



ISO 9001:2015 CERTIFIED

Civil Aviation Authority of Fiji

2020 ANNUAL REPORT

PARLIAMENT OF FIJI

Parliamentary Paper No. 103 of 2021



SAFETY & SECURITY OF CIVIL AVIATION

Our Vision

To be a model aviation regulator.

Our Mission

To promote effective aviation safety and security in Fiji and the region.



Our Values

We strive to reflect certain key values that characterise the organisation; professionalism in the discharge of our responsibilities, accountability to the travelling public, government and our stakeholders, commitment to our vision and mission and integrity in all that we do.



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Civil Aviation Authority of Fiji

28th December 2021

The Honorable Aiyaz Sayed – Khaiyum
Attorney-General and Minister for Economy, Civil Service and Communications

Dear Minister,

CIVIL AVIATION AUTHORITY OF FIJI 2020 ANNUAL REPORT

On behalf of the Civil Aviation Authority of Fiji, I present to you the Annual Report for the year 01st January 2020 to 31st December 2020.

The report has been prepared in accordance with Section 28 (1) of the Civil Aviation Authority of Fiji Act, 1979 (Cap. 174A) and provides a detailed account of the Civil Aviation Authority of Fiji's operational performance and audited accounts for the year ending 31st December 2020.

Yours sincerely,

Nilesh Prasad
Chair
CAAF Board



YEAR IN REVIEW

- *Review of the Civil Aviation Primary Legislation*
- *Regulatory Relief for aviation document holders*
- *Risk-based oversight*
- *FAA clears the Boeing 737MAX's return to service*
- *Remote Piloted Aircraft Systems a.k.a Drones*
- *RNP-AR Runway 20 approach procedure approved*
- *Fiji SAR Manual endorsed*

Message from the CAAF Board Chair



Nilesh Prasad
Chairperson

The year 2020 began with much enthusiasm and renewed hope, however, this optimism turned to despair when the World Health Organisation (“WHO”) declared the virus a pandemic on 11 March 2020 followed almost immediately by the advent of the virus to our shores, and the subsequent closure of international borders as countries swiftly implemented their containment measures in an effort to stem the spread of the virus and protect their people. Fiji adopted similar measures which resulted in significant reductions in flights and tourist arrivals. The aviation and tourism industry took direct hits from the pandemic.

Times of adversity provide opportunities for development and growth; forging character, building resilience and creating innovation for the betterment of an organisation determined to succeed.

At the Civil Aviation Authority of Fiji (“CAAF”), traditional streams of funding gradually dried up over time as aviation operators struggled to maintain operations, pay for CAAF services and keep afloat. The CAAF Board is grateful to the Fiji Government for its continued support and financial

assistance which enabled CAAF to continue to fulfil its core functions on a reduced scale without compromising safety and security.

As a symbol of solidarity and in good faith, management and staff voluntarily agreed to reduced working period from July 2020 to January 2021 to enable CAAF to make some savings and ensure all staff remained employed and no one was left behind. It is this spirit of camaraderie and genuine concern for the welfare of others at CAAF that makes me proud to be your Chairman.

The pandemic reinforced the recommendations International Civil Aviation Organisation (“ICAO”) consultants had highlighted previously during audits and technical surveys that CAAF needs independent and sustainable sources of funding, separate from Government to become self sufficient and maintain its independence as a regulator.

This self-sufficiency and independence allows CAAF to maintain robust safety and security surveillance and oversight of the aviation industry, without being too dependent on Government assistance and funding. The Board is exploring the merits of these recommendations and will engage further with Government on the best way forward.

Furthermore, ICAO had also highlighted the need to have a robust recruitment, remuneration and retention policy to be able to maintain and; or, recruit competent staff and remunerate them accordingly, as part of an attractive and strategic retention policy. This is critical if CAAF is to develop capacity and grow as an organisation that is forward looking, innovative and receptive to

the needs of the aviation industry. Going forward, the Board intends to review the human resources policy at CAAF to make it relevant to the current time.

One of CAAF Board's priorities is to recruit a Chief Executive ("CE") to lead CAAF into the future. The CE position has been vacant and has only been temporarily filled in an acting capacity. The appointment of Ms. Theresa Levestam as Acting CE is a historic occasion as she becomes the first female staff member to be appointed to act in the CE position.

The primary aviation and security laws are being reviewed and amended to make them fit for purpose. It is envisaged that the amended laws will strengthen aviation safety and security and provide

opportunities to grow aviation in Fiji.

In conclusion, I wish to acknowledge the hard work of the Acting CE Ms. Theresa Levestam and CAAF team for their resilience, dogged determination and perseverance during one of the most challenging times in our history. I thank you all for a job well done. I wish to also recognise and appreciate the cooperation and commitment demonstrated by my fellow Board Members and the unwavering support that CAAF continues to enjoy from the Department of Civil Aviation.

I look forward to fairer skies in 2021.



Nilesh Prasad
Chairperson

Message from the Acting Chief Executive



Theresa Levestam
Acting Chief Executive

The year 2020 has been an unprecedented one in the history of aviation.

