Airports.

Yes, assessing the development needs, we continue to do that. I think in the next two or three weeks' time, our team of technical people are going to fly to a number of airports that we will focus on next year, so we will prepare that before our budgets so we know what to do. That is an ongoing thing for us. Thank you very much for the opportunity, Madam Chairperson.

HON. P.K. BALA.- Madam Chairperson, through you, I also join my colleague in thanking all of you for this wonderful Report that has been presented. Just to add on to some of the issues that has been raised, you have mentioned about those 15 Airports, is there any Airport that is making loss?

MR. M. NAWARI.- Madam Chairperson, thank you for the question, honourable Bala. Fourteen out of the fifteen Airports are making losses, so Nausori alone accounts for the highest loss – \$5.9 million, followed by Rotuma, and the others. Labasa is making a very small loss, so I hope there will be opportunity there. In total, there are \$11.5 million of net loss, and that is just operating expense - leave aside the CAPEX.

HON. P.K. BALA.- We have heard about the solar farm and we have also seen that your monthly bill is about \$450,000 to \$500,000. You must have done some calculations. After the installation of solar farm, what would be the savings?

MR. M. NAWARI.- Madam Chairperson, the estimates that I have been told by our consultant, which is very conservative, is at least a slash of our bill by one-third.

HON. P.K. BALA.- The staff that were laid off during COVID-19, have they come back?

MR. M. NAWARI.- Madam Chairperson, thank you for the question. The staff are on reduced hours. The staff that left took the redundancy package and new opportunities have come up. They are welcomed to apply, and we have started taking back on board those who have applied for positions.

HON. P.K. BALA.- Madam Chairperson my last one, maybe it does not fall under your portfolio, but there are lot of talk about these airfares from Nadi to Labasa, Suva to Labasa, sometimes it is \$700, \$800, but would you know about the debts? Then on last minute booking, I had that experience just two weeks ago, \$780. If I had some more, I could have gone to New Zealand or Australia, I mean, this is what general public is talking about.

MR. M. NAWARI.- Madam Chairperson, thank you, honourable Bala, for that question. We have all experienced the same, particularly for us, we see the last minute booking, if we have to travel. Yes, I guess it is demand and supply. When you look around, you are always told that it is fully booked on those flights. I do not know what other comments I can make, except to say that it is the decision of the Airline. I know that they make good money from Labasa as a port, but I apologise if I do not have concrete answers for that.

HON. V. PILLAY.- Thank you very much, CEO and your Team, for your presentation. Back to Nausori Airport, the Airport is making a loss. Prior to the runway upgrade, we had discussions with Fiji Airways. Now, the upgrade has been done, they have ceased international flights. Did you have any further discussions on what else needs to be done so that international flights can come to Nausori and you can also have more revenue from Nausori Airport, instead of making a loss?

MR. M. NAWARI.- Madam Chairperson, yes, I raised that with the leadership at Fiji Airways because the return on investment and I have been told it is a commercial decision for them. We do not get full load 737 to go in there and their cost, they have to carry fuel from Nadi into Nausori and they are placing crew here for that. So, it is costly for them. Also, they have told me that from our side, to improve passenger experience so building a proper international lounge for us.

MADAM CHAIRPERSON.- Honourable Members, there being no other questions from you, I would like to take this time to thank you, again, Mr. Nawari and your Team. Thank you so much for being here since this morning and now it is afternoon.

As I have mentioned earlier, we thank you for your comprehensive presentation and your very clear responses to the questions that we had sent over. The Committee has taken notes of the issues that we have discussed today and, definitely, those will help us in our recommendations and the compilation of our Report, which we will table to Parliament in the August Sitting. We look forward to seeing your other Annual Reports.

I was somewhere yesterday, and someone told me, “I hear that the CEO Fiji Airports and his Team are doing a lot of good work.” I told this person that our Committee is meeting your Team, and we look forward to seeing the future plans of the organisation when we meet with you. We, the honourable Members, and the people of Fiji look forward to better developments in the Airports around Fiji in the future.

We also wish you all the best in the development of your 10 Year Strategic Plan over this year. The Committee hopes that if we have any further queries or questions, the AFL is always open to assist the Committee in that regard. *Vinaka saka vakalevu.*

The Committee adjourned at 12.39 p.m.

