STANDING COMMITTEE ON SOCIAL AFFAIRS

Review Report on the 2023 Fiji Airways Annual Report

PARLIAMENT OF THE REPUBLIC OF FIJI
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CHAIRPERSON'S FOREWORD

I am pleased to present the Standing Committee on Social Affairs report on *the 2023 Fiji Airways Annual Report.*

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

Fiji Airways connects Fiji to over 27 International destinations including Australia, New Zealand, United States and the Pacific Islands. Fiji Airways is a member of the Oneworld Alliance and continue to play a vital role in the tourism industry, contributing significantly to Fiji's economic growth. Fiji Airways has a rich history marked by significant milestones, partnerships and a commitment to connecting Fiji to the world while celebrating its unique cultural heritage.

Fiji Airways notable achievements during the year 2023 were as follows:

1. Fiji Airways reduced its debt level by $100 million.
2. Carried 2.2 million passengers, an increase from 1.4 million in 2022 and 1.7 million in 2019.
3. It grew its seat capacity by 47%.
4. Operated 26,586 international, regional and domestic flights in 2023, representing a 40% growth from 2022.
5. It added two additional state-of-the-art Airbus A350-900 to its fleet.
6. In 2023 Fiji Airways added Canberra and Noumea to its airline network.
7. Fiji Airways commenced Phase 2 construction of Fiji Airways Aviation Academy, costing $130 million, with $49 million spent in 2023.
8. Fiji Airways was awarded with The SKYTRAX 2023 World Airline Awards for Best Airline, Best Airline Staff and Best Airline Services in Australia and the Pacific.

I would like to sincerely thank the Board Chairman and Chief Executive Officer of Fiji Airways and their officials for their valuable contributions to this review process.

Finally, I would like to thank the Hon. Members of the Standing Committee on Social Affairs, Hon. Ratu Rakuita Vakalalabure, Hon. Alipate Tuicolo, Hon. Viam Pillay, Hon. Parveen Bala and Hon. Aliki Bia for their valuable input and support.

Finally, I thank the Secretariate for their hard work and dedication in compiling this report.

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

…………………………………….

Hon. Iliesa Vanawalu
Chairperson

ACRONYM

FDB	Fiji Development Bank
FNPF	Fiji National Provident Fund
FJAA	Fiji Airways Aviation Academy

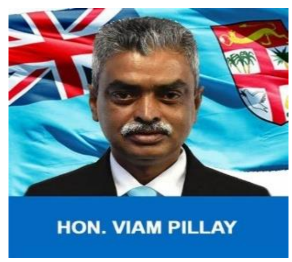
COMMITTEE MEMBERS

The Standing Committee on Social Affairs (**'Committee')** is established under Section 70 of the Constitution of the Republic of Fiji and Standing Order 109**.** The Committee's mandate and functions are provided under SO 109 (2) and 110 (1) (a)-(d) & (f).

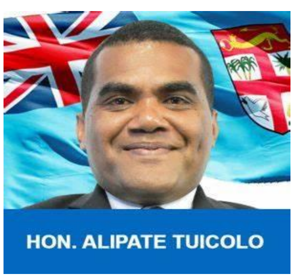
The Members of Social Affairs Committee are:

Chairperson

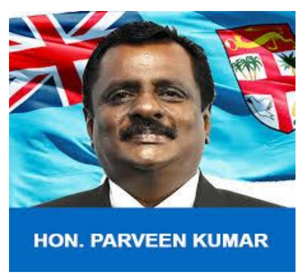
Deputy Chairperson



Member



Member



Member

Member

1.0 INTRODUCTION

Fiji Airways 2023 Annual Report was tabled in Parliament of the Republic of Fiji on 9th August 2024, the report was referred to the Standing Committee on Social Affairs.

Standing Orders 109 (2)(b) allows the Standing Committee on Social Affairs to examine matters related to health, education, social services, labor, aviation, culture and media.

1.1. Committee Procedures

Deliberations on Fiji Airways 2023 Annual Report began in September 2025. The Committee read through the report and prepared questions and seek clarifications on key issues of interest, which were then sent to Fiji Airways.

The Committee held a public submission with Fiji Airways on 3rd September 2025.

Upon receipt of all relevant information on the committee's queries, it was subsequently endorsed on 29th October 2025.

The Committee received the responses from Fiji Airways which can be viewed at the following link https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/

2.0 COMMITTEE DELIBERATION

2.1 Background

Fiji Airways was founded in 1947 by Harold George Gatty known as Katafaga Estate Ltd. In 1971 Qantas took over its operation and rebranded the airline company to Air Pacific hence it landed its first international flight to Brisbane, Australia in 1973. The Airline company further rebranded to its original name, Fiji Airways in 2013. The rebranding was part of a broader strategy to enhance its market presence and customer service.

In year 2023 Fiji Airways attained a total asset of FJD 3.482870 billion against FJD 3.217212 billion liabilities hence the net profit of FJD 265.658 million. Fiji Airways further paid 82.6% dividend to its local shareholders.

2.2 Analysis

The Committee reviewed and analysed Fiji Airways 2023 Annual Report.

The Social Affairs Committee made the following site visits during the review of the report.

Date	Organisation	Location
12.09.2025	Fiji Airways Aviation Academy	Namaka Nadi

3.0 KEY FINDINGS

Below are the key findings that the Social Affairs Committee compiled through its deliberations.

3.1 The Committee noted that Fiji Airways made huge financial turnaround from $175 million loss in 2022 to an operational profit of $113.2 million in year 2023.

3.2 The Committee noted that Fiji Airways made a record-breaking revenue of $1.8 billion, the highest in 70 years.

3.3 The Committee noted that Fiji Airways have not paid any significant portion of their debt to FNPF in year 2023.

3.4 The Committee noted that Fiji Airways was granted moratorium for 3 years from FDB and FNPF during the COVID-19 period.

3.5 The Committee noted that Fiji Airways purchased two Airbus A350-900 without placing advance order but through a sale-and-leaseback arrangement.

3.6 The Committee noted that Fiji Airways expanded its international destination to Canberra and Noumea in year 2023.

3.7 The Committee noted that Fiji Airways have invested $130 million towards the construction of its Aviation Academy (FJAA) in Namaka, Nadi.

3.8 The Committee noted that Fiji Airways have partnered with BSP Life to invest in constructing a 190-room resort.

3.9 The Committee noted that Fiji Airways provided training and professional development to its staff that resulted in achieving international recognition with APEX 5 STAR Airline and SKYTRAX 2023 Awards.

3.10 The Committee noted Fiji Airways purchase its foreign currencies using AUD, NZD and CAD against USD hence it can sell its foreign exchange at a predetermined strike price.

3.11 The Committee noted that Fiji Airways chartered flight to Israel in September 2023 resulted in the matter referred to court for the non-payment of the fares.

3.12 The Committee noted that any increase in Departure Tax by the Government of Fiji will affect the tourism and airline industry in Fiji.

4.0 COMMITTEE RECOMMENDATIONS

Below are the recommendations made by the Social Affairs Committee during its deliberations:

4.1 The Committee recommends that Fiji Airways must repay their loan according to the agreement with FNPF and FDB.

4.2 The Committee recommends that Fiji Airways should honor the 3-year moratorium agreement and start paying their loan.

4.3 The Committee recommends that Fiji Airways must continue to identify and expand on securing new economical destinations.

4.4 The Committee recommends that Fiji Airways must continue to invest in their aviation academy.

4.5 The Committee recommends that Fiji Airways must continue to invest in the hotel industry to address the lack of availability of hotel rooms in the country.

4.6 The Committee encourage that Fiji Airways should continue to provide training and professional capacity building to their staff to meet international standard.

4.7 The Committee strongly recommends that Fiji Airways should immediately find avenues to recover cost incurred for the special chartered flight to Israel.

4.8 The Committee recommends that the Government must review and decrease the departure tax which is currently affecting the tourism industry.

5.0 SUSTAINABLE DEVELOPMENT GOALS AND GENDER ANALYSIS PROVIDED BY THE FIJI AIRWAYS

Fiji Airways' approach to gender equality aligns with the United Nations Sustainable Development Goal (SDG)5 Gender Equality, and the Annual Report reflects several initiatives supporting this:

a) Commitment to Diversity, Equity & Inclusion.
b) Over 90% of Fiji Airways' employees are Fijian, with increasing representation of women in executive roles.
c) The company invested heavily in leadership development using cognitive psychology frameworks (Enneagram, NLP, Vertical Growth) to promote inclusive behaviours and ensure that diversity is part of organizational culture.
d) Fiji Airways Aviation Academy, the state-of-the-art training facility in Nadi provides local training for pilots, cabin crew, and engineers, reducing reliance on overseas training. This makes aviation careers more accessible to women, who might otherwise face financial or cultural barriers in training abroad.
e) Graduate Trainee & Succession Programs and the partnerships with local universities have helped build a pipeline for future leaders, ensuring women have equal opportunities for advancement.
f) The Annual Report highlights the presence of 15 female pilots, demonstrating organisation's focus on breaking traditional gender barriers in technical fields within aviation.
g) In 2023, Fiji Airways conducted a comprehensive review of remuneration, benchmarking salaries against the Hays Salary Guide and upgrading benefits. This ensures pay parity and supports SDG targets of reducing workplace inequalities.