The onset of the coronavirus disease (COVID-19) pandemic in 2020 impacted many industries, aviation being no exception. Early 2020 saw international air travel take a plunge and as the virus continued its global spread, air transport activities came to a virtual standstill at the end of March 2020.

The International Civil Aviation Organisation's economic impact analysis of COVID-19 showed that international passenger traffic suffered a dramatic 60 per cent drop over 2020, bringing air travel totals back to 2003 levels. Here on the home front, our total aircraft movements, both domestic and international, at our two international aerodromes dropped by 50% and within the Nadi Flight Information Region traffic levels dropped by 61.30% compared to 2019 numbers.

Travel restrictions, border closures and various government quarantine requirements around the world resulted in airline, airports and air navigation service providers suffering major financial losses resulting in even larger social and economic

ramifications.

For the Civil Aviation Authority of Fiji as the State's safety and security oversight organisation responsible for ensuring Fiji's aviation industry continues to operate safely in accordance with international standards, the importance of ensuring Fiji would be ready for the restart and recovery of international air transport, was paramount. This had to be done in a manner that was sensitive to the needs and struggles being faced by our industry. Where possible, following thorough risk analysis and implementation of required mitigation measures, extensions to aviation documents and exemptions from certain requirements were granted as part of CAAF's COVID-19 Regulatory Relief.

With a major portion of CAAF's funding affected as a result of the reduction in international passenger travel, CAAF was thankful for the assistance that was provided in the form of a 2.5million Government Grant allo-cated to the organisation in the 2020/2021 Fiji Government Budget.

To further ensure the sustainability of CAAF operations into 2021, additional austerity measures were implemented and this included the reduction in work hours by 20 percent, operating Monday through to Thursday, resulting in a reduction in staff remuneration for the second half of 2020.

It is envisaged that once the aviation industry gets back in the air, CAAF will recommence its exploration into other avenues to identify and implement better long-term sustainable funding.

An important trait required during this pandemic

was the agility to take the challenges encountered and turn these into opportunities. CAAF needed to be adaptable in its thinking and aware of how quick priorities could change. A re-evaluation of CAAF's strategies and a readjustment to the way we did business was essential.

Participation in training, workshops and meetings continued via virtual platforms. This participation via virtual mode enabled the participation of a larger number of staff, providing for better involvement and capacity building of the team.

Certification audits and surveillance functions where possible, were conducted remotely. This proved effective and although it will never fully replace onsite verification audits and inspections, it will be a mode that will be utilised more in the future.

Implementation of ICAO Standards and Recommended Practices is effected via Fiji's Legislation, Regulations and Standards.

In 2020, work commenced with an assigned team from the Solicitor General's office to review Fiji's Primary Legislation; the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji's Act 1979 and the Civil Aviation Reform Act 1999.

The objective of this project was to amalgamate into one (1) document all of the civil aviation primary legislation except security and ensure that all ICAO Protocol Questions relating to primary legislation were adequately addressed. This project continues into 2021 and once finalised, consulted on and enacted, the harmonisation of the Air Navigation Regulations will be addressed.

Despite the downturn and uncertainty in the aviation industry, CAAF continued to deliver on its obligations and for this I acknowledge the

contribution and perseverance of the CAAF team during 2020. Despite the reduced work hours and changes to oversight and operational procedures, our functions continued to be discharged and progress made towards the achievement of our objectives. Your efforts have made this possible.

To the CAAF Board, under the leadership of the Board Chair, we thank you for your guidance and support of the CAAF team.

As we head into 2021 we remain optimistic and look forward to the recovery and boom in air transportation.

Vinaka



Theresa Levestam
Acting Chief Executive

CAAF Board Members

The CAAF Board is established under Section 4 of the Civil Aviation Authority of Fiji Act 1979. The Board is appointed by the Minister to ensure that CAAF performs its functions in accordance with the Act and is well managed to ensure that any risks are identified early and prudently managed.



Mr. Nilesh Prasad
Chairperson

December 2019



Mr. Satish Patel
Board Member



Ms. Kamni Naidu
Board Member



Mr. Peceli Baleikorocau
Board Member



Mr. Reginald Jokhan
Board Member

CAAF Executive Team

The CAAF Executive team consists of a Chief Executive and four (4) Department Heads; Controller Aviation Security and Facilitation (CASF), Controller Air Safety (CAS), Controller Ground Safety (CGS) and the Manager Corporate Services (MCS). The CAAF Executive team works with the Board to set the strategic direction for the organisation, planning how it will achieve its objectives and the actions and resources required to do so. The Executive team manages CAAF's risks and ensures the organisation operates effectively and efficiently, meeting regularly as a team and as required with the Board



Ajai Kumar

*Acting Chief Executive Jan-Jun 2020
& Manager Corporate Services*



Suresh Kumar

*Acting Manager Corporate Services
July-Dec 2020*



Theresa Levestam

*Acting Chief Executive July-Dec 2020
& Controller Ground Safety*



George Tudreu

Controller Air Safety



Rigamoto Aisake

*Controller Aviation Security &
Facilitation*

CAAF Department Structure

The Civil Aviation Authority is made up of four (4) departments and two (2) offices that report to the Chief Executive.

Aviation Security and Facilitation Department

is responsible for the implementation of the various National Civil Aviation Programmes and the oversight of aviation security service organizations, regulated agents and the security component of ground handling service providers.

