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Verbatim Report

[VERBATIM REPORT]

STANDING COMMITTEE ON FOREIGN AFFAIRS & DEFENCE

ANNUAL REPORT

Airports Fiji Limited 2022 Annual Report

ENTITY: Fiji Airports Limited

VENUE: Fiji Aviation Academy , Namaka, Nadi

DATE: Wednesday, 4th June, 2025

VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE HELD AT THE FIJI AVIATION ACADEMY, NAMAKA, NADI, ON WEDNESDAY, 4TH JUNE, 2025 AT 2.00 P.M.

Submittee: Fiji Airports Limited

In Attendance:

1. Mr. Mesake Nawari - Chief Executive Officer
2. Mr. Amit Singh - General Manager Air Traffic Management & Operations
3. Mr. Kelepi Dainaki - General Manager Assets & Infrastructure
4. Ms. Sanjana Tikaram Mishra - General Manager Finance
5. Mr. Sunia Korosigasiga - Head of Risks
6. Mr. Aisake Cabemaiwai - General Manager Commercial
7. Ms. Salote Delailomaloma - General Manager Airports
8. Mr. Niranjwan Chettiar - Director Projects
9. Dr. Emmanuel Narayan - Legal Counsel

MADAM CHAIRPERSON.- Good afternoon, ladies and gentlemen. *Ni sa bula vinaka*, Chief Executive Officer (CEO), it is good to see you, and good to see some very familiar faces around this table. It is a pleasure to welcome everyone, especially the CAAF staff who are here to provide a submission to the Committee.

Pursuant to Standing Orders of Parliament, specifically Standing Order 111, all Committee meetings are to be open to the public. Therefore, this submission is open to the public and to the media, and I want to welcome members of the media this afternoon.

Any sensitive information concerning the submission that cannot be disclosed to the public, can be provided to the Committee either in private or in writing but, please, do note that this will only be allowed in a few specific circumstances, which include national security matters, third-party confidential information, personnel or human resource matters, and when we do our own deliberations as a Committee to develop our report back to Parliament.

I want to remind honourable Members and our submittees that all comments and questions to be asked are to be addressed through the Chair, and note that if we have any questions for the Officers who are submitting today, we hope you will not mind if we interject, or if you prefer that we hold on to our questions till the end of your presentation, please, let us know.

This is a Parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament. Please, do bear in mind that we will not condone any slander or libel of any sort, and any information brought before this Committee should be based solely on facts.

I would now like to introduce the honourable Members of the Standing Committee of Foreign Affairs and Defence.

(Introduction of Committee Members)

Today, the Committee will be hearing an oral submission from Fiji Airports Limited in relation to its 2022 Annual Report. I will now take this time to invite our guests to introduce themselves and then carry on with your submission.

MR. M. NAWARI.- Madam Chairperson and honourable Members, welcome to Nadi. We are very happy to be here this afternoon to make this submission or provide further explanations on the 2022 financial report. I joined Fiji Airports in August 2023, so this is before my time, but I would like to say at this stage that we recognise the huge contribution of those who have come before me, with all the hard work and the support we will be deliberating on today, despite the pandemic. I am also very honoured to be joined by the members of the Executive Team, who are members of the company at the management level, and one General Manager at the time of this Report during that financial year.

With your permission, Madam Chairperson and honourable Members, I will ask them to present when it comes to their part. They need to be recognised at different points where they have contributed. I am very grateful to lead such a dynamic team at Fiji Airports. We are going through a transformative period, and I keep reminding our people that we are holding the weight of the nation right now because without airports, there will be no Fiji Airways. There will be very limited tourists who will come to this country, so everything we do, is critical in the growth of our nation. As you are fully aware that tourism and aviation accounts for almost 50 percent of GDP so whatever we are planning and are going to do at Fiji Airports, will contribute directly to the GDP forecast of our country. I will just introduce the team.

(Introduction of Fiji Airports Limited Officials by the CEO)

Madam Chairperson, we have a combination - those who have been here for a long time, and Fiji Airports is only 26 years old, so they have been from CAAF days and we were

formed in 1999 after the restructuring of Civil Aviation Authority but the rest had joined in the last 18 months or so, so quite a dynamic team.

Madam Chairperson, if you allow us to go through the presentation, it is going to be brief. We are going to allow more conversation with you. We recognised in 2022 there were only two Board members. Of course, COVID-19, and we had lost our CEO at the time, Mr. Khan, who had worked tirelessly in transforming the organisation, with the modernisation project at the airport. Mr. Hasmukh Patel was the Board Chair and Mr. Viliame Vodonaivalu was the Board member at the time. If you could see the management team then, we have the CEO at that time, Rowan Chalmers, who joined the company in late October 2022, when Fiji Airways was given the nod to manage Fiji Airports, so Rowan came from Fiji Airways. You can see Amit and the small management team that we have today. Compared to the time today, we have six executives, including myself, seven, and 33 managers. This small team was able to keep the company afloat in 2022.

In terms of 2022 and looking back, as we are aware of the pandemic in 2020 and 2021, we were hit very badly. In December 2021, we opened our border with very bold moves while we were cautious. It started to pay dividends in 2022, as you can see in the financial reports, the turnaround in the performance.

Madam Chairperson and honourable Members, the next slide provides the key numbers, so you will see that the total arrivals increased from 81,000 to 1.6 million in 2022. To put it into context, we are now at 2.3 million to 2.4 million passengers departing and arriving.

In terms of aircraft movement, from 300,000 tonnes to 900,000 tonnes, and our total revenue grew from \$30 million in 2021 to over \$100 million in 2022, a significant increase. Of course, expenditures increased from \$44.5 million to \$67.2 million. While the increase was only 51 percent compared to the total revenue of more than 200 percent increase compared to 2021, it was really a tough period because we did not have the people, but there was increased flights and increased numbers, so it was challenging. Again, we recognised the efforts put in by the community, and it is not just Fiji Airports, it is the airport ecosystem that came together to ensure it happened. To the government, the shareholders fund grew also in 2022.

In terms of the financial indicators, Madam Chairperson, may I ask the General Manager Finance to go through that very quickly.

MS. S.T. MISHRA.- Madam Chairperson, I will talk on the finance key indicators. As you can see, this is a return on equity. From 2014 to 2017, we had steadily increased in terms

of our return of equity. However, from 2017, there was a downward turn, but this is purely because we had an asset revaluation done in 2017 which increased the asset and the shareholders equity. Therefore, there was a decline in return on equity, but shareholders equity had increased. From 2020 and 2021, you can see a decline, which was purely due to COVID-19, and we are now trending upwards and nearing preCOVID-19 levels.

The same story goes on for return on assets. We have been steadily increasing until 2017, and due to the asset revaluation, there was a reduction in terms of return on assets. We are now increasing from 2022 onwards, again, to pre-COVID-19 levels.

This is a performance on our net profit after tax. From 2014 to 2016, there was a huge increase, and from 2016 to 2019, there was positive growth. We had a revenue restructure done in terms of aeronautical revenue and in the commercial side after the terminal modernisation project. That is why there was an increase in the net profit after tax. Between 2020 and 2021, there was a decline because of COVID-19, and we have been performing well after that. This reflects the true indicator of our financial performance and as you can see, the only decline has been during COVID-19, otherwise, we have been improving our EBITDA levels as well.

MR. A. SINGH.- Madam Chairperson, for 2022 key milestones and outcomes, Fiji Airports implemented surveillance control using Automatic Dependent Surveillance-Broadcast (ADS-B), which is just like a radar. Fiji did not have radar, but that is an old technology, so we implemented an ADS-B technology, which is the latest cutting-edge technology, and one of the first in the world to implement it without prior experience on radar control. That was a success story. Through the pandemic, we were able to train our staff in bubbles.

Nausori runway upgrade was also completed, and internal financing was used, and this was around \$64 million. That included the lengthening and widening of the runway to enable full capacity 737 operations instrument landing system to allow all weather operations, and a new set of runway lights to support safety and visibility for pilots.

Then the ACI Gold Green Airport was awarded for the category of below 5 million-passenger category for Nadi International Airport. The other one was the renewal of our level 3 accreditation on our carbon footprint mapping for Nadi International Airport.