While Fiji Airways has made several progresses, the 2023 Annual Report revealed the following challenges in implementing SDGs:

a) During the Pandemic, 51% of employees were terminated, including many women (in particular, cabin crew), due to the need to preserve solvency.
b) The post-COVID debt burden (FJ$682 million in 2023) meant limited resources for broader SDG-linked initiatives, as financial recovery took its priority.
c) Technical roles such as pilots, engineers, and senior executives have historically had low female representation.
d) Geopolitical and economic factors such as fuel prices, inflation, and competition required cost control measures, which can restrict investment in sustainability programs.

e) Fiji’s remote location and reliance on tourism expose the airline to unique operational and environmental pressures, making long-term SDG implementation (including gender initiatives) more challenging.

The Table below provide the staff breakdown based on gender

Gender as at 31.12.23	**%**	**Count**
Male	43.1	884
Female	56.90	1167
Total	**100.00**	**2051**

6.0 CONCLUSION

6.1 The Committee noted the achievements of the Fiji Airways in year 2023 and support the important role played by the Fiji Airways in providing efficient and effective services to its customers. Given that Fiji Airways is our National Airline, it must deliver and standby its obligations to propel our economy forward.

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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. Iliesa Vanawalu Chairperson	
Hon. Ratu Rakuita Vakalalabure Deputy Chairperson	
Hon. Alipate Tuicolo Member	
Hon. Viam Pillay Member	
Hon. Parveen Bala Member	
Hon Aliki Bia Member	
Date: 29th October, 2025	

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/

Social Affairs Site Visit – Fiji Airways Academy 12th September 2025.

Social Affairs Committee Members with the Fiji Airways Aviation Academy Staffs

Figure 1 CAE FULL FLIGHT SIMULATOR FOR Airbus A330

Figure 2 CAE Full flight Simulator for Boeing B737 Max Aircraft.

[VERBATIM REPORT]

STANDING COMMITTEE ON SOCIAL AFFAIRS

FIJI AIRWAYS

SUBMITTEE: Fiji Airways

VENUE: Committee Room, Parliament

DATE: Wednesday, 3rd September, 2025

VERBATIM REPORT OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD AT THE PARLIAMENT PRECINT, GOVERNMENT BUILDINGS, SUVA ON WEDNESDAY, 3RD SEPTEMBER, 2025, AT 8.48 A.M.

Interviewee/Submittee: Fiji Airways

In Attendance:

1. Mr. Nalin Patel - Fiji Airways chairman
2. Mr. Andre Viljoen- CEO / Managing Director
3. Ms. Seini Nabou - Board Director
4. Mr. Kameli Batiweti- Executive Manager Industry, International & Government Affairs & Corporate Communications
5. Ms. Anna Morris - Chief People's Officer

MR. CHAIRMAN.- Members of the public, Secretariat, dear viewers, ladies and gentlemen, a very good morning to you all. It is a pleasure to welcome everyone who is here in this room, especially the viewers who are watching this public hearing session live this morning. At the outset, for information purposes, pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, please note that this submission is open to the public, and the media is also airing this session live via the Walesi platform, streamed live on the Parliament website and social media platforms.

For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, this can be provided to the Committee either in private or in writing. However, please be advised that Standing Order 111, in the following circumstances, permits non-disclosure of information, and these are:

national security matters;
- third-party confidential information;
- personnel or human resources matters; and
- Committee deliberations and development of the Committee's recommendations based on the reports.

This is a Parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privileges Act, 1965. However, please bear in mind that we do not condone slander or libel of any sort. Any information brought before this Committee should be based on facts. In terms of the protocol of this Committee meeting, please minimise the usage of mobile phones, and all mobile phones are to be on silent mode while the meeting is in progress.

I wish to also remind Honourable Members and our guests this morning that all questions to be asked are to be addressed through the Chairman. I would now like the Members of the Committee to introduce themselves.

(Introduction of Committee Members)

MR. CHAIRMAN.- Today, the Committee will be hearing submissions from Fiji Airways in relation to its 2023 Annual Report. Before us, we have representatives from Fiji Airways, and I would like to thank them for availing themselves for this hearing. We acknowledge that we have received your written responses to our questions. Due to the essence of time, you may provide a brief response, after which the honourable Members will intervene with their supplementary questions. I hope that point is clear to the executive team this morning. I now invite the officials from Fiji Airways to introduce themselves and then proceed with their presentation.

MR. N. PATEL.- Mr. Chairman, Sir, honourable Members of the Committee, members of the public, and all those joining us virtually — good morning and *bula vinaka.* On behalf of Fiji Airways, we sincerely appreciate the kind invitation extended to us to present and appear before the Parliamentary Standing Committee on Social Affairs.

(Introduction of officials from Fiji Airways)

Mr. Chairman, Sir, Fiji Airways appreciates the opportunity to contribute to the Committee's work and remains committed to engaging with Parliament on matters concerning our national airline. It is with immense pride and honour that we present the 2023 Annual Report for Fiji Airways. The 2023 performance holds a very special place in our history. This report is particularly significant as it marks our first publication in 13 years, encapsulating the remarkable achievements and progress of Fiji Airways. Our entire team has worked tirelessly to elevate our airline to new heights, ensuring that we continue to deliver exceptional Fijian service and experiences to our passengers.

Mr. Chairman, Sir, as reflected in our Annual Report, Fiji Airways recorded a revenue of approximately FJ$1.8 billion in 2023 — the highest in our 70-year history, representing an improvement of about $729 million from the prior year, 2022. The operating profit was also the highest ever achieved by Fiji Airways, at $113.2 million, compared to a $175 million loss in 2022.

Our strong performance in 2023 extends beyond revenue and profit to several key benchmarks. We increased shareholder value to $266 million, which is 50 percent higher than pre-COVID levels, and we reduced our debt by $100 million, bringing the total to $682 million as of 31 December, 2023.

HON. P.K. BALA.- Mr. Chairman, Sir you have just mentioned the record-breaking figure of $1.8 billion. How much was repaid on the loans that Fiji Airways took, and also to the Government?

MR. N. PATEL.- Mr. Chairman, Sir, through you, the debt during that period was about $100 million, and the debt at the end of the financial year stood at $682 million. We have this detailed in our submission, and with your permission, Mr. Chairman, I can refer to the numbers if I may, please.

Question 5 — In terms of loan repayment, the report noted that in 2023, the airline managed to pay back $100.4m in loans and refinanced $94.9m offshore debts with domestic borrowings, what is the current progress of your loan repayment?

Mr. Chairman, Sir, what had happened was we had some expensive debt which was foreign currency-based, and that was refinanced locally at a cheaper rate and onshore. Honourable Bala, to answer your question, about $100 million was repaid on the loan.

The balance as of 31st December, 2023 was $682 million;

- loan repaid was approximately $110 million,
- new loan acquired was approximately $150 million,
- the total debt as at 31st December, 2024 stood at $722,100,000, and
- the loan that was repaid during the 2025 period was approximately $45 million.

The balance of the loan as of 31st July, 2025 stood at $678 million.

HON. P.K. BALA.- Mr. Chairman, Sir, I understand, and I have seen the table. I am more interested in the repayment to FNPF because, as I recall, some years ago, when Fiji Airways sought a loan from FNPF, there were several issues regarding this matter. Therefore, I would like to know specifically what amount has been paid to FNPF, apart from FDB, as Government's share.

MR. N. PATEL.- Mr. Andre Viljoen, have you got those numbers handy here?

MR. A. VILJOEN.- Yes, Mr. Chairman, Sir. I do not have the specific numbers at present, but I can say that we have not yet paid off any significant portion of the debt. Prior to COVID, we had a couple of loans related to aircraft, and the main one was the financing of the PDP. Today small payments are being made every month, but they are not substantial amounts.

MS. S. NABOU.- Mr. Chairman, Sir, may I also just add, basically, the company is able to service its debts, and I am sure honourable Bala will remember quite well what happened.

HON. P.K. BALA.- Can you refresh my mind? What happened that time?

MS. S. NABOU.- When you were in the FijiFirst government and the Cabinet. I think we are limited to talking about the current annual report.

MR. A. VILJOEN.- Mr. Chairman, Sir, these loans from FNPF were highly securitised, in fact, they are over securitised almost into one. From FNPF's perspective, the debts were securitised and they were really comfortable with the debt. What happened during COVID, there was a capital moratorium placed for three years. That is now up, and we are starting to pay off the capital.

HON. P.K. BALA.- Mr. Chairman, that is with FNPF. What about FDB?

MR. A. VILJOEN.- Mr. Chairman, Sir, the FDB line was $75 million. It also had a moratorium. During COVID, all the loans had a capital repayment moratorium. We continued servicing the interest during that time. That moratorium period lasted three years, and now that the three years are up, we have commenced repaying the capital.