Air Safety Department is responsible for the safety oversight of commercial, private and aerial air operators, aircraft maintenance organizations, general aviation aircraft and remote piloted aircraft.

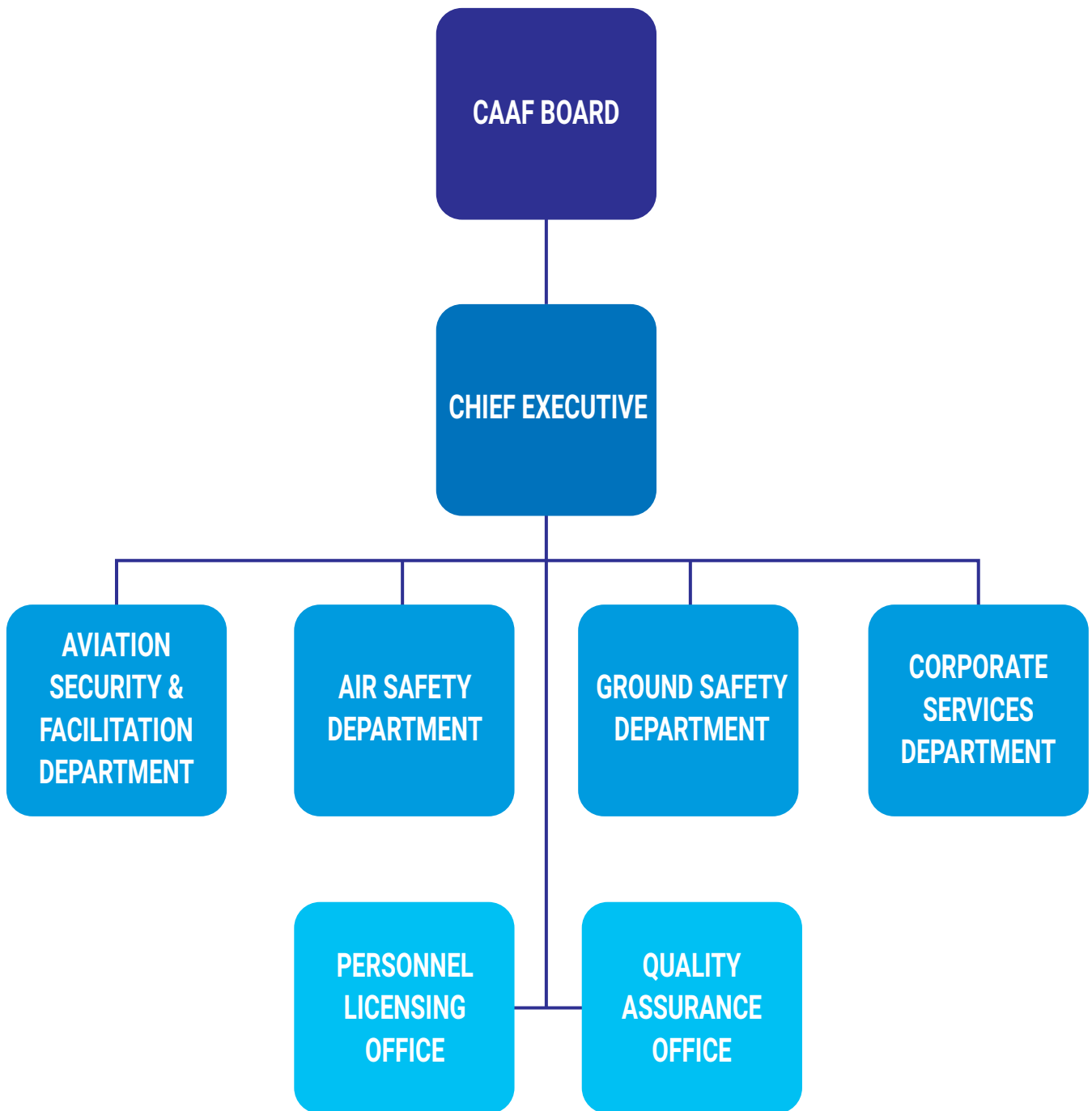
Ground Safety Department is responsible for the safety oversight of air navigation services and aerodromes (ANS/AGA) in Fiji. ANS/AGA consists of Air Traffic Management, Aeronautical Information Services, Search and Rescue, Aviation Meteorology, Communications, Navigation, Surveillance, Aerodromes and Ground Aids and their associated training programmes.

Corporate Services Department is the support arm of CAAF operations and consists of four (4) sections; finance section, legal and enforcement section, human resources section and the information, communication and technology section.

Personnel Licensing Office is responsible for the licensing of aviation personnel in Fiji and the certification of aviation training institutes and synthetic training devices.

Quality Assurance Office is responsible for managing the quality management system of CAAF, ensuring compliance with ISO 9001:2015 standards, managing the mandatory occurrence reporting system and ICAO State Letters, and ensuring the currency of CAAF procedures and manuals.

CAAF Department Structure



International Obligations

The Convention on International Civil Aviation, drafted in 1944 by 54 nations, was established to promote cooperation and “create and preserve friendship and understanding among the nations and peoples of the world.”