In 2021, we implemented the new Air Traffic Management System that enabled us to implement surveillance control using ADS-B in 2022. This system, unlike others in other airspaces, manages our entire Nadi FIR, which is 6 million square kilometres of upper airspace, covering islands of Kiribati, Tuvalu, Vanuatu, New Caledonia, Fiji and Wallis and

Futuna. That oceanic control combines with the approach control, looking after arrivals and departures into and out of Nadi and Nausori and the outer islands, plus the aerodrome or tower control for landing and take-off at two major airports - Nadi and Nausori, all integrated into one system. This is a very modern air traffic control system using electronic flight strips, so we have done away with paper use. That also works towards our carbon footprint and allows for more efficient flight routes without the need to hold at certain levels on their climb or descent.

We also managed to implement a global reporting format in collaboration with our stakeholders and doing training inhouse. The ongoing innovation is the transition from Aeronautical Information System (AIS) to Aeronautical Information Management (AIM). It is basically from paper to digital data. We had text-based information passed on to pilots and published, we now migrate to digital where they can see graphics as well.

The other ongoing project in our innovation area is the move to use remote tower technology. Instead of having people on the ground, looking out the window and controlling flights or giving flight information, we intend to use this remote tower technology upcoming in the North, most likely, Labasa. We are currently working on that now, as we progress forward with the World Bank funding.

System-wide information management is something like the Facebook of aviation where all stakeholders can share their information freely instead of working in silos. The groundwork of that is already done with our General Manager, Kelepi, leading the network side of it. He is also the Co-Chair on the International Civil Aviation Organization (ICAO) Committee, leading that change for the Pacific region.

On safety and security, we had a security audit where no significant security concern was raised for Fiji. We comply with the Civil Aviation Security Act 1994. You will note that Nadi and Nausori are security-rated aerodromes, unlike the outer islands - Labasa, Savusavu, Kadavu, et cetera. Even though there is a domestic flight, you still go through the security process at Nadi and Nausori, because they both handle international and domestic.

Gender representation in one of the departments, Air Traffic Management, in 2022, we had 40 percent female staff representation in the department, and it is growing.

The training academy for Fiji Airports runs internal training mostly in specialised air traffic management and aviation rescue firefighting courses. It also runs technical training and other trainings mostly relevant to the aviation industry. In 2022, we ran a total of 187 sessions, training 1,406 personnel. Some of the courses are very mature, we have been running them for a long time, and they are in our training manual as approved courses.

We simply notify Civil Aviation Authority of Fiji (CAAF) that we are running those trainings. For others, we have restricted aviation training certificates, so they are in the suite of courses we run, but we submit the syllabus for their approval prior to running it. It is mostly the new courses, like the surveillance radar type training, so we submit the names of participants, the date for training, the duration, the hours, the instructors involved, and then they give the certification.

The CAAF audits and issues us with an Aviation Training Institute Certificate for the Training Academy. Likewise for operations for air traffic management, for aviation maintenance organisations, the technicians and electricians, we have certificates, and even individual airports have licences and annual audits that are conducted. That is something that you may have got from CAAF in your previous visit. Everything is through compliance, and we run refresher and remedial trainings as and when required.

MR. K. DAINAKI.- Madam Chairperson, the next slide is about our journey to digital transformation. We have done that in the Air Traffic Management, but this is more on airport operations. In 2022, we sent two of our managers to Brisbane Airport to have a look at how Brisbane Airport manages the air site operations, and the rescue fire services, basically to monitor their operations. We had moved away from this paper, it is all done on tablet now, so we get real data, especially for decision making.

It is now operating in all the airports in Fiji. We have the one in Nadi and Nausori manages the smaller outer island airports. Everyday, we get a real report of the operations of our airport. Based on ground operation intelligence, we improve our operation efficiency and, of course, the outcome and benefits. We access to real-time data rather than waiting for people to provide, so it really pushes people more on the productivity side.

MR. A. SINGH.- Madam Chairperson, we provide Aviation Rescue Firefighting Service to Nadi, Nausori and the 13 outer island airports, and they also provide the first response to any emergency. The next word is 'rescue'. That is our immediate response to rescue in the event of any emergency and then fight the fire eventually. We had a recruitment in 2022.

The challenge here is balancing the gender in this area. We had two female firefighters in Nadi in 2022, but we are creating more awareness in this area and trying to promote and pushing to make the workplace more friendly, in terms of the sleeping quarters at night, the toilet facilities and other areas to make it more women friendly or gender friendly rather.

On the fire service, the main thing is preparedness. In order to keep that level of preparedness, we do mock exercises and crash exercises to keep that level of alertness, so that is continuously happening.

MR. S. KOROSIGASIGA.- Madam Chairperson, just a highlight for 2022 on our sustainability initiatives, as mentioned by Mr. Singh, we had our Level 3 Carbon Accreditation renewed in 2022, and was awarded with a greener airport, that is the gold level, which was awarded to us by Airports Council International.

In addition, Fiji Airports is committed to achieving net zero emission. That is for scope 1 and 2, and our target is to achieve that by 2030, even though the global target is 2050. The Nadi International Airport also became the first airport in the blue Pacific to attain that level. We have also made a major investment in terms of acquiring electric vehicles. We are working towards the establishment of a 3.2 megawatts solar farm for Nadi, and trying to roll this out to our other airports.

MR. M. NAWARI.- Madam Chairperson and honourable Members, 2022 and onwards is exciting for us, particularly with capital projects that were ahead of us. In 2022, the challenge had been in replacing our ageing assets, and today, you will see a bit of that when you go to the airport – the aerobridges were breaking down, the heart of operations - the belt system and the scanning machines. Those are 25-year-old to 30-year-old machines. Their useful life is probably 10 years - some 8 years and some can push it to 12 years. However, we are continuing to make changes in a managed way with the available cash flows that we have.

For the projects, right now, the biggest project being the continuation of the modernisation project at the Nadi Airport, and we have made this public. The estimated cost over the next 10 years will be \$2.3 billion and for any project of that kind, we cannot go and borrow all the funds. We need to look at other alternative sources of funding. While it is exciting, at the same time, where will the money come from? We are assured, after the meeting with the IFC two Mondays ago, in which the Directors and the Director of World Bank were part of, that they are very supportive of this project. For me personally, if the World Bank and IFC are supporting this, then it is a bankable project, so it is just getting the right funding, but more so for a private entity like Fiji Airports, it is the cost of funding that project that we can live with.

In terms of the 2022 projects, in 2021, the Nausori runway was upgraded. This was all on Fiji Airport's fund of \$64 million with the hope that there will be more flights going to Nausori. As Mr.

Singh said, Nausori can now land a full load 737. Previously, that could not happen but now, the runway had been extended and it has been upgraded. Hopefully, we will see that international flights will be reintroduced back to Nausori and not necessarily just from our national airline, but other airlines.

We need to work on the terminal building. You have gone through that, and you know the challenges there. That needs to happen, and it is something that has been neglected over the years. Hopefully, when we do a presentation on future Annual Reports, we would have a positive progress in Nausori.

The next point on the projects you will see is aircraft parking expansion at Nadi Airport. That is all part of this plan where the apron area and the gates are all increasing. It is a lot of work in that area, but we need to do it. That is the core asset of an airport, apart from the runway itself.

In the outer island airport development, like Nausori, there has been some delays in terms of the upgrade since COVID-19, but we are working through that.

Seeing the numbers last year, one small airstrip costs \$1 million a year to upgrade and to maintain. That is one part, and then another part is \$1 million the following year, so we have 13 airports of that size. It is because in the islands, we have to cart everything to the island. As you are fully aware, having a business in the island, the cost is more than what you pay in the mainland. For 2022, again, \$4.1 million was spent and this is very minimal on the spending.

We have also been blessed with the Japanese Government support through the Asian Development Bank. That is part of their COVID-19 recovery funding of \$6.3 million, and we are still utilising those funds. It has really complemented the facilities that we provide at the airport, particularly the time separation of passengers and the medical facilities. It is something that we probably would have managed in a different way, we had to expand it, but we did very well with the support of the Japanese Government. We recognise their support. We are still working on the isolation room and the medical equipment, like the ambulift and the ambulance that they can support us with this funding.