MR. N. PATEL.- Mr. Chairman, Sir, I will reiterate once again that FNPF is a major shareholder. All the loans are fully secured. Fiji Airways has not defaulted on the terms, as the Managing Director mentioned, with both FDB and the Fiji National Provident Fund. A moratorium was sought and granted during the COVID-19 period. From Fiji Airways' point of view, we are fully compliant with the loans, which are fully secured, and we continue to comply with all terms and conditions. The details of the loans and securities held are also articulated in the annual accounts. FNPF owns approximately 30 percent of the company, and two FNPF representatives sit on the Fiji Airways Board.

Mr. Chairman, Sir, I will continue with your permission.

Question 6. There was a significant increase in the number of Passengers carried by Fiji Airways from 2019 to 2023, do you project this number to continue to increase given the services that we do offer?

- During that period, Fiji Airways recorded approximately $99 million in cargo revenue. The airline carried 2.2 million passengers, up from 1.4 million in 2022 and 1.7 million in 2019. That was a record year in terms of passenger numbers.
- Fiji Airways increased seat capacity by 47 percent to 2.8 million. In other words, our available seats can carry 2.8 million passengers, and we carried 2.2 million — the highest in our history. This indicates capacity for further growth from the airline's perspective.

- In 2023, Fiji Airways operated 26,586 international, regional, and domestic flights, representing a 40 percent increase from 2022.
- Fiji Airways also added two state-of-the-art Airbus A350-900 aircraft to our fleet, bringing the total to 21 aircraft. Canberra and Nouméa were added to the network, expanding our international destinations to 26.
- Additionally, Fiji Airways commenced phase two construction of the Fiji Airways Aviation Academy, with a total project cost of approximately $130 million, of which $49 million was spent in 2023.

HON. P.K. BALA.- Mr. Chairman, Sir, you have mentioned here that Fiji Airways took delivery of two new A350 aircraft in August 2023. When were these aircraft ordered for purchase?

MR. A. VILJOEN.- Mr. Chairman, Sir, if I may respond — these aircraft were not ordered in advance. What happened with the first two A350s, and then the second two, was that they had originally been ordered by Hong Kong Airlines and were already in production when the airline was unable to take delivery. At that time, Fiji Airways had an ongoing campaign to acquire additional aircraft, and we were offered these four aircraft at incredibly good prices. When an airline cancels delivery, it forfeits its deposits, and airlines like ours — if we are fortunate and have the right negotiations — can benefit from these forfeited or so-called liquidated damage deposits.

We leased these aircraft through a sale-and-leaseback arrangement. Essentially, we purchase the aircraft from Airbus for a day and then sell it on to a leasing company. For the first two aircraft, we made a substantial sale-and-leaseback profit, while also acquiring them at exceptionally favourable market rates. The main reason we secured such a good deal on the first two was that they were "white tails" from Hong Kong Airlines.

The other two aircraft had been placed in storage by Airbus. We could not take them at the time, but given the unprecedented growth we experienced — due to our readiness approach during COVID, where we aimed to be the first mover in the market — the strong rebound necessitated acquiring more aircraft. We then approached Airbus for the two stored aircraft, and they offered them to us on a similar deal. We acquired these aircraft through what I would describe as a groundbreaking transaction. However, they were not ordered in advance, as would normally be the case. This was similar to what happened with the first three A320-200s that the company acquired.

HON. V. PILLAY.- Mr. Chairman, Sir, he has not answered my question. I am asking, which year was that ordered? There's a reason I'm asking.

MR. A. VILJOEN.- Mr. Chairman, Sir, they were not ordered in the usual sense. At the start of 2023, when we saw unprecedented growth, we approached Airbus to inquire about the two aircraft that were in storage. That's when the negotiations began, which led to the acquisition of those aircraft toward the end of August 2023. If I may explain to the Committee — ordinarily, when you order aircraft from Airbus or Boeing, the process begins about two years before manufacture. You're required to make pre-delivery payments, specify configurations, and so on.

In this case, the four aircraft were already designed and, as I mentioned, in production. We were offered them at very favourable prices, so we did not have to go through the normal process of making pre-delivery payments — unlike with the first A330-200s, where the FNPF loan was used to finance those pre-delivery payments. We avoided all of that because these aircraft were already in production, and we were very fortunate that the seating configuration — what we call the LOPA (Layout of Passenger Accommodation) — was exactly what we would have chosen ourselves. The only modifications needed, which Airbus covered, were changing the seat leather from red to the grey we use today and replacing a few carpets. Otherwise, the avionics, engines, and overall specifications were exactly what we would have selected. They were a match for what we needed.

MR. N. PATEL.- Mr. Chairman, Sir, during the year Fiji also acquired additional shares in Richmond Limited, increasing Fiji's shareholding to 50 percent. I wish to remind Members that Richmond Limited is a joint venture between Fiji Airways and BSP Life that owns the Sofitel Hotel. We have also acquired shares in PT Limited — a 190-room resort development estimated to be over $230 million, which is expected to commence operations in late 2026. This is the new development of a hotel by Richmond Limited, adding approximately 190 rooms.

Through you, Honourable Chair and Members, our staff numbers at the end of 2023 stood at 2,051.

The shareholders of Fiji Airways are as follows:

- Republic of Fiji: 51 percent shareholding
- Fiji National Provident Fund: 30.02 percent
- Qantas Limited: 16.44 percent
- Unit Trust of Fiji: 1.58 percent
- Air New Zealand Limited: 0.69 percent
- Republic of Kiribati: 0.10 percent
- Kingdom of Tonga: 0.10 percent
- Independent State of Samoa: 0.04 percent
- Republic of Nauru: 0.03 percent

So, whilst the controlling interest lies in Fiji — with the Government, FNPF, and the Unit Trust — we also have a very strong regional commitment in terms of shareholding across the group.

HON. P.K. BALA.- Mr. Chairman, Sir, through you, you mentioned your staffing at Fiji Airways. I believe there were staff who were laid off during COVID. Have they since been rehired?

MR. A. VILJOEN.- Mr. Chairman, Sir, during COVID, we unfortunately had to terminate roughly 50 percent of our staff members to ensure the airline's survival. Our approach was to remain ready to resume operations at short notice. So, when we had to make those difficult decisions, we prioritised retaining staff who would require the longest time to retrain or replace. For instance, pilots who needed six to eight months of retraining were kept current through our academy. During that period, we also undertook 523 repatriation flights — both for Fiji and for other regional Governments, including Australia. We carried over 17,000 tonnes of cargo, which helped us keep the airline operationally current.

Of the 758 staff affected, once we were in a financial position to do so, we offered them two options — they could either return to work or receive a redundancy payout equivalent to what they would have received at the time of termination — something we couldn't afford to pay then. About 370 staff chose to return, while the rest opted for the redundancy package.

MR. N. PATEL.- Mr. Chairman, Sir, we have provided our detailed written responses to the questions raised by the Standing Committee. With your permission, we would like to take the Committee through our PowerPoint presentation, which highlights some key points from our submission. We are also happy to refer to the detailed report that has been presented, should the Committee wish to go through specific sections.

MR. CHAIRMAN.- From the Committee's point of view, if you could take us through the PowerPoint presentation just to capture the main highlights and the major scope of your presentation, that would be appreciated.

Record-Breaking Performance

MR. N. PATEL.- Mr. Chairman, Sir, and honourable Members, the PowerPoint presentation is at a very high level, but in the interest of time, we will focus on the key points. The first slide highlights our record revenue of $1.8 billion, the highest in 70 years, reflecting an increase of $729 million from 2022. Our operational profit stood at $113.2 million, compared to a loss of $175 million in 2022.

Now, how was this achieved? The key drivers behind this success were rooted in the airline's decision to adopt a "Future-Fit Strategy." This was a pivotal moment — we had to decide whether to completely shut down operations, as many airlines did, or to continue operating with a skeleton team, keeping the business alive under very difficult circumstances.

Honourable Members would appreciate that during the COVID-19 period, revenue fell to zero, yet costs such as leases and maintenance remained. Despite these challenges, the strategy we took — to keep the airline operational and ready for recovery — proved to be the right one. The strong results we are presenting today are the outcome of that decision.

MR. CHAIRMAN.- Let me go back to your revenue of $1.8 billion. As has been alluded to, that was the highest in 70 years. Looking at your planning, strategies, and key drivers, are there any plans in place for this figure to surpass $1.8 billion in the next five to ten years? What are the future plans for Fiji Airways?

MR. A. VILJOEN.- Obviously, an airline's revenue can be grown in two ways;

- either by adding more flights — which we call frequencies — on existing destinations, or
- by commencing new destinations.

As you heard earlier from our chairman, Mr. Patel, we had about 2.8 million seats available, of which only 2.2 million were sold. This indicates there is capacity to sell more seats on our current flights. We can either increase frequencies or add new destinations. For instance, we recently added Dallas and Cairns. These new routes are expected to generate additional revenue as the markets mature. Going forward, we will continue to increase frequencies where demand exists.

One of our biggest constraints, however, remains the availability of hotel rooms in the country. This is why a significant portion of our American traffic is through traffic — passengers travelling from Australia, New Zealand, and other South Pacific countries via Nadi to the United States, including Los Angeles, Dallas, San Francisco, and even Vancouver.