Known more commonly today as the ‘Chicago Convention’, this landmark agreement established the core principles permitting international transport by air, and led to the creation of the specialized agency which has overseen it ever since the International Civil Aviation Organization, (ICAO).

ICAO today is funded and directed by 193 national governments (States) to support their diplomacy and cooperation in air transport as signatory states to the Chicago Convention (1944). Its core function is to maintain an administrative and expert bureaucracy (the ICAO Secretariat) supporting these diplomatic interactions, and to research new air transport policy and standardization innovations as directed and endorsed by governments through the ICAO Assembly, or by the ICAO Council which the assembly elects.

Once policies or standards are adopted by States, the onus is on the States to incorporate this into their civil aviation system to bring worldwide alignment to their national regulations, helping to realize safe, secure and sustainable air operations on a truly global basis.

CAAF is responsible for discharging Fiji’s obligations as a member state of the International Civil Aviation Organisation (ICAO).

In order to do this and progress our vision as a model aviation regulator, CAAF must ensure that it works to align Fiji aviation with international standards and recommended practices.

Fiji’s regulations and standards must be in conformity with the Annexes to the Convention. The Annex provisions are designed to provide the minimum requirements to be met, therefore it falls to CAAF to develop equivalent regulations containing sufficient details to ensure that satisfactory compliance will result in the desired level of safety. The Standards Documents issued by CAAF provide the safety and security standards required for operating within Fiji.

A firm foundation is a precursor for the effective discharge of our safety and security oversight responsibilities. Having in place up-to-date primary and secondary aviation legislation consistent with the provisions adopted by ICAO, including the Annexes to the Chicago Convention provides this foundation. Changes made to standards issued by CAAF over the last several years have been reactive, however, the current review of the primary aviation legislation and subsequent harmonisation of the secondary aviation legislation will ensure that we are aligned not only with ICAO but international best practice.



Fiji’s delegation to the 40th ICAO Assembly at the ICAO Headquarters in Montreal

Women In Civil Aviation

Breaking The Glass Ceiling



ICAO theme for Women's day, celebrated on the 8th of March 2020

"I AM GENERATION EQUALITY"

CAAF is committed to implementing the United Nations Millennium Development Goal (MDG) 3 as an equal opportunity employer, promoting gender equality, empowering women within the organisation and eliminating any form of discrimination and gender disparity to ensure that women thrive in the industry.

41% of CAAF's workforce are women; in administration, finance, legal, human resources, operations, technical and executive management.

Within its ranks are women who were trailblazers in their fields; air traffic control, communications, navigation and surveillance (CNS) engineering, air

navigation service inspectors and aviation security inspectors.

Amongst other notable female appointments, CAAF on the 29th July, 2020 appointed its first female Executive to act as Chief Executive.

Whilst progress to recruit women in the aviation industry has been uneven, and in many cases, slow, there are a growing number of promising examples that demonstrate pathways to advancing women's empowerment and gender equality.

"Women must try to do things as men have tried. When they fail, their failure must be but a challenge to others" - (Amelia Earhart)

SAFETY

OVERSIGHT SYSTEM

ESTABLISH

- CE-1
PRIMARY AVIATION LEGISLATION
- CE-2
SPECIFIC OPERATION REGULATIONS
- CE-3
STATE SYSTEM & FUNCTIONS
- CE-4
QUALIFIED TECHNICAL PERSONNEL
- CE-5
TECHNICAL GUIDANCE, TOOLS & PROVISION OF
SAFETY-CRITICAL INFORMATION

IMPLEMENT

- CE-6
LICENSING, CERTIFICATION, AUTHORIZATION &
APPROVAL OBLIGATIONS
- CE-7
SURVEILLANCE OBLIGATIONS
- CE-8
RESOLUTION OF SAFETY ISSUES

ICAO
8
CRITICAL
ELEMENTS

SECURITY

OVERSIGHT SYSTEM

ESTABLISH

CE-1

PRIMARY AVIATION LEGISLATION

CE-2

AVIATION SECURITY PROGRAMMES AND REGULATIONS

CE-3

STATE APPROPRIATE AUTHORITY FOR AVIATION SECURITY AND RESPONSIBILITY

CE-4

PERSONNEL QUALIFICATIONS AND TRAINING

CE-5

PROVISION OF TECHNICAL GUIDANCE, TOOLS AND SECURITY CRITICAL INFORMATION

IMPLEMENT

CE-6

CERTIFICATION AND APPROVAL OBLIGATIONS

CE-7

QUALITY CONTROL OBLIGATIONS

CE-8

RESOLUTION OF SECURITY CONCERNS

ICAO
8
CRITICAL
ELEMENTS

Corporate Profile

The Civil Aviation Authority of Fiji (CAAF) is an independent statutory authority established under the Civil Aviation Authority of Fiji Act 1979.

The main objective of this Act is to establish the Civil Aviation Authority of Fiji with functions relating to civil aviation in particular the safety of civil aviation and matters incidental thereto. It provides for the establishment of a regulatory framework for maintaining, enhancing and promoting the safety and security of civil aviation in Fiji, with particular emphasis on preventing aviation accidents and incidents.