For the information on the gender breakdown, yes, as you are well aware, Fiji Airports has been a male-dominated organisation. It has always been full of wonderful, great engineers and technical people who get the core business running, but it is time that we look at this and be intentional about increasing women participation. That is core of what we do in the people development side of things.

My first presentation was two years ago, and we only had one General Manager (GM) and now we have two GMs. They have been given support in terms of executive development programme, including the University of Oxford training for our women, so 19 percent female overall, but we have gone over that 20 percent in recent days, and we are continuing to grow. The Air Traffic Management Team, as Mr. Singh mentioned, is setting the pace for us. Now, it is going right to recruitment and training level, so balancing the numbers.

Madam Chairperson, that is what we are beginning to do, and I thank the parliamentary Standing Committee on Social Affairs last year who encouraged us to look at this and it is now part of our reporting. Yes, SDG5 on gender equality, we now have the first State-Owned Enterprise (SOE) that has a JET SEA officer in the company. We have that, so, it is driving all these work. Of course, the decent work and economic growth are all part of people development, and it is embedded in our planning. Without people, we will not be able to deliver the work.

Innovation and infrastructure investment is the key. On innovation, the moving into digital side of things and evidence-based decision making. It is very good to see what is happening within the leading airports, so we learn from them, and they pay the cost for all these initial tests but we take on board and see what works for us.

On sustainability, you have heard about sustainable practices. The work started back in 2014 and then in 2016, we worked towards that, and we are now on Level 4, while the next level is Level 4A. We want to go to Level 5 so that we get to cope 1 of achieving our net zero target by 2050 and if we can achieve that earlier, but the biggest challenge is the airline, they are the big emitters. How do we work with them on this and how do we work with the entire airport ecosystem? For example, concessionaires - Prouds and Tappoos. It is the packaging, it is them to work with their suppliers, and these are international brands, and it can cost them. How do we progress with them in this journey? We are targeting over five years to get to Level 5. With our solar farm, that should contribute a lot to this work.

In communities, as you are well aware, Madam Chairperson and honourable Members, where we sit today was a vibrant community. Thirty years and 40 years, I call it the first gated community in Nadi. You can see the church, the temple, the mosque, airport school, and the medical centre - everything is here. It is a community, and I have come to really appreciate the community spirit that brings all of us together and we just need to harness it, and we will continue to do that at Fiji Airports. Not only in Nadi, but other airports, particularly with the landowners, and how they get involved with our plan and the implementation of our plan.

Mangrove planting is a big initiative for us. We are right next to the water and sea level rises, so we have to do something. While it contributes to our work, it also contributes to the entire environment and our ecosystem. That is, again, leading to SDG13 - our climate action and carbon emission reductions. I have talked about Level 4 and working towards Level 5.

Airport Council International, in terms of our infrastructure development, we are working with the World Bank to use their Excellence in Design for Greater Efficiencies (EDGE) criteria, so it is climate resilient infrastructure starting from design. How do you design the buildings so that you maximise the use of light and all that stuff in there? We will continue to do that and, hopefully, while it is a few years out, we will work towards the international standard of Leadership in Energy and Environmental Design (LEED), which is the international standard for infrastructure development for us.

For 2022, of course, COVID-19 and sometimes when we talk about the future of the organisation in the planning, it still comes up and so we should. How do we ensure we put in place sufficient measures that will help us manage during this time? One of the things that had happened after 2022, is the reserves for the company and this was presented in Parliament as well last year, that there will be \$100 million reserves, so we do not touch that. How we are using that to benefit us as well, while just sitting there and investing is self-insurance so that we do not pay the very high insurance that we would expect for large and expensive infrastructure that we have.

The other one is staff shortages. It is not only in Fiji Airports, but also right across the country. That is why we are focussing on the development of where we are now. Our Fiji Airports Aviation Academy, we want this academy to become a regional aviation academy. We have presented this proposal to the recent Ministers for aviation at the Pacific meeting and it was well accepted because we have a number of countries in the Pacific whose Air Traffic Controllers or the AIS officers were trained here. We have success stories of alumni, so, it is just a matter of taking it to a regional level. One flight to Nadi, right into the training, and back when you go back, so it is cheaper than going to other places. There are real opportunities. They are next to the world-class Fiji Airways Aviation Academy and then, the Fiji National University with their aircraft engineering, electronics, and other aviation-related programmes. It is wonderful and can become a centre of excellence for aviation.

The other one is the delay in capital projects. We are five years behind and we are catching up.

Apart from the five years catching up is also, what do we need to do in these five years? It is basically full speed for us in these five years. We have set up a new project office last year, and getting engineers and technical people has been a challenge but With God's grace, we are able to progress that, and we are seeing the fruits of that. However, we still need to be getting people in, and I am also glad to see that an increasing number of female engineers are joining us in that.

The work on replacing our ageing infrastructure is continuous, yes. Today, Salote's team will explain to you what you are going to see next year in terms of your check-in system, and what are you going to see in 2027 in terms of biometrics and e-gates that you see abroad. Here, we need to work with the Government agencies, particularly the Ministry of Immigration, because they need to support us in this. However, 80 percent of our passengers come from Australia and New Zealand. They experience this in their countries, so it just makes sense for us to get into that because it is the same experience and improves security.

On the future plans, I have talked about modernisation of Nadi Terminal. Today, when you go through, you will see in some areas they are already working, they have broken up our places, so the small works have started in preparation for the larger works on the Departure Lounge, Arrivals area expansion, and then what is going to happen after that in terms of the apron and walkways, so it is a busy 10 years ahead. As I have said, we have to invest in the heart of operations.

The modernisation project in 2018 was completed and that was a good start. Now, it is what matters - bags moving on time, getting to the plane and out and transit, passengers whom 90 percent are tourists, going through and within minutes they should be able to get to the departure area from arrivals – all those systems. I have been encouraging our team to see arrivals to the beach - the quicker they get up and go into the pool, that is what we want for them and that is why they come in here. I have talked about the parking and baggage system. Amit talked about the remote towers, so people do not have to be there, but the towers are in there. That is technology. Then one day you might not see the tower there that you went to see the last time. Everyone just sits in the room and trust what they see on the screen.

Of course, on people development, I cannot stress that enough, it is continuing, and if we are growing, we also need new competencies in different areas, but we are glad to be working with digital natives. They are a source of huge inspiration.

On the diversification of our commercial activities, rather than just relying on aeronautical income, also focus on non-aeronautical income. We saw the importance of

diversification during COVID-19. When aeronautical is down, non-aeronautical should be there - our land site - leases and concessions supported us and extended from Nadi to Nausori and then other parts of Fiji, but that will take time.

On the upgrade of Nausori and outer island airports, that is what we are working on. It is very challenging in terms of funding, but we hope that we can work with the Government in terms of the funding of Nausori and outer islands moving forward. We have the plans; it just needs to be rolled out.

As you have seen in the financial graphs that Sanjana presented initially, it is an upward trajectory. 2024 was the best year for Fiji Airports, slightly above 2019 and we are back there. The biggest challenges are the people. We are doing our best in developing our people - training. Secondly, is the funding. We have a very large project for Nadi, but we also do not want to forget about Nausori and other airports.

Madam Chairperson and honourable Members, thank you very much for your time, that is our presentation - providing an overall overview of the 2022 financial year.

MADAM CHAIRPERSON.- Thank you very much, CEO, for the presentation and all the other Managers who also took part. I am going to open the floor now for questions from the Committee Members.

HON. R.R. SHARMA.- Fiji Airports has access to over two million passengers of 100,000 aircrafts as stated on page 12 and page 13. You had talked about future-proofing driven master plan, so I understand it is FRCS, BAF, Immigration and the Fiji Police Force. When you look at the number of passengers who come to Fiji, I think there is increase of complexities of how to process the whole aspect of it and looking at transits as well. Is the space and congestion a major issue? What is the master plan in terms of relocation, going higher? Do you have enough land? The second part of the question is, when you put two million on passengers who access the airport on page 12, is this arrivals, departure, or both, and what are the transit numbers? I need a bit of clarity and breakdown on this.