MR. N. PATEL.- Part of our future strategy involved leveraging the academy to ensure that pilots could be trained and maintain their licences. There was also a first-mover advantage. At that stage, the airline's strategy was to be ready if and when the borders opened. As Members will recall, the opening of borders was repeatedly deferred. Fiji Airways positioned itself to take full advantage once the borders opened.

This strategy was supported by pent-up travel demand, with special packages offered by the industry to encourage people to travel again following the fear caused by SARS. Additionally, during that period, we acquired two new A330 aircraft, as discussed earlier. These measures collectively contributed to the results we achieved.

HON. V. PILLAY.- I would like to thank the management and the CEO. I still recall that the COVID-19 period was a very difficult time for Fiji Airways. I must also thank the former prime minister and former minister for implementing measures that ensured the survival of Fiji Airways and enabled it to reach its current position. There has been mention of the state-of-the-art academy. I have visited the academy previously and was informed of the development of on-site accommodation. Could you please provide an update on the status of this development?

MR. A. VILJOEN.- That refers to our Phase 2B and 2C development. Phase A comprised the first two full-flight simulators — the A330 and the 737 MAX. Phase B, completed in part of 2023 and 2024, involved the Airbus A350 and ATR simulators. This does not include cabin crew training. While some training occurs at the academy, much of it must be conducted off-site, with facilities at Water Level and in Jamaica. As part of Phase 2, we plan to construct a full facility for cabin crew training, including a swimming pool for water training and the emergency slide. This is expected to be completed towards the end of 2025–2026. Phase 2C will include on-site accommodation, providing a limited number of rooms for foreign pilots and cabin crew attending training. We envisage this will be operational in 2027.

HON. V. PILLAY.- You have also mentioned plans to provide residential courses for Fiji nationals and foreign delegates. Will any revenue be generated for Fiji Airways through these courses?

MR. A. VILJOEN.- Yes, Sir. With the accommodation, any facilities provided to participants will incur a fee. While the training itself is charged separately, accommodation fees will generate additional revenue.

HON. A. BIA- Sir, just a follow-up question regarding the industry. Do you think there needs to be a sense of urgency from the government in terms of actions required, given our heavy reliance on the tourism industry and the pressure this places on its performance?

MR A. VILJOEN.- I cannot speak for other industries, but for the airline, we are determined to grow tourism and add more destinations. Recently, we added Dallas, which is a significant step forward. We are also focusing on investments in Richmond, including the Sofitel and other developments, to assist with hotel facilities.

Strategic Investments

MR. N. PATEL.- Mr. Chairman, Sir, on the second slide, we highlight the Aviation Academy. We are now self-sufficient in pilot training for all our fleet types. The state-of-the-art facilities are in high demand and generating income for us. Our aim is to be the regional training hub. We are pleased to advise that pilots from Qantas, Virgin, Air Tahiti, Cathay Pacific, and other airlines are using our facilities. This reflects the high standards and quality of our Academy, and regional airlines also benefit from it. We are proud of this achievement. As honourable Pillay mentioned, he has visited the Academy. We would like to invite you, Mr. Chairman and Committee Members, to tour the facilities and meet the staff firsthand, if you wish.

MR. CHAIRMAN.- For your information, we have a site visit scheduled for next week, and we will be there in person. You can coordinate with our Secretariat, and Fiji Airways will facilitate the visit. This will allow us to see firsthand the operations and facilities of the Aviation Academy on the ground.

MR. N. PATEL.- We would be delighted and honoured to host you and show you around. I will ask Mr. Kameli to coordinate with the Secretariat to arrange a time convenient for the Committee.

Innovation and Competitive Edge

Some of the airline's innovation and competitive edge came from the introduction of branded fares, called "Fly Your Way." This made travel easier for passengers, particularly during COVID-19, when stop-start travel created challenges. Passengers could change their travel dates without paying fees, and tickets remained valid for future flights. "Fly Your Way" also offered lighter travel options, allowing passengers to pay only for the services they needed, such as luggage. These moves helped attract passengers back to travel.

On the digital transformation side, we introduced a new website and mobile app, adopted a new revenue management system, and joined the OneWorld alliance. Fiji Airways is now a full member of Oneworld Alliance, joining leading airlines such as British Airways, American Airlines, Qantas, Cathay Pacific, Malaysian Airlines, and Qatar Airways. This provides significant synergies for collaboration and operational excellence. We are also very mindful of environmental responsibility. Fuel is one of our largest costs, so every dollar saved contributes to profitability. Using specialized fuel and cargo software, we optimize flight paths to reduce fuel consumption, which is already paying dividends.

People and Service Culture

Regarding people and culture, we have 2,051 staff members, with a gender mix of 57 percent female and 43 percent male. We provide continuous training and professional development throughout the year to maintain high service standards. As a result of these initiatives, we have received international recognition, including the APEX 5-Star Airline award and the SKYTRAX 2023 Awards for Best Airline, Best Staff, and Best Service in Australia and the Pacific. Our service culture is guided by the vision: “Work as One.”

MR. CHAIRMAN.- You mentioned the distribution of airline staff. I am interested in the trend over the last five years — are women increasingly dominating this industry?

MS. A. MORRIS.- Mr. Chairman, Sir, I would not say that women are dominating the industry, but their numbers are definitely growing. We are proud to note that many of our managers are female—there are currently more female managers than male. The organization strongly supports women, and we continue to see them thrive.

Financial Strength and Growth

MR. N. PATEL.- Mr. Chairman, Sir, on financial strength and growth, some of these matters have already been addressed through the questions raised. The loan repayments were approximately $100 million, reducing the balance to $677 million. We are grateful for all our financiers, including the Fiji National Provident Fund, Fiji Development Bank, several commercial banks, and indeed the Government, which has provided sovereign guarantees for many of these loans. We are sincerely thankful to the Government and all Parliamentarians.

HON. V. PILLAY.- Mr. Chairman, Sir, on the same note the lessons learned during COVID and I still remember the strong opposition when we the government guarantees were brought in Parliament and the measures put in place for the survival of Fiji Airways whether there is any plans in place now, any contingency plans or any sort of plans, should there be a similar situation in future?

MR. N. PATEL.- Mr. Chairman, Sir, obviously, when one looks at the airline industry, many airlines disappeared during the COVID period. Even in good times, a significant number of airlines do not survive. In some regions, such as the United States, larger airlines may go into bankruptcy and then restart operations. In this part of the world, we do not have that luxury. Therefore, as an airline, we are planning for contingencies and building our cash reserves to prepare for the unknown. This forms an important part of our corporate governance.

The industry landscape is fragile. Tourism can be disrupted at short notice, often due to external factors such as conflicts or changes in Air Service Agreements. Fiji Airways is conscious of its responsibilities as a board and as a company. We strive to be a good corporate citizen and comply with all rules and regulations. Ensuring the going concern of the entity is paramount. As a global business, we face strong competition and certain constraints, such as limited hotel capacity. As our Managing Director explained, we are currently managing low-yield passenger traffic while supporting hotel development. Fiji Airways, through Richmond Pte Limited, is investing in building more hotel rooms, and other investor-led projects are in the pipeline to strengthen tourism's economic contribution.

In terms of expanding destinations, we have added Vancouver, Canberra, Dallas-Fort Worth, and Cairns. This addresses capacity constraints and aligns with fleet timing to capture pent-up demand. Currently, we have approximately 600,000 extra seats available to be filled, reflecting significant growth potential.

Sustainability and Future Outlook

Additionally, Fiji Airways aligns with the Sustainable Development Goals and takes its responsibilities seriously in areas such as gender equality, diversity, and equity. Considerable work has been undertaken in these areas, and detailed submissions have been provided.

HON. V. PILLAY.- Mr. Chairman, Sir, in terms of the destinations, are there any destinations you have marked for the future where Fiji Airways will be flying? Any new destinations?

MR. N. PATEL.- Mr. Chairman, Sir, generally, as an airline, we are continuously exploring possibilities of adding new routes. Where routes have been started and are not performing, it is incumbent upon us to take appropriate steps. Any new route typically takes two to three years before we see the full benefits because of the development involved. The simple answer is yes, we are always looking for new routes. We conduct detailed analyses before starting any route, asking questions such as:

- Why Cairns and not somewhere else?
- Why Dallas and not Seattle?
- Why Adelaide, and not another city?

These decisions are backed by extensive studies and statistics. We are mindful that we are a relatively small airline and must be selective about the routes we operate. Each route must cover its direct costs. If a route is unlikely to pay for its direct costs, we will not pursue it. On sustainability and resilience, we employ various hedging strategies. Fiji Airways revenues are mostly in Australian and New Zealand dollars, while most costs, including lease payments, are in US dollars. Hedging helps us minimise currency mismatch risks. We also hedge fuel, which is one of our largest expenses.

Our fleet is modern, and we prioritise safety and service. Safety takes precedence over everything, and this culture has been maintained for the past 70 years. We continually focus on the safety of our people, fleet, and passengers. Regarding our long-term vision, we aim to be the South Pacific's one-stop aviation training hub through our world-class aviation academy. We are reviewing flight schedules to improve regional connectivity. Smaller Pacific nations face challenges with aircraft ownership, and we are exploring collaboration with Pacific Island Forum countries to facilitate travel and trade via Nadi as a hub.