Functions of CAAF as stipulated in section 14 of the Civil Aviation Authority of Fiji

1. The Authority has the following function—
 - (a) any functions conferred on it by or under the Civil Aviation Authority Act or the Civil Aviation Act or the Civil Aviation Reform Act 1999; and
 - (b) carrying out such obligations of the State arising from its State's membership of the International Civil Aviation Organization as the Minister directs.
2. The Authority also has the following safety related functions –
 - (a) encouraging a greater acceptance by the aviation industry of the industry's obligation to maintain high standards of aviation safety, through -
 - i. comprehensive safety education and training programmes;
 - ii. accurate and timely aviation safety advice; and
 - iii. fostering an awareness in industry management, and within the community generally, of the importance of aviation safety and compliance with relevant legislation;
 - (b) promoting full and effective consultation and communication with all interested parties on aviation safety issues; and
 - (c) establishing and implementing a State Safety Programme in order to achieve an acceptable level of safety in civil aviation.
3. The Authority also has the function of regulating the safety of civil aviation operations in Fiji, among other things—
 - (a) issue certificates, licences, approvals, registrations and permits after appropriate inspection, audit and examination;
 - (b) developing and promoting appropriate, clear and concise aviation safety standards;
 - (c) developing effective enforcement strategies to secure compliance with aviation safety standards;
 - (d) assessing decisions taken by industry management at all levels for their impact on aviation safety;
 - (e) conducting regular reviews of the system of civil aviation safety in order to monitor the safety performance of the

aviation industry, to identify safety related trends and risk factors and to promote the development and improvement of the system;

- (f) conducting regular and timely assessment of international safety developments;
- (g) conducting regular reviews of aviation security programmes and activities;
- (h) the prosecution of any offence committed under the provisions of this Act and its Regulations, other than an offence under Part II of the Civil Aviation (Security) Act 1994;
- (i) doing any other thing which the Authority deems necessary for the enforcement of aviation safety.

CAAF Corporate Objectives

It is from CAAF's legislated functions that our corporate goals and objectives have been derived.

- (a). Carry out the States obligation arising out of its membership of the ICAO;
- (b). Maintain an effective regulatory framework and enforcement system;
- (c). Develop clear and concise Standards and an effective consultation process;
- (d). Assess the decisions taken by industry management at all levels for their Impact on Aviation Safety;
- (e). Review and assess civil aviation

system safety trends and risk factors;

- (f). Conduct regular reviews of aviation security programmes and activities;
- (g). Maintain a system for conducting safety education, giving timely safety advice and improved awareness;
- (h). Continuously review and enhance the ICT system capacity to support the efficient delivery of regulatory services;
- (i). Maintain a competent, adequately resourced and motivated workforce.

Quality Management

Our Commitment and Policy

CAAF is committed to ensuring that the highest safety and security standards are met, our products and services are provided in an efficient manner meeting both the regulatory requirements and the needs of our customers.

Our Quality Management System is specifically formulated and structured in a way that best meets the needs of CAAF and its customers. Various elements of the Quality Management System combine to assist in determining that all quality and regulatory requirements are complied with and that consistency and uniformity in service delivery is maintained.

CAAF is committed to meeting customer expectation by consistently improving and implementing the highest level of aviation safety and security standards.

Corporate Governance

Good governance will ensure that CAAF remains on track to achieve our Vision, Mission and Objectives and that our strategies are dynamic and adaptable to the ever-changing civil aviation environment.

CAAF subscribes to and promotes best practice principles of corporate governance. The CAAF governing legislations and other applicable legislation, govern the affairs of the Board and the Authority as a whole. The Board ensures that its members, the CAAF executive leadership team and staff subscribe to and implement adopted principles of good Corporate Governance and best practices.

As a statutory body, the financial audits of CAAF are undertaken by the Office of the Auditor General of Fiji.

As an aviation regulator, CAAF is audited by ICAO under the Universal Safety Oversight Audit Programme and Universal Security Audit Programme to ensure that ICAO Standards and Recommended Practices are adhered to and necessary differences are filed where Fiji deviates from such aviation standards.

In addition, Regulatory Authorities from other States with which Fiji has aviation/air services agreements such as Civil Aviation Safety Authority of Australia (CASA), New Zealand Civil Aviation Authority (NZCAA) and the US Federal Aviation Authority (FAA) and Transportation Security Administration (TSA) also conduct surveillance/audits as required to ensure that Fiji's aviation standards meet their specific requirements.

As an ISO Certified Organisation, CAAF also undergoes audits by Bureau Veritas to maintain its Quality Management System under ISO 9001:2015.

CAAF has a Corporate Plan to assist CAAF keep pace with the fast evolving changes in the aviation industry and annual budgeting requirements.

CAAF's challenge is to balance the regulatory oversight required to ensure effective safety and security aviation activity against expectations of the aviation stakeholders. The organisation must ensure that our decisions are effective, just, timely, transparent, and comply with legal requirements.

CAAF strives to reflect the key values of professionalism, accountability, commitment and integrity in its conduct.