MR. M. NAWARI.- First of all, congestion is not an unknown for us. We all travel and see how packed the airport can be during the morning wave and the afternoon wave. It is when Fiji Airways, in the morning, they come in, and within two hours they have to turn around and go back. Arrivals, about 50 percent of the numbers arrive and 50 percent depart, so it is one person times two, because they arrive and depart.

We have to work within the footprint that we have - the airport, where the terminal building is. There is only so much we can expand towards, and we also need the runway space to be ICAO compliant and the taxiways and then our parking.

We do not have much in terms of land that we can expand the current airport to. It is quite tight and all around the airport, the private sector has invested in that. Of course, they see the opportunity in there. To be able to do a compulsory acquisition, will be a challenge, even though we are looking at some of the options, but it does not make a significant change to what we can work with. It is basically working with what we have. You will see in the plans when we go through, we increase the levels in some areas to two. There is a challenge in terms of how high we can go because of the flight paths that we have to keep in mind.

The forecast is 8 million passengers in years to come. How will we accommodate them at the airport? We cannot continue the way we are - all planes arriving at the same time and leaving at the same time. We have to really look at how we manage the gates, so slot management is key for us because at 10.30 a.m. and 11.00 a.m., it is empty. I sit in the office and look out and say, "Oh my God, we paid so much for this infrastructure, and it is not being used." However, it is common across the world that you have the morning wave and the afternoon wave. I do not know whether you were able to see that when you went to the tower, to see the concentration at that time. The aircrafts have to be there to be making money, not on the ground.

In terms of space, it is about management because at only a certain time, that is being used that we see, and certain times it is not being used. It is how we get airlines to use the gates and our runway at that time.

In terms of the parking space, it is going to be a challenge, even if we are going to use it up because we also have a pilot training school here and they use part of the airport and the space to do their training. That is one and two, the increase in private jets coming in because they can park here for some time. That is going to be a challenge as well. The good thing is, it is a good problem to have. It is a demanding business which will make us look for ways to accommodate that.

What are we doing immediately? You have heard about the expansion of the Departures Lounge and the Arrivals Lounge to accommodate the congestion. Most of the things that we are planning is a result of the needs raised by the national carriers. They are our major customers, so we need to listen to them, and we need to accommodate them.

In terms of transit numbers, it is growing from 2022, but more so in 2023 and 2024. Sometimes, when you see the data, 50 percent of the passengers are transiting, which is good. Still, Fiji always has bumps on seats, but we do not have rooms sometimes for them to be here which is great. It is just for us to start building our airport as a transit hub. What do we do so that we can target what is in the pocket? That is the opportunity we have.

MADAM CHAIRPERSON.- I have a question for Mr. Singh. You are talking about the mock exercises by the firefighters. When you have those mock exercises, are they restricted to the airport area or do you also include traffic management in case of taking them to the hospitals, and which hospitals do you have prepared?

MR. A. SINGH.- Madam Chairperson, it is a collaborative effort with the Ministry of Health, the Police, the Military and the hospitals nearby. It includes road traffic management for the passing of ambulance and medical personnel to the hospitals. In recent times, if I take the case of Nadi Airport, we have been working with Nadi Hospital. Previously, we worked with Lautoka Hospital but with the change of management, we have renewed ties with Aspen to include them because in the event of a real incident, Nadi would not be in a position to handle those numbers. It is totally a collaborative effort, as documented in our Nadi Airport Emergency Plan. Similarly, Nausori and the outer islands have similar plans for each airport. If you go right down to the outer islands, it relates down to the village head and the community on how we are going to collaborate on the response.

HON. V. LAL.- I was in Labasa recently, can the Committee be updated on the renovations in Labasa? How long will it take?

MR. M. NAWARI.- We are glad to be doing something in Labasa now. The people of Labasa have been crying for that for some time. So far, we have built a temporary terminal building and then pulled down the old building - the Adi Laisa Terminal and then rebuilding. The original plan is to complete in June next year. It is an 18-month project. However, we have received requests for a carousel and air conditioning, so we are looking at that and that might push the completion date a little bit further for a couple of months. It is really a building to be able to accommodate the increasing number of passengers.

That was built during the time when smaller planes used to fly there. We now have ATRs and a lot of people travelling from abroad, visiting their family members in Labasa with heavy bags, et cetera, so that has been taken into account, as well as the heat in Labasa. It is quite a big investment. The original investment is costing us \$18.6 million, so that is

all Fiji Airport's funds because the World Bank support is mostly for other areas of upgrades and improvements at the airport.

We would like to have a bigger piece of land in Labasa so that the car park can be extended and to have space for rental cars and the Vualiku Tourism Development Project, are things that need to be added there - a commercial space, a coffee place, at least, to await decently for the flights or pickups from families or from hoteliers. The first stage, if we do not consider the request that came after the groundbreaking, then it should be completed by the end of June next year.

HON. V. LAL.- There are a lot of key developments in Savusavu as well. Is Savusavu Airport operational? Is it ready to cater for the tourists as it is also developing into a tourist town?

MR. M. NAWARI.- Thank you, another very good question, honourable Member. Savusavu is growing and we have done some work on the terminal building last year. Savusavu is operating, and we really cannot land any bigger plane than the Twin Otter that is going in there. Otherwise, we have to expand into the water with a lot of money. You probably have read in the media recently about the presentation to His Excellency, the President, on the Na Vualiku Project and his support for one of the pieces of land in Savusvu that they will consider for a new airport. That is what is needed. Otherwise, there are plans for upgrades that are going to be funded by the World Bank as part of the Na Vualiku development project and we will continue to do that.

Having said that, I can also say that Labasa temporary building, Savusavu, Matei and Rotuma Airports are now fully solar-powered. It is a great achievement so far for those airports.

HON. R.R. SHARMA.- You have stated in the Traffic Management System modernisation, no significant security concerns raised for Fiji. If I fly from Taveuni to Nadi, I go through no security checks. I get my baggage here, I go through no security checks, either me or my bags. Recently, we have seen cases of bullet casing that was found from a Sydney to Nadi flight, recently 4 kilogrammes of meth has been found, and Fiji is not immune to transnational crimes. We were just in Kavala, Kadavu, and for the month of March, they seized up to \$20 million worth of drugs. For April, another almost \$20 million. My issue here is that we are not immune to it, so why wait for the problem to visit us? Although it says no security concerns raised, there is no significant threat. However, if someone from Taveuni, for example, why is that person with a gun? The high seas are unmonitored. They come to Fiji. How are we going to deal with the act of someone hijacking the plane? What is Fiji Airports Limited's first response?

MR. M. NAWARI.- A great question. I will ask the General Manager Airports, who has been working on this area, to comment.

MS. S. DELAILOMALOMA.- With regards to the question about the example of Taveuni, my colleague, GM Air Traffic Management & Operations, had shared that only Nadi and Nausori are classified as security airports. Therefore, with regards to the smaller outer islands, the airlines are also given the responsibility to be able to ask security questions during check-in, whether they have checked in their own bags, whether they have packed their own bags so those are mitigating actions that allow them to be able to share. Whether they do that honestly, there is a trust between the airline and the passenger that whatever it is they are declaring is true. [08:22:09]

HON. R.R. SHARMA.- The North is labelled as 'Friendly North', but when you talk about drugs, ammunition and human trafficking, there is no trust. What is Airports Fiji Limited's response to that? It can be a national issue. Fiji should never be in the position to liaise with terrorists. Regarding no security concerns raised for Fiji, I disagree, in my view. We need to do better, because we are not immune to the transnational crimes, like drugs. It has infiltrated into the DNA of our society.

MR. A. SINGH.- No significant security concern raised by ICAO was as per the security requirements for international aviation, and that is focused on acts of threat to the aircraft. As bad as it may sound, drugs are not considered a threat to civil aviation in terms of the aircraft. The Border Control has the primary responsibility for that. As you are aware, Fiji Airports provides the facility at the international airports, and then Border Control comes in and their rules apply at the border.