Mr. Chairman, Sir, and honourable Members, Fiji Airways' common purpose is to fly for Fiji. Our mission is to bring people to Fiji and encourage them to stay, rather than just transit, while we continue to build hotel capacity. That concludes our high-level presentation. We are happy to take any questions or comments.

HON. V. PILLAY.- Coming back from Dallas, Los Angeles, Vancouver, Australia, and New Zealand to Nausori Airport, when will Fiji Airways start international flights from Nausori Airport?

MR. N. PATEL.- For Nausori Airport, our internal studies indicate that Fiji Airways would incur significant losses in the initial stages. However, the Board and management are revisiting this to explore how to make Nausori work. We are giving it our full attention. Current projections show significant potential losses, so we are re-examining the business case to determine how direct flights to Nausori Airport could be viable. I may ask the Managing Director to add to that.

MR. A. VILJOEN.- Yes, Mr. Chairman, Sir, our latest evaluation shows that one flight per week to Auckland would incur a loss of $15 million per year. If we add one flight per week to Sydney as well, that figure rises to $37 million. We are exploring ways to mitigate these losses.

MR. N. PATEL.- One of the challenges is the price point, as fares from Australia and New Zealand are quite low. For leisure travel, passengers can travel very cheaply. There is a price constraint on what we can achieve at Nausori, compounded by the Nadi and domestic flights. These are some of the challenges being addressed. We are not saying no, but at the moment there are issues that need to be resolved.

MR. A. VILJOEN.- One of the major challenges is positioning an aircraft for the flight. Flying from Nadi to Suva—a 20-minute flight—incurs a full maintenance cycle cost equivalent to a nine- or ten-hour flight to Los Angeles or San Francisco. Alternatively, placing an aircraft overnight in Suva introduces hotel accommodation issues. It is complex, and we are doing our best to find a solution.

MS. S. NABOU.- Mr. Chairman, to provide further context, while direct flights to Nausori are desirable, as Mr. Andre mentioned, there are significant positioning challenges. We need to account for flight attendants, catering, maintenance, and fueling — all major costs that currently do not exist at Nausori. It is essential that any such flight is financially viable and can cover its own costs.

MR. A. VILJOEN.- Mr. Chairman, if I may add, we have acquired additional ATR aircraft to facilitate transfers between Suva and Nadi. This allows us to manage the traffic more efficiently. It is standard practice in the airline industry worldwide—using an ATR for a 20-minute flight is far more cost-effective than flying a jet for the same distance and incurring higher costs.

HON. A. TUICOLO.- Mr. Chairman, we are aware that there was a chartered flight to Israel in September and October 2023. The charter faced challenges in meeting its payment obligations. Can you update the Committee and the public on whether the outstanding amount has been fully recovered, and what time frame the charter took to settle the arrears?

MR. A. VILJOEN.- Yes, this this was a commercial arrangement, and unfortunately, the customer has not paid the bills, and we are suing them. The matter is currently in the courts.

HON. P.K. BALA.- Mr. Chairman, if I hear properly, the matter is before?

FIJI AIRWAYS REP.- Court.

HON. P.K. BALA.- The Israel trip one?

MS. S. NABOU.- He is just asking for clarification, Mr. Viljoen, he did not hear that it was about the Israel Charter fight.

MR. A. VILJOEN.- Yes, regarding the Israel charter, the customer who made the arrangements failed to pay the amounts due on time. They were given some leeway, but did not honour it. The matter is now being pursued through legal action to recover the funds.

HON. P.K. BALA.- Mr. Chairman, Sir, through you, there has been much discussion regarding local fares. We note that Fiji Airways has achieved record profits after 70 years. Is it possible to reduce these local fares? For instance, if someone needs to attend a funeral and only knows a day or two in advance, the fare booked on short notice can be $500 or $600. Could you provide some clarification on this?

MR. N. PATEL. Mr. Chairman, Sir, through you, Honourable Bala, that is a very fair question. We are mindful of the concerns around local fares, and considerable work is being done in this area. Domestic travel is very complex for Fiji Airways because each airport presents unique constraints. For example, ATR aircraft cannot operate at Savusavu, while Lakeba and Kadavu require different aircraft types. Efficiency and cost reduction are easier when a single aircraft type can be used consistently.

We recognise that domestic fares are high compared to international fares. For instance, the $500 fare from Labasa mentioned by the Honourable Member reflects operational constraints. Our new ATR-72 aircraft are designed to carry around 70 passengers, but runway restrictions limit us to 40–50 passengers, constraining load factors and preventing fares from being reduced.

Night flying is largely restricted due to runway sizes and safety considerations. If aircraft are grounded, they incur costs without generating revenue. Increased frequency and higher load factors would help reduce fares, but these operational constraints remain. We are reviewing fares and taking all factors into account to ensure travellers' costs are appropriate given these challenges. We are working closely with sister organisations, such as Airports Fiji and ATS, to address runway limitations and other operational issues, aiming for cooperative, win-win solutions rather than assigning blame.

MR. CHAIRMAN.- Honourable Members, are there any supplementary questions before we wrap it up.

HON. A.T. NAGATA.- Mr. Chairman, through you, just one on the staff welfare. How do you accommodate your staff, especially those cabin crew travelling from outside of Nadi? Do you plan in investing on properties that can be rented out by your staff?

MR. A. VILJOEN.- Well, the majority of our employees live in Lautoka. For those who live elsewhere, we provide transport. We have a fleet of vehicles, and if there are not enough, we occasionally use taxis. We transport employees to Nadi for flights, but we do not provide accommodation. This arrangement has been in place for many years. Ana, would you like to add anything?

MS. A. MORRIS.- No, Mr. Andre. I think that pretty much sums it up. We ensure that we provide transportation for all of our tech and cabin crew. So, it is door-to-door, but we do not provide accommodation at this stage.

MR. A. VILJEON.- The basis of our employment is that we will provide transport for you to Nadi, but we do not provide accommodation.

HON. P.K. BALA.- Mr. Chairman, Sir, last point — our staff members are the face of Fiji Airways. In carrying out their duties, sometimes I have observed that staff can be a bit rude, particularly the newer employees. Can there be some improvement in this area? I speak from personal experience.

MR. N. PATEL.- Thank you for your observation. I would suggest that if there are specific cases, please let us know. As we always say, our staff are our biggest and most invaluable asset — they are the face of the airline. Any instance of below-standard service or rudeness is not tolerated and is not part of our mandate. I will now ask our team to provide further comment on this, if any.

MS. A. MORRIS.- Mr. Chairman, I would like to say that we welcome feedback. Our organisation embraces a spirit of continuous improvement. We acknowledge that sometimes behaviours may not come across as intended. If there are specific instances, we address them directly with the individual and work with them to improve behaviours and communication. We value all feedback and would be pleased to hear any concerns in that regard.

MS. S. NABOU.- Mr. Chairman, may I make an additional point? With us today is also Mr. Batiweti. He is the government affairs and international liaison, and you may know he previously held this role. I would like to advise the Committee and Parliament that he is the point of contact for any issues. I am sure he has his business cards with him and can escalate concerns, but this does not include discounted fares or complimentary business class seats.

HON. A. BIA.- Mr. Chairman, as Members of the Social Affairs Committee, our role is to provide scrutiny and oversight of your annual report. At the same time, we make recommendations to Government in Parliament on how best to support the growth of our airline. To the CEO and your team, based on your report, what are some key recommendations you would like this Committee to table in Parliament to help the airline grow and strengthen its sustainability in the industry?

MR. A. VILJEON.- One topic we consistently encounter is the departure tax. We fully understand the need for revenue collection, as highlighted by the Honourable Deputy Prime Minister Prasad, but departure tax significantly affects airline tickets. For a family of four or five, the added cost makes Fiji and Fiji Airways less competitive compared to other destinations. Addressing this and exploring alternatives to reduce or adjust the departure tax could greatly benefit both the airline and the country's tourism sector.

MR. A. MORRIS.- Mr. Chair, perhaps the Committee Members and Parliamentarians themselves could consider patronizing our national airline on all outbound flights. That support would make a significant difference to the airline.

MR. CHAIRMAN.- Thank you very much, CEO and Executive team. Are there any final supplementary questions from the Committee? If not, that concludes our deliberations this morning. At this juncture, I sincerely thank you all for availing yourselves for this public hearing session. We appreciate your time and hope that you will continue to make yourselves available for any further queries the Committee may have regarding this report.

The Committee adjourned at 9.56 a.m.

Questions on Fiji Airways Annual Report for the year 2023

1. A record-breaking revenue of $1.8b in 2023 which was an increase of $729m from 2022, as noted in the report that this is the highest ever earnings by our national airline in its 70-year history. What is attributed to this remarkable achievement?

   We followed a Future-Fit-Strategy not to completely shut the airline down during COVID, but to be READY to THRIVE at very short notice. We kept our Pilots current at the Fiji Airways Academy (FJAA), conducted 523 Repatriation flights and carried 17,339 tons of Cargo and 486 tons of essential medical supplies. When borders reopened on 01 December 2021, we were the first movers and grew (by ASK 24%, Passengers 27% and Passenger Revenue 62.1%) in 2023 compared with 2019. The 758 people we terminated (to Survive) had roles where training to replace them was relatively short (e.g. a few months) when borders reopened.