RESPONSES TO STANDING COMMITTEE FOR SOCIAL AFFAIRS FOR 2021 ANNUAL REPORT

COMMITTEE CLARIFICATIONS	RESPONSES
<p>Introductory comments</p>	<p>Fiji Airports critical role in the country played out very clearly in 2021. There were restricted operations at the airports for most of 2021 to facilitate repatriation flights, medical evacuations and essential cargo including medical supplies such as PPEs and vaccines.</p> <p>Despite the risks, Fiji Airports worked closely with the Ministry of Health, Fiji Airways, Airport Stakeholders and the Tourism Industry to open our border in December 2021, allowing Fijians to come home and tourists to visit our shores after almost two years. Hotels were filled, people were employed and people's hopes for normalcy was restored, and our people were able to be reconnected again physically enjoying Christmas and end of 2021.</p> <p>This shows the key role that Fiji Airports play as a glue in the aviation sector and Fiji's economy.</p>
<p>1. Please provide all the policies in place that guide the implementation of the work of Fiji Airports.</p>	<p>Fiji Airports is guided by the Ministry of Public Enterprise Act and the Companies Act. Internally we are guided by the various policy documents including the Articles of Association, Finance Policy, HR Policies, Corporate Governance, Information Communication Technology (plus Operations Manuals- Safety & Risk (SMS), Security,</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>Aerodromes, Air Traffic Services, Aeronautical Information Services, Business Continuity Plans, Emergency Plans – Nadi & Outer Stations) and division SOPs.</p> <p>We have an internal working committee supported by our Legal team in reviewing to modernise our Policies and develop new policies. Some are done in-house and others are done by experts in the different fields.</p>
<p>2. Can you provide an update on the implementation of the three (3) focused areas for Fiji Airports which was identified during the COVID-19 pandemic namely;</p> <ul style="list-style-type: none"> a) Prioritizing Health and Safety for all b) Recovery of the Tourism sector; and c) Resetting and reprioritizing our infrastructure development plans 	<p>a) Prioritizing Health and Safety for all Health and Safety was priority for Fiji Airports. We ensured a fully vaccinated workforce. Departments that were required to operate on a 24/7 roster, were separated into different work bubbles to ensure that no mixing between teams took place. All training was suspended except for Surveillance Training for which specific approval was obtained from The Ministry of Commerce, Trade, Tourism and Transport (MCTTT) given the priority to implement Surveillance Control in Fiji. Use of Hand sanitisers and masks were made mandatory in the workplace and PPE was readily available for all staff with priority given to our frontline workforce at the Airport. Covid-19 testing was readily available for any staff with or without symptoms.</p> <p>b) Recovery of Tourism Sector -The recovery of the tourism sector has been gradual in 2022 as consumer confidence was building up.</p> <p>However, in 2023 Fiji experienced an influx in passenger numbers. Fiji made a record-breaking visitor arrivals figure for 2023 as we welcomed a record 929,740 visitors.</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>The Ministry of Tourism says this is up by 46.1 percent compared to the same period in 2022 (636,312 visitors) and a growth of 4 percent compared to the pre-pandemic arrivals in 2019 (894,389 visitors).</p> <p>Our partnership and community approach with Fiji Airways, other airlines, airport partners, essential service providers, government departments and ground operators ensured the return of air travel was handled as safely and effectively as possible. This collaboration was a huge success for our team, keeping everyone safe and steering our organisation towards recovery.</p> <p>That recovery pathway included a reaccreditation from the Airports Council International (ACI) in its Airport Health Accreditation programme for providing a safe airport experience for all travellers. This made Nadi International Airport the first airport in the Pacific region to achieve the ACI Airport Health Accreditation in both 2020 and 2021.</p> <p>We also held vaccinations rollouts at the airport to support Government's drive to ensure our people are vaccinated and our borders are safe to open in December 2021..</p> <p>c) For the two years during COVID we had stalled all major projects except for the Nausori Airport Runway Upgrade which was nearing completion at that time and Nadi Airport Apron extension (off gate projects) for which we had already signed contracts.</p> <p>It was necessary to slow down on our infrastructure development during the pandemic to ensure we remain sustainable once the pandemic is over. Fiji Airports is now well-positioned to play our role in supporting to the growth of the economy.</p> <p>We have just set up our projects team and there will be multiple projects that we will be carrying out in the future. In some areas we have reprioritised our</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>plans which includes expansion of the departure lounge to cater for required space during peak periods.</p> <p>We are in the process of getting air filtration for the airport as effective air filtration helps to reduce the transmission of airborne viruses, including COVID-19. Maintaining high standards of air quality and filtration systems can boost public confidence in air travel. Passengers are likely to feel more comfortable and secure knowing that the air they breathe within airport facilities is being filtered and purified effectively, reducing the risk of exposure to infectious agents.</p> <p>The Nadi Airport Airside Masterplan is currently being reviewed and once this exercise is completed, Fiji Airports will reprioritise our projects and work in line with the National plans</p>
<p>3. What were some of the financial strategies that was put in place to boost the overall financial resilience in times of extreme challenges</p>	<p>Since 2020 when COVID hit ; Fiji Airports put in stringent measures to contain costs. These strategies employed during the pandemic had proven very effective and enabled us to sustain the 24 months of the pandemic without direct assistance from Government as a shareholder. Few examples of cost cutting measures employed:</p> <ul style="list-style-type: none"> a) Staff were on 30% reduced hours whilst Management were on 40% pay cut. b) Overtime and all other allowances were ceased c) EFL bills – Reduced bills by 70% by switching off lights and air conditioners when not in use d) Leased Lines – Leased lines were disconnected. e) Reviewed the contract costs – renegotiated with suppliers on reduced cost f) Postponed capital expenditure projects to conserve cash and prioritize essential investments.