Your concern is similarly echoed by our Board of Directors and the Executive Management, that more effort is required right across. However, we are limited in how far we can go. As an organisation, Fiji Airports has started internally on drug testing right across its ranks, right up and down to the low ranks for all staff members. The Management has completed up to 75 percent. Drug testing and alcohol, all these awarenesses, we are rolling it down - from the top, down to the staff at all levels. Increased collaboration with the border security police is right across our network. It is a national issue, yes.

MR. M. NAWARI.- Just to add on to that, Madam Chairperson, it is such a diverse ecosystem that we work at the airport, last year, it was a very grave concern for me and the Board when the drug bust happened in Nadi and around the airport. Our team went out to see. We can only facilitate it through collaboration to come together and do this. Of course we were told, there is only so much Fiji Airports can do, there are other

government agencies and border agencies that are responsible for that. It has to be looked at from a legal perspective and see what needs to happen at that level to bring everyone together to make that happen. It will require a lot of investments in terms of security checks and who will be there, the staff who will be based at all these airports, some of these airports with one flight a week, so we have to look at that whole thing. However, it is important that we all come together and look at, as a national issue, on how we can progress from the legal perspective as a way to help manage this.

MADAM CHAIRPERSON.- I am mindful of the time. We have five minutes left, we are supposed to be leaving this location to go to the airport at 3.30 p.m. I am just wondering if anyone else has a question from the Committee.

HON. P.K. RAVUNAWA.- Through you, Madam Chairperson, on the development that has been going on in Labasa, there is also some information through the Ministry of Tourism by its honourable Minister about developing an international airport in the Northern Division. Can you confirm to the Committee whether it is still in the Waiqele space or is it going to be anywhere else in the Northern Division?

MR. M. NAWARI.- The alternative locations for the international airport in Labasa were identified in the World Bank Feasibility Report that came out at the end of 2022. With Labasa, it is surrounded by the river, so that limits the extension. If we have to extend, it will be quite costlier to bury the river and extend, so there were a couple of options - one was in Nasarawaqa and three in Vunilagi. That is what has been identified. The World Bank has put aside certain amount of money in the Na Vualiku Development Project to look at the feasibility of the international airport in Labasa.

Talking about international airport, let us look at Nausori. It is still challenging to field a 737 everyday out of Nausori so for an international airport, you have all the costs that are associated with it, and you will not be able to field a 737 immediately. However, in the World Bank report, they have stated that just based on the feasibility study, it might take 20 years to get there, because we also look at things like inventory on the ground. It makes it a bit more tourists rather than locals filling up planes everyday to go in there. Exactly where? We are yet to know. The feasibility study will then provide an indication of where it should be, but for Labasa, it is not part of that list that they have provided.

HON. P.K. RAVUNAWA.- My other question is the health centre being here in your gated community. I have been informed about the waste collection for this gated community. Is it managed by Fiji Airports or any other organisation?

MR. M. NAWARI.- For waste, we are responsible for the properties of Fiji Airports. We have contractors that does that, and we have monthly collection of stuff around the airport. We do not have daily collections. There are some collections on every second day in some places but not across the compound.

HON. P.K. RAVUNAWA.- A follow up question on that; do you also look after the accommodation around this community in terms of renovation?

MR. M. NAWARI.- The houses belong to Fiji Airports, so it is typical that any landlord's responsibility to look at renovations, but we are moving away from that. We told the staff over-time that this is the land site part of Fiji Airports that needs to be developed because we need to make money from here to support the billions of dollars that are required to maintain and upgrade the air site.

HON. P.K. RAVUNAWA.- It would be nice to have a strategic plan to understand where to from here. If you have any, you can provide our secretariat with a copy so that we can see your longterm objective and where you want to take this organisation. Thank you.

MR. M. NAWARI.- Thank you very much, honourable Member. A great request there. We have our 10-year Strategic Plan, 2025 to 2034 and we will share it. Our vision is quite exciting, to be the world-class aviation hub for the Blue Pacific.

MADAM CHAIRPERSON.- Thank you very much, CEO and your Management Team for the great conversation that we have had today. We do have other questions, but we are moving on to the airport and we will have plenty of opportunity to ask your team members there the other questions that we have.

At this juncture, thank you for your time and in hosting the Committee today in Nadi. I know that you will give us the information that we request and there may be some more questions coming as we put together our report for Parliament. On that note, I will now declare this meeting closed.

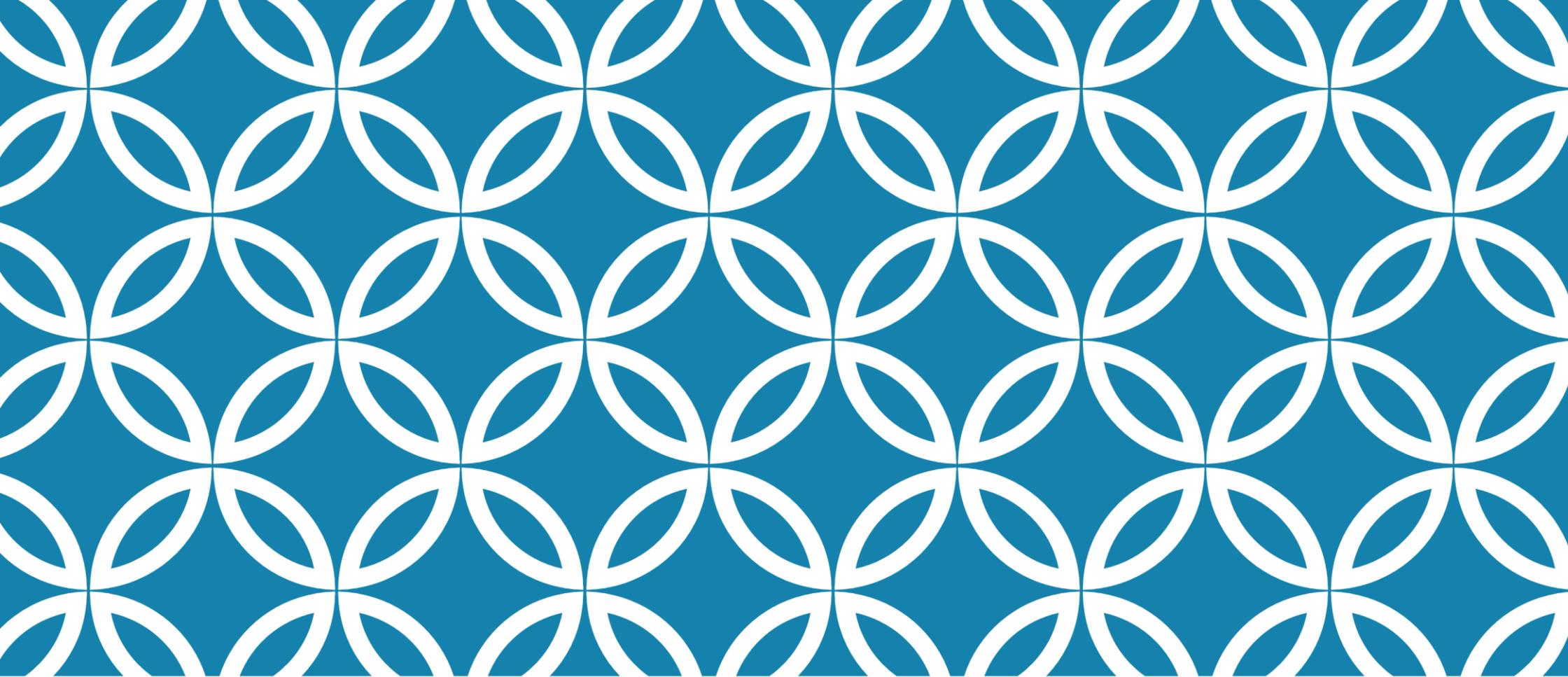
The Committee adjourned at 3.15 p.m.