   What also helped us was our TRAVEL READY Health and Safety protocols and up to 50% discounted Bula Bubble all-inclusive full board packages (150,000 Pax - FJ $ 60million).

   Fiji Airways capitalised on its first mover advantage as we were one of the first to open after COVID and the momentum of pent-up demand carried all the way into 2023 backed up with all our Travel Ready programs. Being Commercially ready was one of the pillars of our Travel ready programs where we had our fares, packages and partners ready to sell. The ability to sell was assisted with our Peace of Mind Policy which allowed for waivers on changes due to uncertainty and this flexibility was extended to 2023 as well.

2. In 2022, Fiji Airways recorded a loss of $175m and in 2023 there was an operational profit of $113.2m, how did Fiji Airways managed to achieve this?
   2022 was a restart/ramp up year once borders reopened after the Pandemic in 2020-2021. In Q1 2022, Fiji Airways operated approximately 66% of its pre-COVID capacity (2019), which grew to approximately 80% in Q2, 89% in Q3, and 100% from November 2022. Because Fiji Airways only operated 84% of Pre-COVID capacity in 2022 (vs 2019), the airline was still burdened with 100% of the cost base; and as a result, overall profitability was severely challenged.

   The airline still generated enough revenue to cover all operational costs and make a sizeable contribution towards the fixed costs of the airline (overheads, aircraft lease/ownership, staff salaries, etc)

   2023 had the benefit of:

   - a full year of capacity that was higher than pre-COVID levels,

- a revenue/demand environment that included “revenge travel”, customers being reunited with family and loved ones after years apart, and
- an airline industry where multiple airlines had not yet restarted their operations due to aircraft and/or crew constraints. This led to higher demand and lower industry airline capacity; and translated into incredibly strong results for the airline.
- Fiji Airways took delivery of two (2) new A350 aircraft in August 2023. These are widely considered the most modern and efficient long haul commercial aircraft today.

3. In terms of Fiji Airways Investment Portfolio, the report indicated major investment carried out by the company, how will Fiji Airways continue to diversify their investment to enhance Fiji’s tourism landscape?

Fiji Airways will continue to invest in facilities at the Fiji Airways Aviation Academy (FJAA) to build on the full self-sufficiency now created for pilot training and add to that self-sufficiency for safety and service training. The Academy will also invest in the skills necessary to create an Approved Training Organisation (ATO) and develop the Academy beyond its own training needs to become a regional hub for airline aviation, technical and service training. Development on-site of accommodation facilities will facilitate the delivery of residential courses for Fiji nationals and foreign delegates.

Fiji Airways Aviation Academy (FJAA) is a fully integrated training center, delivering world-class programs for Fiji Airways’ pilots, cabin crew, and partner airlines across the region.

Opened in December 2019 with an investment of FJ$ 83.4m, the Academy is a state-of-the-art facility designed to nurture the next generation of Fijian aviators. It began operations with two Full-Flight Simulators (FFS), an Airbus A330 and a Boeing 737 MAX, revolutionising Fiji Airways training system and reducing reliance on overseas training in countries such as Australia, New Zealand, Singapore, and Thailand. The Academy now delivers comprehensive training across the full pilot lifecycle, from foundational ab initio training to type ratings and recurrent courses, ensuring pilots meet mandatory licensing requirements. In-house programs also support career progression, such as First Officer to Captain upgrades, and enable pilots to transition across different aircraft types. Having these facilities locally has cut inefficiencies and costs, provided greater flexibility for additional training, and improved work-life balance for crew.

Building on this success, Fiji Airways invested a further FJ$ 75.6m in 2023 for **Phase 2a of the Academy**, which is now substantially complete. This expansion introduced two additional Full-Flight Simulators, an Airbus A350 and an ATR 72-600, together with two fixed training devices, enabling training across the airline's entire fleet.

In 2024, Fiji Airways achieved a reduction in flight crew training cost of approximately **US$ 6.8m**, with **46 local pilot promotions.** Moreover, having our own academy provides valuable insights into our pilots' performance, enabling us to offer targeted remedial training, which reaffirms our commitment to safety and sets a benchmark for excellence in aviation. As the aviation industry continues to evolve globally, the Fiji Airways Aviation Academy is at the forefront, continuously innovating and expanding its horizons. With plans for new programs, advanced technologies, and a commitment to sustainability, the academy is poised to shape the future of aviation training, ensuring we remain leaders in this ever-changing industry.

Looking ahead, the Academy continues to innovate and expand. Future plans include a dedicated Safety Training Facility and a World-Class Service Training Center for cabin crew development. By investing in advanced technologies and sustainable practices, FJAA is positioning itself at the forefront of global aviation training.

Fiji Airways Aviation Academy's vision is to become the **"One-Stop Aviation Training Hub"** for the South Pacific making training more accessible and cost-effective for all Pacific Island nations. With strong commercial partnerships already in place with carriers such as **Air Vanuatu, Air Moana, Air Tahiti, Qantas, Virgin Australia, Lulutai Airlines, Aircalin, Air Calédonie and Cathay Pacific**, the Academy is strengthening regional cooperation and building a shared commitment to aviation excellence and safety standards."

4. Given the competitiveness of the airline industry, what plans are in place to ensure Fiji Airways continues to adopt new tools and technology to help maintain our competitive edge?

As part of our Future-Fit-Strategy, Fiji Airways utilized the soft period during and after COVID to ensure that the airline thrived when the Borders reopened and the following key tools and technology implementations were accomplished:

- Launch of the new Website fijiairways.com.
- Implemented the Sky breathe Fuel Monitoring Software.
- Implemented the CHAMP Cargo Operations & Accounting System EFB Solution for Cabin Crew/Pilots rolled out.
- Amadeus ALTEA (ASRM) Revenue Management System implemented.
- Amadeus Digital Mobile App is now launched.
- Amadeus ALTEA (ARA) Revenue Accounting System implemented.

The above tools enabled efficiency and equipped Fiji Airways to utilize industry benchmarked tools to maintain competitiveness and cost efficiency.

Another major competitive innovation that the airline adopted was the implementation of Branded Fares. The implementation of branded fares with the tagline of “Fly Your Way” has driven significant upside to the revenue driving activities of the airline. Fly Your Way allows customers to choose the fare product they want, and this has improved our competitive landscape against our competitors.

Fiji Airways is making major investments into Customer Service (World Class), new revenue streams (stop-over program), and has recently joined the oneworld global alliance adopting the American Airlines AAdvantage program as our Loyalty program. These investments, among many others, will continue to elevate Fiji Airways in a very competitive industry.

Future decisions will need to be made regarding fleet and/or fleet interiors, which should include things like Premium Economy seating and a nicer overall in-flight experience.

In 2024 Fiji Airways commissioned two additional full flight simulators for the A350 and ATR aircraft, at the FJAA and two-part task trainers for the A330 and B737Max aircraft. This investment has made Fiji Airways fully self-sufficient in pilot training. We also established a safety training facility in Votualevu equipped with a descent slide, door trainers, and space for dry drills, and an interim classroom annex in Martintar focused on cabin service training.

In 2025 we refurbished one classroom at FJAA to create additional full size training rooms, a dedicated computer-based testing facility, and a new multi-function space primarily intended to host combined CRM training. In keeping also with the increased focus on aircraft fire hazards we have commissioned a state-of-the-art fire trainer able to demonstrate the nature and containment of the five specific types of cabin fire as required by the regulations. We will also perform some ground works in 2025 to mitigate the risk of flooding arising from changes in weather patterns and increased water run-off from Queen’s Road into the Academy complex.

In 2026 we intend to commence development of a fully equipped safety and service technical facility, further classrooms and a development kitchen to consolidate the interim facilities at Votualevu and Martintar at the main FJAA site in 2027 on the conclusion of their leases. Orders will be placed for an evacuation trainer and commercial kitchen equipment

5. In terms of loan repayment, the report noted that in 2023, the airline managed to pay back $100.4m in loans and refinanced $94.9m offshore debts with domestic borrowings, what is the current progress of your loan repayment?

Loan Summary

Details	FJ$'m
Debt balance as at 31 December 2023	**682.0**
Less: loan repayments FY24	(109.9)
Add: new FJAA loan	150.0
Debt balance as at 31 December 2024	**722.1**
Less: loan repayments till July 25	(44.5)
Debt balance as at 31 July 2025	**677.7**

6. There was a significant increase in the number of Passengers carried by Fiji Airways from 2019 to 2023, do you project this number to continue to increase given the services that we do offer?

- Passengers increased by 27% 2023 vs 2019 for Fiji Airways. Overall capacity (ASK) increased by 24% over the same period. We should expect passenger numbers to grow at a similar pace to airline capacity. Airline capacity should grow at a lower rate 2026-2030 as the airline has grown significantly faster than the hotel/tourism sector over the last decade and has seen a large uptick in lower yielding transit passengers as a result.
- As the hotel/tourism sector grows, Fiji Airways will be able to facilitate that growth by trading off some of the lower-yielding transit passengers in favor of the preferred local demand with destination Fiji in mind. The airline could easily facilitate an additional 20%-30% growth in local passengers without adding more flights/seats.