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>It was the cashflow management, immediate operating cost reduction, staff salary and benefit sacrifices which has all contributed successfully towards the 18-month sustainability.</p> <p>With the diversification of the real estate as an alternate revenue stream we will ensure that in future any business interruption is managed with similar strategies.</p> <p>We also have in place a \$85m reserve to ensure that if we are once again hit by a pandemic, we will remain sustainable for at least 18 months.</p> <p>This proven plan together with a strong reserve is FA's self-insurance for any similar future event.</p>
<p>4. What is the status of the upgrade and extension of the Nausori International Airport runway?</p>	<p>Despite the negative financial result and challenges at Nausori Airport, a Government owned Airport that is operated by Fiji Airports, we fully funded and completed the \$60m Nausori Runway upgrade and extension in November 2021. This included lengthening, widening, and strengthening the runway, and installing new runway lights and an instrument landing system (ILS) to ensure improved flight safety and all-weather operations.</p> <p>Fiji Airways commenced operating international flights from Nausori to Auckland after COVID-19, however, it ceased operations in October 2022.</p> <p>Full capacity B737 can operate into Nausori. Currently, only 3 regional ATR72 flights a week operate to Funafuti.</p> <p>Having international flights in future is subject commercial viability of routes and Government may have to negotiate with Fiji Airways to bring back international flights to Nausori like it used to.</p>

COMMITTEE CLARIFICATIONS	RESPONSES
<p>5. Please state how the Green Airports initiative has positively contributed to the work of Fiji Airports if any.</p>	<p>Fiji Airports is in line with the global aviation industry's goals to reduce carbon emissions and attain a net-zero status by 2050 and we are committed to transition towards a sustainable, low-carbon functioning airport. Aviation is a contributor to global CO2 emissions, currently producing about 2.5% of total greenhouse gases worldwide. In an interconnected industry like aviation, we are exploring collaboration and innovation to mitigate the impacts of climate change.</p> <p>Nadi International Airport earned the accreditation level of Optimisation (Level 3) in recognition of the airport's exemplary work in reducing its CO2 emissions and engaging other stakeholders to do the same, as part of the Global Airport industry's response to the challenges of Climate Change. Nadi international Airport was recognised with other international airports like; Abu Dhabi International Airport (UAE), Adelaide Airport (Australia), Dubai International Airport (UAE), Hamad International Airport (Qatar), Hong Kong International Airport (Hong Kong), Incheon Airport (Republic of Korea), Narita International Airport (Japan).</p> <p>Fiji Airports is at the initiation stage of a solar farm project at Nadi International Airport, and we have just selected a consultant for a 3.5MW solar power system as our first phase for the solar project. We are planning to expand to an 8.5MW solar system. We will also set up appropriate solar power project at the outer island airports.</p> <p>An upgrade of halogen airfield lights to LEDS and a fully-fledged waste recycling system are projects that we are currently pursuing. We are also finalising the review of the Fiji State Action Plan with the Ministry of Civil Aviation and Fiji Airways as part of our commitment to lower our international operation's carbon emissions in line with our obligations to ICAO.</p> <p>Fiji Airports will also be replacing their Vehicles with EV vehicles.</p>