Written Responses

Standing Committee on Foreign Affairs and Defence

Presentation on Annual
Report 2022



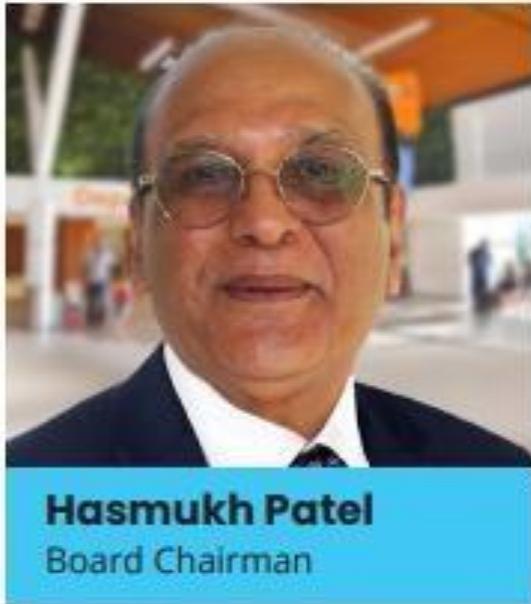


Overview 2022 Annual Report Summary – What a Rebound!



2022 Team

Board of Directors



Management Team



1. Trend Analysis of Key Achievements (2020–2022)

2020 : Major loss due to border closures

2021 : Continued restrictions, limited recovery

2022 : Strong rebound- reopening and recovery in progress

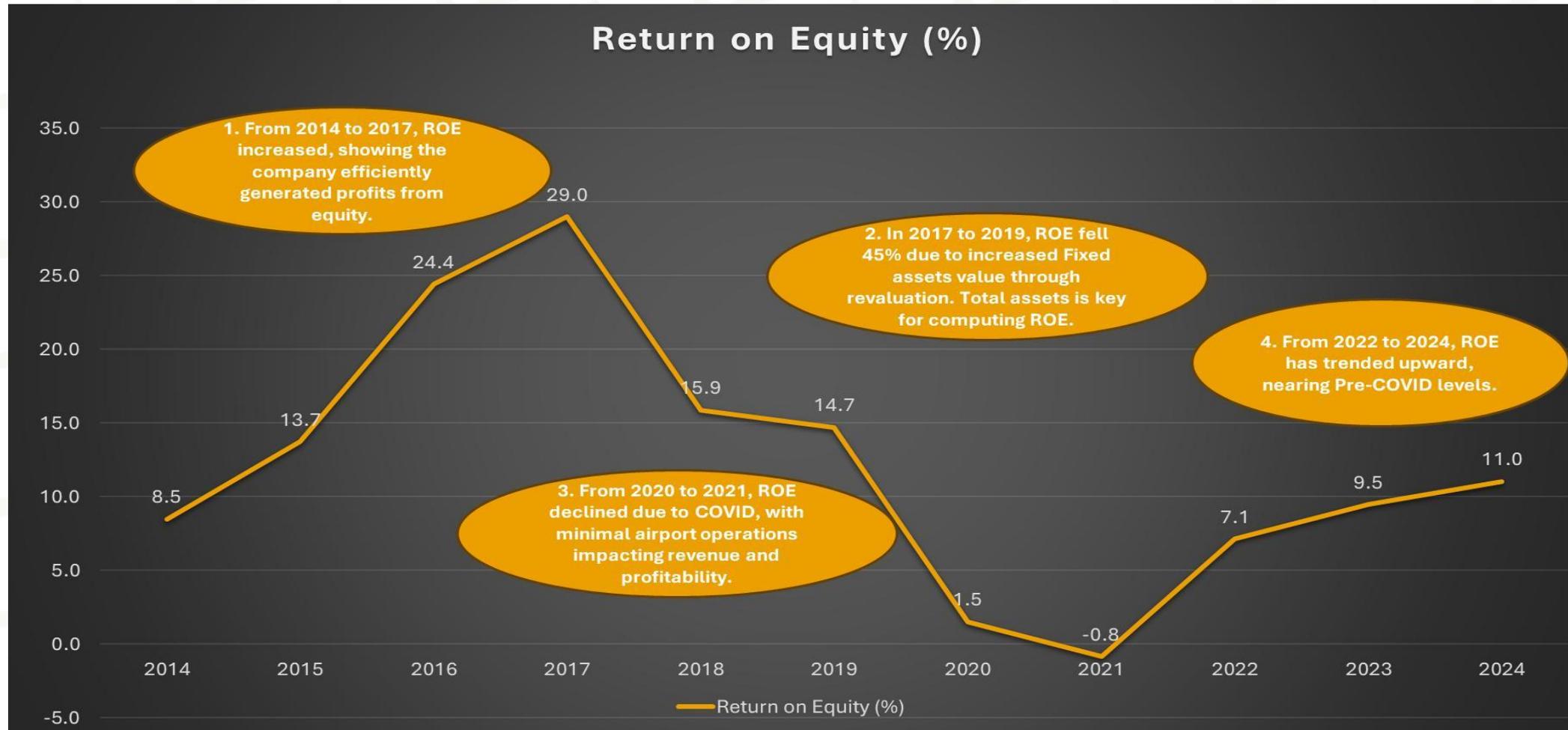


2022 Key Numbers

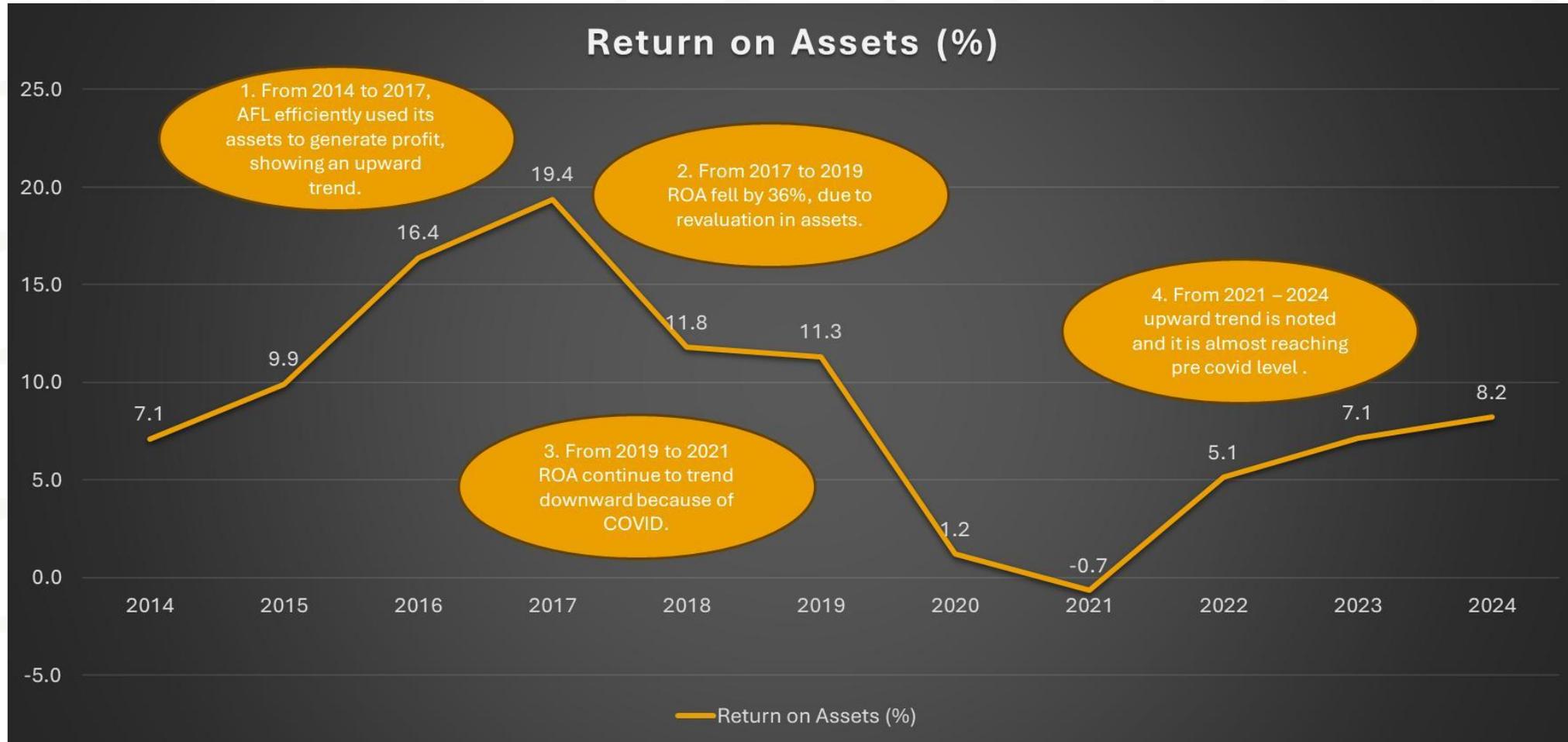
2022 marked a strong rebound for AFL after COVID-19 disruptions.