7. With some new destination added to the Fiji Airways route, how has this impacted the airline?
    - New routes generally take 2-3 years to "ramp up" and oftentimes can sustain reasonable losses over the initial ramp up period. This is true for routes like Vancouver (launched November 2022) and Canberra (July 2023), as well as the more recent launches of Dallas/Fort Worth (December 2024) and Cairns (April 2025). These routes cover their variable and operating costs and provide downline revenue that benefits the rest of the system; but they are still on a

growth trajectory and path before they settle in as long-term profitable contributors to the network.

- Fiji Airways needs to be mindful of the number of new routes and growth levels as a rapid growth may lead to heavy losses which cannot be sustained.

8. When will Fiji Airways reschedule international flights at Nausori Airport

The current projection is loss making, but it's still being considered by the Leadership Team and the Board.

9. Staff empowerment and capacity building is important to keep staff updated and upskilled with the demand of meeting customer needs on a daily basis, how has Fiji Airways progress with this?

At Fiji Airways, staff empowerment and capacity building are not just operational priorities, they are strategic imperatives that fuel our continued success and global recognition. In 2023, we made significant strides in developing a future-fit workforce capable of meeting the evolving demands of our guests and the dynamic aviation landscape. Our approach is anchored in two of our six game-changing strategies: **Capitalize on Our People** and **Build Remarkable Service Quality** which is evident in the following key initiatives.

A. **Ongoing UYS (Uplifting Service) education** to foster personal and professional growth across all levels.

B. **Evolving and continuous Front Line Guest Service Education** to ensure consistent guest experience across all front-line Guest Perception Points.

C. **Empowering ELT & Management Through Developmental Coaching** supported by The Coaching Room Australia, using specialized psychometric tools - The Enneagram and The Identity Compass.

D. **Triple Goal Vertical Growth Program** launched in 2023 to redefine leadership from the inside out, deepening strategic thinking and adaptive leadership.

E. **Launch of a new online learning system** accessible to all staff, enabling flexible, self-paced upskilling and continuous learning.

These initiatives reflect Fiji Airways' commitment to cultivating a capable, agile, and customer-focused workforce that has not only strengthened individual capability but have also reinforced cultural cohesion, improved team dynamics, and positioned Fiji

Airways as a resilient, agile, and service-driven organisation. The following report outlines how these initiatives have shaped our journey, empowered our people, and enabled us to consistently deliver **exceptional Fijian experiences** across every touchpoint.

- **Ongoing UYS (Uplifting Service) education** to foster personal and professional growth across all levels.

2017-2018 Fiji Airways took on a massive undertaking to make history for Fiji by elevating our world rankings positioning us alongside major airline brands such as Emirates, Lufthansa, Qantas and Air New Zealand.

In 2017, we launched our "Work as One Service Culture Programme", spearheaded by world-leading expert Ron Kaufman and the company he established in Singapore - Uplifting Service. With the Service Vision – "Work as One to Take the Next Step UP!" our company-wide service culture development programme was launched, and a new era of Service began.

With a fresh perspective on service, a new service language, and a promise to take the next step up, the programme changed the game on our products and services at Fiji Airways as we knew it and empowered our staff to step up and go the extra mile for our guests.

In 2019 The results spoke for themselves when in June we achieved the 4 Star SKYTRAX Ranking, our highest ever ranking. Having achieved what we set out to, it was time to cast a new Vision for our Service Culture Programme. Following our 4 Star SKYTRAX Achievement, "Work as One to Make Every Moment Better" was launched late 2019, which was then disrupted by COVID in early 2020.

2020-2022. With the closure of international borders and the grounding of our fleet, we found ourselves in a completely unfamiliar territory with a unique set of financial challenges and a very daunting and uncertain future ahead of us. A Common Purpose was born with a singular focus **"To ensure Fiji Airways Survives and is READY to Thrive"**.

This was incorporated into our Service Culture programme and swiftly became our obsession. For the first time we integrated models of the NLP cognitive psychology framework to transform mindsets to improve your thinking to improve your behaviour. During COVID with a completely different guest sentiment to travel, our Service Vision evolved to "Work As One to Make Every Moment Better - ***With Care***".

After a thorough review of all guest touch points, a new initiative called Travel Ready was created and incorporated into our Service Culture Programme. Our relentless focus on survival and care for our guests led to many innovative services, onboard practices and new policies the aviation industry had never seen before, such as our onboard Customer Wellness Champions, Credit Extension Policy to 2023 and Transferable Credit Policy.

In 2021, we were rewarded with the SKYTRAX 5 Star COVID Safety Rating, APEX Diamond Health and Safety Rating. Later that year Fiji announced borders were open in 01 Dec 2021 and Fiji Airways was Travel Ready. In Oct 2022, we were delighted to receive for the first time the APEX 5 Star Major Airline Rating. At this point a pivotal moment had been reached, and we recognized we were stepping well past Survive and swiftly into Thrive.

In readiness for 2023 a new Service Vision was created “Work As One to Consistently Deliver Exceptional Fijian Experiences”, underpinned by 6 new Principles forged by the spirit of Fijian Service, which have set the bar on our Service Standards and is further encapsulated by our Hospitality Ethos “Here For You” and finally the establishment of our new Common Purpose “We fly for Fiji”.

Later that year we were thrilled to achieve several firsts for Fiji Airways.

SKYTRAX 2023 Awards: Best Airline, Best Airline Staff and Best Airline Services in Australia/Pacific.

- 15th in Global top 100 Airline Rankings
- 16th in Global Top Cleanest Airline Rankings
- 12 in Global Top 20 Cabin Crew Rankings
- APEX 5 Star Major Airline Award – 2nd year running.
- Gold Award – Best Selling/Commerce Campaign at Hashtag Asia awards
- Winner of Fiji’s Prime Ministers International Business awards.

It is our Future-Fit-Thinking approach, our agility, GRIT and relentless pursuit of excellence amplified through our Service Culture Programmes that we have been able to advance and achieve all that we have even through the most trying times in the history of the Aviation Industry.

Whilst the architecture of Fiji Airways’ transformational Service Culture Programme is built upon the globally acclaimed Uplifting Service framework by service excellence guru Ron Kaufman. What makes this programme truly remarkable for us is its full in-house delivery model, powered by over **50 passionate**

Workshop Leaders who facilitate annual workshops and embed the programme into every stage of the employee journey, from onboarding to ongoing development.

Built on the foundations of continuous improvement, what has taken this programme to even greater heights is the integration of **cutting-edge cognitive development tools** like **Neuro-Linguistic Programming (NLP)** and later **Vertical Growth methodologies** via **Mindful Leadership**. These practices have enabled a powerful mindset shift within our staff to deliver service with greater intention, authenticity, and emotional intelligence and also delve deeply into enabling individuals to identify their unique *"Part to Play"* within the broader mission of Fiji Airways, cultivating leaders who are not only strategically capable but also deeply self-aware, purpose-driven, and aligned with the airline's vision of excellence. Together, these enhancements have elevated the programme into a holistic, future-fit framework that has not only propelled the airline to global recognition but empowers every employee to thrive and contribute meaningfully to Fiji Airways' continued success, proving that when service is uplifted from the inside out, excellence becomes inevitable.

- **Evolving and continuous Front Line Guest Service Education** to ensure consistent guest experience across all front line Guest Perception Points.

Ongoing Front Line Guest Service Education remains a cornerstone of Fiji Airways' commitment to delivering a consistently exceptional guest experience across all touchpoints.

This strategic initiative is deeply rooted in our Service Culture, which recognises that our greatest competitive advantages lie within our iconic Genuine Fijian Hospitality, our natural resilience and grit, and the unreplaceable cultural service behaviours that define who we are. Through this education, we ensure that our people not only deliver service, but they also embody the spirit of Fiji.

We have strategically embedded the market's intangibles, our Service Language, Service Vision, Hospitality Ethos, Service DNA, and Service Principles into every frontline education module. This alignment ensures that our service culture is not just taught but lived. When our staff breathe our Service DNA, they breathe Fiji itself.

Each year, as we refine and reset our service mantra, we realign and refresh our front-line service training programs to reinvigorate our commitment to service and guest experience.

- **Empowering the Executive Leadership Team (ELT) & Management Through Developmental Coaching** supported by The Coaching Room Australia, using specialized psychometric tools - The Enneagram and The Identity Compass.

At Fiji Airways, we believe that leadership is the foundation of a high-performance culture. Since 2016, our Executive Leadership Team (ELT) and senior managers have partnered with **The Coaching Room Australia** to deliver a developmental coaching program that has become a strategic pillar in our leadership journey. In 2023, this program played a vital role in supporting our recovery from the COVID-19 pandemic, reinforcing our commitment to cultivating resilient, emotionally intelligent, and future-ready leaders.

The coaching program focuses on five key areas:

- expanding leadership capability,
- mastering communication,
- enhancing team dynamics,
- leading through transition, and
- navigating conflict.