CAAF Executive Team with the Legal and Enforcement Manager

Legislation

The Civil Aviation Act 1976, the Civil Aviation Authority of Fiji Act 1979, the Civil Aviation Security Act 1994 and the Civil Aviation Reform Act 1999 set the platform for the role of the Civil Aviation Authority of Fiji (CAAF) as the statutory authority responsible for ensuring the safety and security regulation of civil aviation operations in Fijian territory and the operation of Fiji registered aircraft outside of Fijian territory.

Having in place up-to-date secondary aviation legislation or regulations, consistent with the provisions adopted by ICAO, including the Annexes to the Chicago Convention provides a strong foundation for aviation activities.

The aviation regulations to which the aviation industry must operate are contained in the following:-

- a) Air Navigation Regulations 1981;
- b) Civil Aviation Security Regulations 1994;
- c) Civil Aviation (Fees & Charges) Regulations 2007 and
- d) Civil Aviation (Occurrence Reporting and Investigation) Regulations 2009.

A balanced aviation safety and security oversight system is one in which both CAAF and the aviation industry share responsibilities for the safe, secure, regular and efficient conduct of civil aviation activities. This relationship is best established in the primary and secondary aviation legislation and specific standards implemented by CAAF

Implementation of ICAO Standards and Recommended Practices is effected via Fiji's Legislation. Thus, as a first step towards discharging our obligations and responsibilities, Fiji has enacted a legislative framework referred to as the primary aviation legislation.

In 2020, work commenced with an assigned team from the Solicitor General's office to review Fiji's Primary Aviation Legislation; the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji's Act 1979 and the Civil Aviation Reform Act 1999.

The objective of this project was to amalgamate into one (1) document all of the civil aviation primary legislation except security and ensure that all ICAO Protocol Questions relating to primary legislation were adequately addressed. This project continues into 2021.

Following the finalisation of the draft primary aviation legislation, the harmonisation of the Air Navigation Regulations will be addressed.



The CAAF Legal Team

AVIATION SECURITY AND FACILITATION DEPARTMENT



2020 will go down in the annals of aviation history as the year of unprecedented challenges brought about by the proliferation of the deadly COVID-19 pandemic across the world. The pandemic almost singlehandedly destroyed the aviation and tourism industries and struck at the very heart of the global economy. Countless people lost their lives and millions; their source of livelihood, while scientists and (medical) specialists raced against time to find a vaccine to stem the spread of the disease. New procedures adopted from global best practices

(now known as the 'new normal') were introduced to mitigate the risk of contracting COVID-19 in Fiji.

Never before has aviation security been relegated to secondary importance as part of air travel like it is now. Across the world COVID-19 related measures now determine to a large extent how aviation security should be conducted and there is a lot of re-engineering of security protocols. Instead of enhancing aviation security, the new normal has created more vulnerabilities than before with the emphasis on minimizing physical contact and increasing physical distancing.



ASFD Team



The Aviation Security and Facilitation Department (ASFD) had to adapt swiftly to the 'new normal' to keep abreast of developments. It has not been an easy transition although the 'new normal' has gained acceptance and prominence internationally and considered the best way forward.

The year 2020 began with renewed commitment and enthusiasm from staff and the setting of new goals which focused on continuous improvement and growth.

One of these goals included enhancing the training programme for Aviation Security and Facilitation Inspector Cadets (ASFIC's) by using innovative teaching methods to bring aviation security to life, while expounding training content in a simplified and contextualized manner. Furthermore, the department reviewed the training programme and made amendments to ensure it is relevant and fit for purpose.

Normal operator audits were conducted up until 20th March 2020 before Lautoka went into lockdown and a curfew imposed to prevent unnecessary movement after last light.

Given the seriousness and threat to Fiji of COVID-19 community transmissions then, CAAF stopped all 'face to face' contact with operators for an indefinite period of time in the best interests of safety.

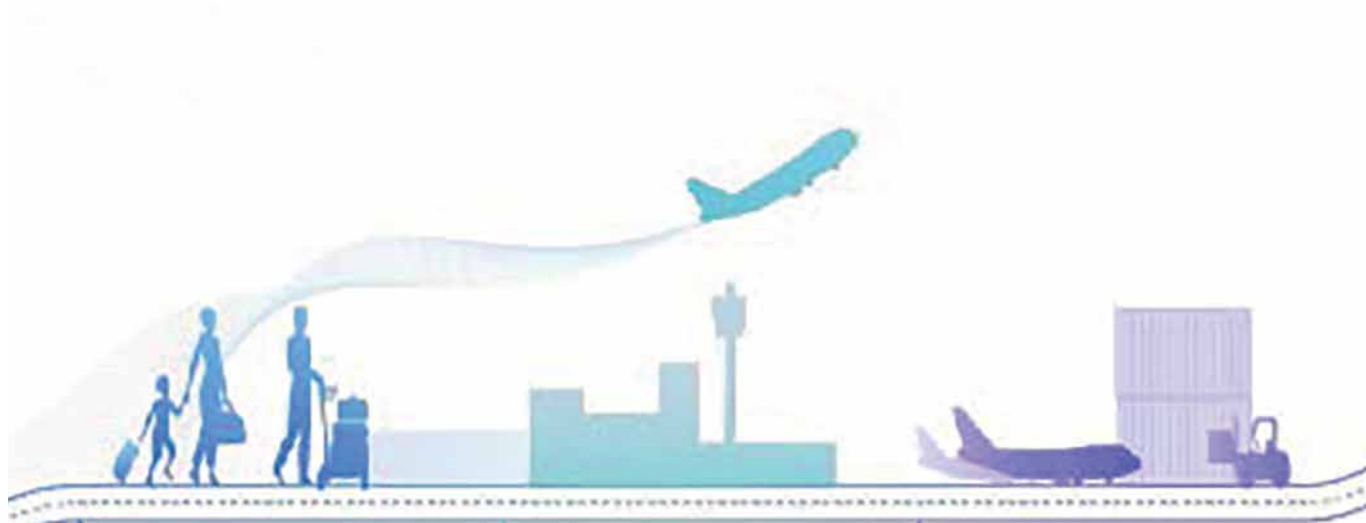
Audits and meetings were temporarily shelved until June and pending operator certificates were extended for three (3) months.