<i>Difference (\$)</i>	<i>Difference (%)</i>	<i>2022</i>	<i>2021</i>
Total International Arrival & Departure Passenger Movements			
1.5 million	1888%	1.6 million	81 thousand
Total Aircraft Movement (Tonnes)			
0.6 million	198%	0.9 million	0.3 million
Total Revenue			
\$72.6 million	238%	\$103.0 million	\$30.4 million
Total Expenditure			
\$22.6 million	51%	\$67.2 million	\$44.5 million
Shareholders Fund			
3.8 million	1%	\$450.3 million	\$446.5 million
Return on Shareholders fund before Social Obligation		6.6% (2022)	0.51% (2021)

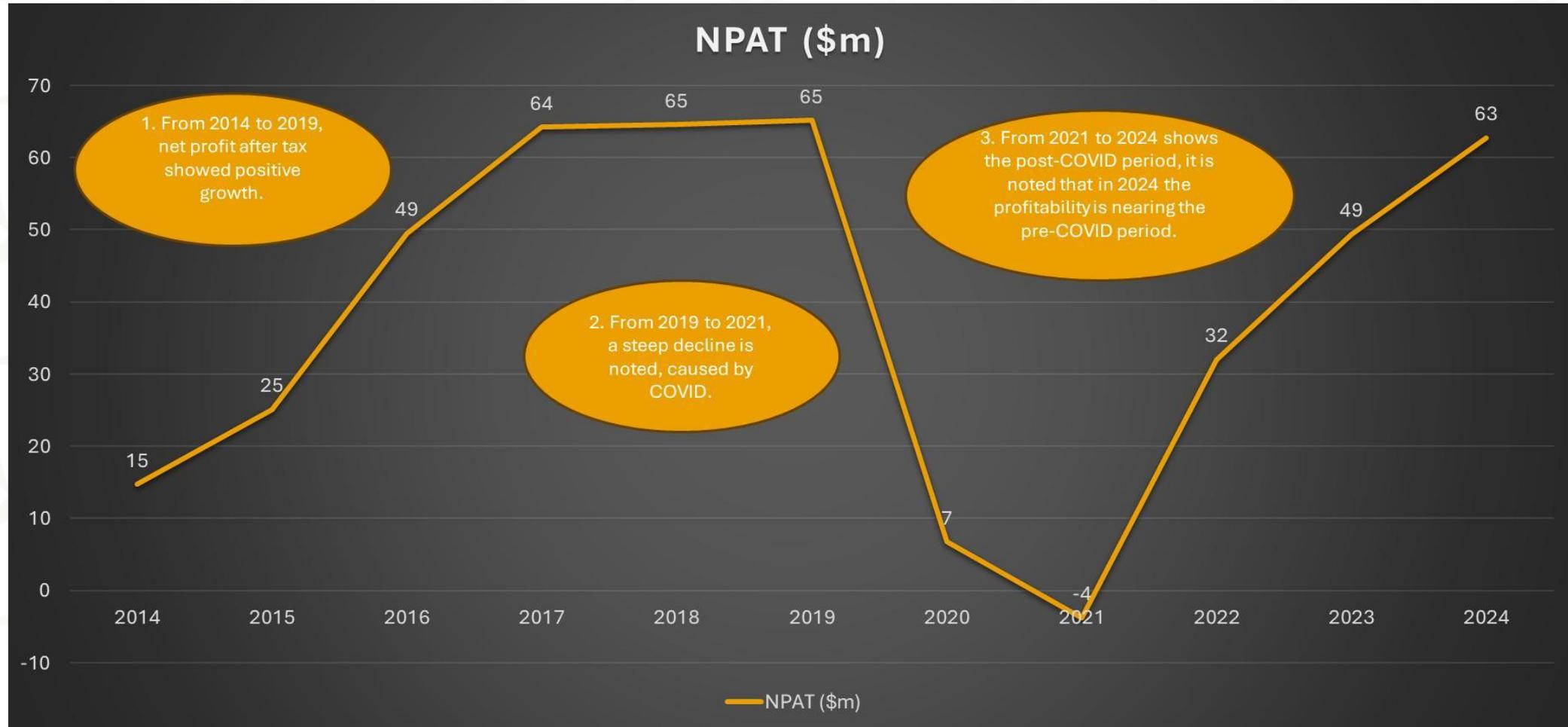
Finance Key Indicators



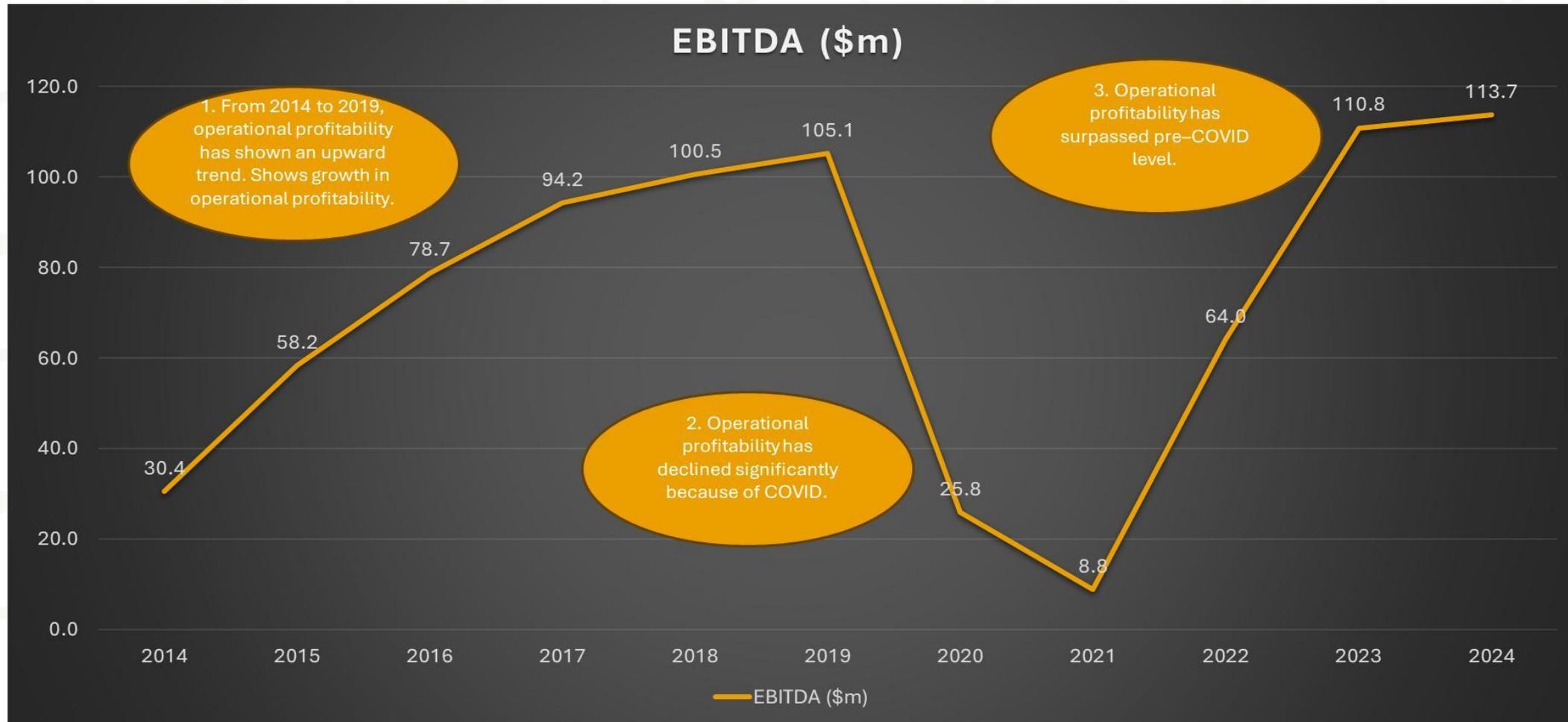
Finance Key Indicators



Finance Key Indicators



Finance Key Indicators



2022 Key Milestones and Outcomes

- i. Surveillance Control using ADS - B launched (world - first without radar), costing around \$7m.
- ii. Nausori runway upgrade completed using internal financing, costing around \$64m, and also purchased Nausori Airport precision instrument landing system costing around \$2m
- iii. Nadi Airport awarded ACI 'Gold' Green Airport (sub - 5 million category).
- iv. Renewal of Level 3 Airport Carbon Accreditation.