COMMITTEE CLARIFICATIONS	RESPONSES
<p>6. What were some lessons learnt during the period of lockdown through to the recovery period and at present?</p>	<p>During the COVID-19 pandemic, Fiji Airports faced many challenges such as implementing health protocols, accommodating social distancing, and using effective technologies to control the spread of the virus and staffing challenges.</p> <p>In hindsight going through these challenges has made Fiji Airports more resilient. As operations have progressively resumed this has not always been easy, and rebuilding our workforce remains an ongoing challenge.</p> <p>As a business, a crucial lesson that stands out is that it is imperative to maintain a sustainable balance sheet. This of course, was one of Fiji Airports strengths during COVID-19. It became important to prioritize the long-term viability of operations over immediate gains, and as such the decision to waive rental charges for airport-based tenants, ensuring their survival through the pandemic and beyond.</p> <p>Accelerating the non-aeronautical side of business is equally important and therefore Fiji Airports are in the process of engaging consultant to do the landside masterplans for Nadi and Nausori Airports. Such diversification in revenue streams will assist in future if we were to face pandemics such as COVID. Always maintaining a reserve to cater for such events is also important. Cost cutting measures should be immediate and decisive and only critical projects or expenditure should take place. A resilient workforce is equally important.</p>
<p>7. Does Fiji Airports have any contingency plan in place should there be any activity such COVID-19 that affected the operations of Fiji Airports.</p>	<p>We have maintained a reserve of \$85m to cater for such events in future. Noting that Fiji Airports has gone through one pandemic it will be easier to plan and coordinate to ensure its sustainability. We have our business continuity plan that was regularly reviewed during COVID and we have operational business continuity plan and as reviewing our SOPs we will also review the BCPs.</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>From a strategic perspective, we will be developing our 10-year strategic plan in 2024 which should guide us on carrying aspects of operations and development opportunities at Fiji Airports that can be done during a pandemic.</p>
<p>8. What were some of the challenges faced by AFL in terms of Human Resources during the pandemic? And what is the status at present?</p>	<p>The organization faced its toughest challenge when it had to implement measures such as reducing staff hours, lowering the retirement age to 55, and implementing staff redundancies, although staff who did leave, were given a full redundancy package.</p> <p>Full working hours was restored just prior to borders opening in December 2021 and all other allowances were restored in 2022. WE now have an open-ended employment agreement rather than a three-year contract.</p> <p>We are slowly rebuilding our workforce and the retirement age has gone up to 60. Staff with good health, that are willing to work, and required by the organisation can work up to 65 years of age subject to annual medical check.</p> <p>We have 474 active employees in Fiji Airports establishment compared to 538 in 2019. Fiji Airports. Attrition rate in 2022 – 10% and 2023 – 11%. In terms of gender Fiji Airports has departments that have been traditionally male dominated e.g. Firefighting, Engineering, Building and Civil Works, Security, Air Traffic Control. It is however very encouraging to see that we have 36% women in the ATM workforce. We continue to be intentional in our recruitment to ensure there's gender equity and we are inclusive.</p>
<p>9. What is the status of the ongoing projects for the year 2021?</p>	<p>Nausori Runaway Extension completed in November 2021.</p> <p>Nadi Apron Project is ongoing as we had issues with the supply of concrete. Expected completion is December 2024.</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>Projects are now rolling at Fiji airports.</p>
<p>9. Please update on the Air Traffic Management System upgrade.</p>	<p>In April 2021, Fiji Airports commissioned the new Aurora Air Traffic Management (ATM) System based at the Nadi Air Traffic Management Centre. The new system integrates Oceanic, Approach, and Tower Control capabilities and includes a new Air Traffic Control (ATC) Simulator to train air traffic controllers in an Automatic Dependent Surveillance-Broadcast (ADS-B) surveillance environment. This system integrates industry-leading procedural airspace management with the functionalities and tools needed to manage traffic in a surveillance environment and is without equal in the industry in terms of capability to manage mixed airspaces, ease of use, and ability to improve the efficiency of the airspace.</p> <p>The system upgrade modernizes our ATM system and provides air traffic controllers with the latest ATM technology including electronic flight strips, advanced flight and surveillance data processing and training capabilities. It is one of the world's best ATM systems for managing procedural control in Oceanic Airspace integrated with the capabilities and tools needed to manage traffic in the domestic environment.</p> <p>In October 2022, Fiji Airports introduced Surveillance Control using ADS-B technology in the Fiji Domestic Airspace, becoming the first in the world to transition from Procedural Control to Surveillance Control without RADAR experience.</p> <p>Fiji has also successfully implemented the ICAO (International Civil Aviation Organization) Global Reporting Format (GRF) for our two international airports Nadi and Nausori in November 2021. This implementation involved careful trials with international partners, documentation, equipment, and training required for the staff to ensure competency and regulatory compliance.</p> <p>New projects and initiatives in Air Traffic Management include the High Frequency (HF) Radio Replacement and the upgrade of the Automatic Message Handling System</p>

COMMITTEE CLARIFICATIONS	RESPONSES
	<p>(AMHS) that includes the latest weather exchange capability. This will allow Fiji to maintain its capability as a regional database and exchange hub for the Pacific.</p> <p>The transition from Aeronautical Information Service (AIS) to Aeronautical Information Management (AIM), introduction of Remote Tower Technology, and implementation of System wide information Management (SWIM) are also major projects that are being planned for in future.</p>