The department also granted Hold Baggage Screening (HBS) and Air Cargo exemptions for Auckland and Sydney International Airport.

Between April and June 2020 the department focused on reviewing and amending security documentation, preparing pending audit reports and conducting specific AVSEC training for the aviation industry.

Two (2) new ASFIC's were recruited in February as part of the department's succession plan, bringing to three (3) the total number of ASFIC's undergoing training. Both ASFIC's have settled in well and have successfully completed their training courses throughout the year, including all the examinations. The confidence exuded from the ASFIC's is encouraging and augers well for continuity and succession in the department.

Avsec Highlights



AVIATION SECURITY AND FACILITATION DEPARTMENT STAKEHOLDERS

STAKEHOLDERS	2020
International Airlines	12
Domestic Airlines	10
Regulated Agents	12
Ground Handling Service Providers	5
Catering Service Providers	3
Air Cargo Operators	1
Aviation Security Service Organisations	4
International Security Airports	2
Government Domestic Airports	12
Private Domestic Airports	8
Concessionaires	0
TOTAL	69

AVIATION SECURITY AND FACILITATION DEPARTMENT LICENCES ISSUED

LICENSE TYPE	2019		TOTAL	2020		TOTAL
	Initial	Renewal		Initial	Renewal	
Aviation Security Screener Certification	129	494	623	21	271	292
Aviation Security Instructor Approval Certificate	0	0	0	0	0	0
Aviation Security Quality Control Approval Certificate	0	27	27			

ASFD LICENCES ISSUED

292

Aviation Security
Screener Certifications

ASFD ACTIVITIES

63

Audits

14

Inspections

4

Tests

20

Investigations

7

Training for industry

69

ASFD Stakeholders

International Airlines

Domestic Airlines

Regulated Agents

Ground Handling Service Providers

Catering Service Providers

Air Cargo Operators

Aviation Security Service Organisations

International Security Airports

Government Domestic Airports

Private Domestic Airports

Concessionaires



From July to December 2020, the ASFD resumed active oversight of the aviation industry through audits, inspections, tests and investigations, while closely monitoring developments relating to COVID-19.

The ASFIC training regime continued unabated with familiarization tours of Nausori, Labasa, Savusavu and Matei Airports. As part of these tours, the ASFIC's were required to prepare written reports and complete specific worksheets to demonstrate knowledge and understanding. This work was assessed by their instructor as part of the training. While the focus of the training has mostly been on AVSEC subject matter, there have been opportunities to assess the ASFIC's on project presentations and interpersonal skills.

One (1) ASFI trainee from 2017 successfully completed his training in June and is now a

confirmed inspector. He has assumed inspector responsibilities.

The monthly Nadi and Nausori Airport AVSEC Committee meetings were cancelled in March and resumed in October. These meetings provide a forum for aviation operators to review existing security challenges at the airport, exchange information and prepare for a return to full operations.

Despite the economic downturn in 2020, there have also been meaningful lessons learnt like; the inherent goodwill that exists throughout the department where everyone looks out for each other's welfare and the resilience of staff that ensured continuity of work, even under trying (economic and personal) conditions.

AIR SAFETY DEPARTMENT



The year 2020 was far from typical, with the COVID-19 Pandemic sweeping across the globe, which produced a number of challenges for the department as a whole, not least with the global reduction in international travel, the grounding of the Boeing 737 MAX, and the government measures to curb the spread of COVID-19.

Surveillance:

The 2020 ASD audit inspection programme was in full swing, until the WHO officially declared a pandemic and the first cases of COVID-19 started to arrive on our shores. ICAO were quick to respond and the Authority started issuing Exemptions to the ANRs for a limited period, this was further extended in October 2020 through to March 2021. The monthly routine surveillance visits to Nausori airport, the quarterly visits to Labasa and Savusavu, were all cancelled. These visits usually encompassed the RPAS awareness team, to raise safety and public awareness on the use of drones. Risk Based Oversight;

Element 3.3 of ICAO Annex 19 SSP framework calls

for 'Safety-data-driven targeting of oversight in areas of greater concern or need', i.e. States should establish procedures to prioritize inspections, audits and surveys towards those areas of greater safety concern or need, as identified by the analysis of data on hazards, their consequences on operations, and the associated safety risks. Such an improved knowledge of risks will enable better targeted safety actions, thus complementing oversight in achieving the safety objectives set out by the SSP.