Air Traffic Management System Modernisation - GM ATM & Ops

Aurora ATM System – Commissioned April 2021

- Integrated Oceanic, Approach & Tower Control
- Includes ATC Simulator for ADS-B surveillance training
- Modernises procedural control & enhances airspace efficiency

Technological Advancements

- Electronic flight strips
- Advanced flight & surveillance data processing
- Fuel-efficient routing with reduced separation minima

Achievement – October 2022

- Fiji becomes 1st globally to transition from Procedural to Surveillance Control without RADAR
- Enabled via ADSB technology in Fiji Domestic Airspace



Air Traffic Management System Modernisation (continued)

ICAO Compliance

- ICAO Global Reporting Format (GRF) implemented at Nadi & Lausori (Nov 2021)
- Achieved through collaboration, trials, training & new equipment

Ongoing Innovations

- Transitioning from AIS to AIM
- Remote Tower Technology in development
- Implementing System Wide Information Management (SWIM)

Security & Safety

- All airports equipped with certified security equipment (internally & externally audited)
- No Significant Security Concerns (SSC) raised for Fiji
- Compliance with Civil Aviation (Security) Act 1994

Gender Representation

- 40% female staff in Air Traffic Management- leading diversity in a maledominated field



Training Report 2022 – Fiji Airports Aviation Academy

-

GM ATM&Ops

Training Overview

- Total sessions conducted: 187
- Total personnel trained: 1,406

Training Types

- 3 fully approved courses
- 2 sessions required Restricted Aviation Training Certification

Majority of sessions:

- Refresher courses
- Remedial training
- Compliance and awareness programs

Key Focus Areas

- Capacity building across departments
- Regulatory compliance and safety readiness
- Continuous professional development for operational excellence



Airside Operations – Digital Transformation With AeroAscent - GM A&I

Strategic Partnership

- Fiji Airports partnered with **AeroAscent** (Australia-based innovator) to enhance airside performance, safety, and customer experience
- Follows a comprehensive review of current and future airport intelligence needs

Smart Airport Solutions

- Introduction of **disruptive mobile apps** for Operational efficiency, Business intelligence, Risk management and Customer service and safety

Ground Operations Intelligence

- Apps deployed across all 15 airports and used by 25 key staff on the airfield
- Standardised digital input: Enhances process monitoring, reporting and regulatory compliance

Outcome & Benefits

- Real-time data capture and improved situational awareness
- Strengthened safety in highly regulated operational environments
- Supports data driven decision making and continuous improvement



Aviation Rescue Fire Fighting Services (ARFFS) - GM ATM&Ops

Scope of ARFFS Operations

- Responds to emergencies at all 15 airports: Aviation, industrial, road, marine, and medical incidents
- Core objective: Protect life, property, and ensure airport safety

2022 Recruitment Campaign

- Inclusive recruitment targeting diverse candidates
- Awareness programs on fire station life (NadNausori & outer islands)
- Focus on removing barriers and increasing ARFFS role awareness

Promoting Gender Diversity

- 2 women fire officers at Nadi (as of 2022)
- Ongoing efforts to boost female representation in ARFFS

Emergency Preparedness – Mock Exercise

- Biannual fullscale drill at Nausori International Airport
- Simulated domestic flight crash landing
- Collaboration with agencies to test response & recovery protocols
- Training on investigative processes and interagency coordination



Safety and Risk Management – 2022 Highlights – MSRM

ACI Green Airport Recognition

- **Nadi Airport awarded “Gold” Green Airport status** by ACI
 - Category: Less than 5 million passengers per annum
 - Recognised for carbon emission reduction achievements
- **Level 3 Airport Carbon Accreditation** renewed (Aug 2022 – Aug 2023) - Verified by independent assessor

New Aerodrome Certification:

- **Ono-i-Lau Airport** certified by CAAF for the first time (1 Dec 2022)
 - meets minimum standards to support **Twin Otter (DHC 6)** aircraft

Digital Reporting System:

- Launch of **online Safety Portal** for staff:
 - Report and track safety issues, Transparent follow-up and resolution process



2022 Projects

Capital Works Strategy

Based on longterm Asset Management Planning (Master Planning)

Focus:

- Renewal of aging infrastructure
- New asset delivery to support growth
- Financial prudence amid ongoing business challenges

Projects

- Nausori Runway Upgrade (Completed in 2021)
- Aircraft Parking Expansion at Nadi Airport
- Outer Island Airport Development: Projects valued at \$4.1M to improve service delivery



2022 Projects - Japan Grant – Nadi Airport Enhancements

- FJD 6.3M grant from Government of Japan for improvements at Nadi International Airport
- **Supports COVID - 19 readiness :**
 - COVID-19 testing facility, including RTPCR test machines
 - New departure lounge, isolation room, and boarding gate
 - Equipment for infection prevention & control

Gender Breakdown of Staff with Focus on increasing female staff

- **2022 Staff Gender Mix:** 19 % female overall.
- **Women in leadership role** : 19% of the management team
- **Air Traffic Management** : 40% female workforce.
- Recruitment of **female fire officers, and aviation engineers** at Nadi Airport.
- Ongoing commitment to gender equity in hiring and leadership
-

3. Alignment with the Sustainable Development Goals - Future

SDG	Alignment
SDG 5 Gender Equality	Gender Equality Initiatives.
SDG 8 Decent Work & Economic Growth	Staff upskilling & employment recovery and Economic growth through job creation
SDG 9 Industry Innovation & Infrastructure	Infrastructure investment, use of renewable energy and encouraging innovation amongst staff in our work especially amongst younger digital natives
SDG 11 Sustainable Cities & Communities	Green Airport initiatives, New digital systems for ATM and safety (Sustainable Cities).

SDG 13 Climate Action	Carbon emissions reduced, Airport Council International certifications to reach, Airport Carbon Accreditation & sustainability to reach Level 5 in 2030.

4. Main Challenges Faced

- Prolonged COVID19 effects in early2022.
- Staffing shortages during recovery phase.
- Delayed capital projects due to lockdowns.
- Need for investment in aging infrastructure in all airports

Future Plans

- Modernisation of Nadi terminal (combined domestic/international).
- Invest in the "heart" of operations at Nadi Airport
- Expansion of aircraft parking and baggage systems.
- Technology upgrades (Remote Towers, SWIM, AIM transition).
- People development initiatives to rebuild aviation skills.
- **Diversification of commercial activities to enhance resilience.**
- Maintain and upgrade Nausori and Outer Island Airports

Conclusion of 2022 Annual Report:

- AFL is on a growth trajectory aligned with tourism and infrastructure goals.
- Strong recovery achieved while maintaining prudent financial management



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Standing Committee on Foreign Affairs
and Defence Public Consultation and
Site Visitation to Airports Fiji Limited
(AFL), Nadi

—

04 June 2025

Images taken during the Public Consultation and Site Visitation to Airports Fiji Limited, Nadi on Wednesday 04 June 2025

As part of its review of the Airports Fiji Limited 2022 Annual Report, the Standing Committee on Foreign Affairs and Defence conducted a public consultation and site visitation to Airports Fiji Limited (AFL), Nadi, where it observed the company's operations firsthand. The visit provided valuable insights into AFL's core functions, including airport management, air navigation services, infrastructure maintenance, and compliance with international aviation standards. The Committee also engaged with AFL representatives on key operational challenges, future development plans, and the organisation's role in supporting Fiji's connectivity and economic growth.