Leaders are supported in developing greater self-awareness, maturity in decision-making, and the ability to influence with clarity and purpose. Communication coaching addresses breakdowns across functions, strengthens alignment, and improves feedback flow. By deepening understanding of self and others, the program fosters collaboration and reduces interpersonal friction. Leaders are also equipped to manage structural changes and role transitions with resilience, while learning to respond to emotionally charged situations with composure, empathy, and authority.

A distinctive feature of this program is its integration of two advanced psychometric tools—**The Enneagram** and **Identity Compass**. The Enneagram helps leaders uncover core personality patterns, triggers, and reactive behaviours, guiding them toward intentional leadership. The Identity Compass maps unconscious thinking preferences, offering insights into how leaders process information, communicate, and relate under complexity. These tools are used in one-on-one coaching sessions to identify stretch practices aligned to each leader's growth edge.

The impact of this initiative has been transformative. Leaders have developed greater emotional intelligence, accountability, and clarity in their roles. Team cohesion has improved, morale has lifted, and leadership maturity has progressed measurably tracked through assessments and qualitative feedback. This coaching program directly supports Fiji Airways' strategic priorities of staff empowerment and capacity building, while reinforcing cultural cohesion and alignment across teams. It stands as a testament to our belief that when leaders grow from within, the entire organisation rises with them.

- **Triple Goal Vertical Growth Program** launched in 2023 to redefine leadership from the inside out, deepening strategic thinking and adaptive leadership.

The **Triple Goal Vertical Growth Program** was launched in 2023 to redefine leadership from the inside out. This groundbreaking initiative goes beyond conventional training, it cultivates the inner architecture of leadership, empowering individuals to lead not just with skill, but with depth, clarity, and purpose. At its core, the program focuses on **vertical development**, enabling leaders to shift their mindsets, regulate under pressure, and embody values-driven leadership with unwavering integrity.

The transformation journey began with a powerful **360° Leadership Growth Profile (LGP)**, where each executive received structured feedback on their strengths and limiting behaviours, igniting a personal commitment to growth through focused practice for a behavioural transformation. Leaders then immersed themselves in seven core **Green Zone practices** that form the backbone of high-impact leadership.

They developed **Self-Regulation**, mastering emotional intelligence, attention control, and behavioural awareness under pressure. Through **200% Accountability**, they embraced full ownership of their actions and performance, fostering a culture of learning and feedback. **Leading from Values** empowered leaders to align personal and organisational values. **Inspiring a Vision** they learned to articulate a compelling, shared direction that motivates and unites. **Cultivate Curiosity** encouraged innovation, reflection, and a growth mindset, while **Empower Others** focused on building trust, autonomy, and development across teams. Finally, **Engage the Heart** brought warmth, gratitude, and recognition into leadership, strengthening morale and belonging. Not just concepts, these practices became lived experiences, embedded into the daily rhythm of leadership Fiji Airways, creating a ripple effect of transformation across the organisation.

Through this process our collective leadership values - Accountability, Integrity, and Respect - were born. These values which now guide decision-making and cultural messaging across Fiji Airways. In a bold step toward shared growth & transparency, executives participated in **staff feedback sessions**, deepening self-awareness and fostering psychological safety. Sustained through **ongoing coaching and behavioural tracking**, transformation is not a one-time event, but a continuous journey.

The impact has been profound, leadership has noticeably shifted from reactive to intentional, from transactional to transformational. These same values and **Green Zone**

practices are now woven into the wider organisational context and education programmes. The **Vertical Growth Program** is an integral part of Fiji Airways' cultural evolution a living testament to what's possible when leadership is embraced not just as a role, but as a calling

- **Launch of a new online learning system** accessible to all staff, enabling flexible, self-paced upskilling and continuous learning.

The introduction of a **new online Learning Management System (LMS)** at Fiji Airways marks a strategic leap forward in how we empower our people.

As part of our game-changing strategy to **Capitalize on Our People** and our commitment to building a future-fit workforce, the LMS empowers our workforce by providing seamless access to a wide range of training modules and educational resources - anytime, anywhere.

It facilitates continuous development, upskilling, and career advancement, allowing employees to stay ahead of industry trends and confidently meet the demands of our expanding operations.

Strategically, it enables us to deliver consistent, high-quality training aligned with our Service Culture, leadership development, and compliance standards.

Practically, it streamlines onboarding, upskilling, change management and performance support, reducing training time while increasing engagement and retention.

Personally, it places learning in the hands of our people, allowing them to take ownership of their development, explore new capabilities, and unlock their potential at their own pace.

This system is more than a tool it's a catalyst for transformation, reinforcing our game-changing strategy to **Capitalize on Our People** and ensuring ensures that Fiji Airways remains at the forefront of industry standards and innovation.

10. As stated in the report, the biggest monumental challenge is sustaining the industry, given the idea that we are so vulnerable to rapid currency changes and majority of our revenue in Australian and New Zealand dollars, what are some of the avenues in place to ensure that we are ready if we are confronted with these crises?

    Currency Hedging Strategy

    Fiji Airways manages its foreign exchange exposure across four major currencies:

- **Surplus (long exposure):** AUD (Australian Dollar), NZD (New Zealand Dollar), CAD (Canadian Dollar)
- **Deficit (short exposure):** USD (US Dollar)

To hedge this risk, Fiji Airways purchases **put options** on the AUD, NZD, and CAD against the USD. These options allow the airline **to sell the foreign currencies at a predetermined strike price**, offering protection if those currencies depreciate against the USD. The cost of this protection is a **premium equal to 4% of the notional amount.**

- If the AUD, NZD, or CAD **weaken against the USD**, Fiji Airways can exercise the options and sell at the higher strike price.
- If the currencies **strengthen against the USD**, the options simply expire, and Fiji Airways converts at the more favourable prevailing spot rate.

11. What major policy changes were implemented during year 2023, and how did they impact services provided by Fiji Airways?

The increase in Departure Tax may have impacted on our services.

12. What were the key infrastructure / capital projects undertaken during this period, and how did this improve the efficiency of the industry.

The main capital project performed at FJAA during 2023 was the commencement of phase 2A of the Academy master plan to provide facilities for additional full flight simulators, commission a purpose-built facility for part task trainers, and create office and additional workshop space and technical stores.

At the same time orders were placed with CAE for the additional simulators and part task trainers which were delivered and brought into use in 2024 and inaugurated by the Honorable Prime Minister in September 2024. Final elements of the Phase 2A development will be completed in 2025.

13. How Sustainable Development Goals assisted the Fiji Airways to maintain Gender equality throughout the organization.

Fiji Airways' approach to gender equality aligns with the United Nations Sustainable Development Goal (SDG) 5 – Gender Equality, and the Annual Report reflects several initiatives supporting this:

a) Commitment to Diversity, Equity & Inclusion

- **Majority Fijian Workforce**. Over 90% of Fiji Airways' employees are Fijian, with increasing representation of women in executive roles.
- **Leadership Development & Cultural Transformation**. The company invested heavily in leadership development using cognitive psychology frameworks (Enneagram, NLP, Vertical Growth) to promote inclusive behaviours and ensure that diversity is part of organizational culture.

b) Equal Opportunities through Recruitment, Training & Development

- **Fiji Airways Aviation Academy**. The state-of-the-art training facility in Nadi provides local training for pilots, cabin crew, and engineers, reducing reliance on overseas training. This makes aviation careers more accessible to women, who might otherwise face financial or cultural barriers to training abroad.
- **Graduate Trainee & Succession Programs**. Partnerships with local universities and a strengthened Graduate Trainee Program helped build a pipeline for future leaders, ensuring women have equal opportunities for advancement.
- **Female Representation in Aviation Roles**. The Annual Report highlights the presence of 15 female pilots, demonstrating organisation's focus on breaking traditional gender barriers in technical fields within aviation.

c) Pay Equity

- **Fair Compensation**. In 2023, Fiji Airways conducted a comprehensive review of remuneration, benchmarking salaries against the Hays Salary Guide and upgrading benefits. This ensures pay parity and supports SDG targets of reducing workplace inequalities.

14. What were some of the obstacles in implementing SDGs.

While Fiji Airways has made progress, the Annual Report also reveals several challenges in implementing SDGs, including gender equality initiatives:

a) COVID-19 Impact

- **Workforce Downsizing**. During the Pandemic, 51% of employees were terminated, including many women (in particular, cabin crew), due to the need to preserve solvency.
- **Debt Burden**. Post-COVID debt burden (FJ$682 million in 2023) meant limited resources for broader SDG-linked initiatives, as financial recovery took priority.

b) Industry-Specific Barriers

- **Male-dominated Industry**. Technical roles such as pilots, engineers, and senior executives have historically had low female representation, creating a pipeline challenge despite recent progress.

c) External Challenges

- **Geopolitical and Economic Factors**. Geopolitical and economic factors such as fuel prices, inflation, and competition required cost control measures, which can restrict investment in sustainability programs
- **Fiji is a SIDS**. Fiji's remote location and reliance on tourism expose the airline to unique operational and environmental pressures, making long-term SDG implementation (including gender initiatives) more challenging.

15. Fiji Airways to provide staff breakdown based on gender using the following table.

Gender – Dec 2023	%	Count
Male	43.10	884
Female	56.90	1167
Grand Total	**100.00**	**2051**