The department has carried out an Organisation Risk Profiling on each Air Operator Certificate holders, which is a safety culture assessment concept, to determine and prioritise inspections and audits. This, in turn, permits the department to introduce Risk based Oversight (RBO), which allows for a more effective use of the available oversight resources. RBO provides more flexibility to the authority to better allocate staff, e.g. more intensive oversight for organisations having a high-risk profile or less performing or sustaining major management changes.

The traditional way of performing oversight has achieved notable safety records over the years, this shall continue to serve as the basis on which RBO complements. RBO is not a revolution but an evolution of the current system, bringing alternatives, benefits but also drawbacks. Compliance to the rules remains the foundation on which the RBO is to be built. As an example, a Canadian aviation investigation report highlighted that; “If Transport Canada does not adopt a balanced approach that combines inspections for compliance with audits of safety management processes, unsafe operating practices may not be identified, thereby increasing the risk of accidents”.

Boeing 737 MAX

As previously mentioned in the last edition the Boeing 737 MAX was grounded worldwide, in March 2019, after two accidents, Lion Air Flight 610 on 29th October 2018 and Ethiopian Airlines flight 302 on the 10th March 2019. The accidents were attributed to a new system called the Maneuvering Characteristics Augmentation System (MCAS).

The FAA Certification of the B737MAX was subsequently investigated and questioned by the US congress and multiple US government agencies including the FBI, and the NTSB etc. This led the FAA, in August 2020, to publish the requirements

for fixing the MCAS and improving pilot training for the new system.

The FAA cleared the Boeing 737MAX to return to service, on 18th November 2020, and in December 2020, commercial operations and deliveries of the Boeing 737MAX resumed. Fiji Airways is expected to take delivery of 3 additional new Boeing 737MAX aircraft in the 2nd quarter of 2021.

Mandatory Occurrence Reports:

Now and in the future, occurrence reporting will be more important than ever before. A certificate holder that does not want to implement effective reporting culture, and practices, and instead maintains a punitive atmosphere is turning a blind eye to correctable shortcomings in the safety of its operations.

The MORs received in 2020, which included one serious incident, show a marked increase from 2019.

The challenge for the department ahead lies in educating certificate holders, during the COVID-19 restrictions, as they reduced flying rates, both internationally and domestically, along with reducing staff as they cut costs. This in turn has affected the supervision and control within organisations, which is borne out by the increase of MORs and the occurrence type.



ASD ACTIVITIES

05 AOC variations/renewals

60 CoA issued/renewals

12 AMO renewals

01 Variation

05 Exemptions

0 New Aircraft Registered

05 Aircraft De-Registered

60 Investigations/Audits

21 Essay marking and oral exams

ASD ACTIVITIES

10

Aircraft Configuration Change

03

Major Modifications

02

Minor Modifications

Total MORs assigned to ASD

122

111 Assessments

54 Airworthiness

57 Flight Operations

11 Investigations

6 Airworthiness

5 Flight Operations

Remote Piloted Aircraft Systems (RPAS)

RPAS (or drone) registration, both private and commercial use, has been increasing year on year.

The challenge for CAAF in this area is safely integrating RPAS into our Fijian airspace system.

CAAF has drafted a Standards Document for RPAS operations. This is being consulted on before it is published for use.

In the meantime, information on RPAS operations is made available on the CAAF website and ongoing awareness via the media and industry visits.



Flight Operations Inspector flight tests a drone



Flight Operations team discuss RPAS registration

Air Safety Department Stakeholders

Item	2020
Aircraft on the Fiji Register	115
Air Operator Certificate Holders	11
Foreign Air Operator Certificate Holders	11
Private Operators	3
Remote Piloted Aircraft Systems Commercial	35
Remote Piloted Aircraft Systems Private	531
Miscellaneous applications	7
Parachuting Operators	2

PERSONNEL LICENSING OFFICE

This year has been an exciting and challenging year for the PEL office, the year started off as usual with applications for the issue and renewals of aviation, licences/ratings, medicals certificates, exams, training organisation certificates. Flight test with the flying schools and proficiency check on CAAF authorized instructors and examiners were conducted as scheduled. The commissioning of Fiji Airways Aviation Academy Boeing 737 and Airbus 330 simulators added to the expectation of an exciting year.

The onset of COVID-19 pandemic saw new challenges to the personnel licensing office to use unconventional methods for the renewal of aviation documents due to the restrictions at border closures and social distance requirements.

CAAF having issued a licence, ensured that other Contracting States were satisfied as to the validity of the licence. Along with other ICAO states, CAAF accepted, that other States issuing a licence and/or ratings with an expiration date. Due to social distancing practices, closure of workspaces and

other preventive measures these States were unable to process licence or rating revalidation.

For our flight crew licence and rating, which were valid on the 21st April 2020 were given an alleviation relief by an exemption till 20th October 2020, from the requirements set out by Air Navigation Regulation and Standard Document - Personnel Licence for the validity of licence for six months from the date of expiry. Aviation medical certificates were extended for 45 days from date of expiry in line with Standard Document - Medical Standards, Tests & Certification. Aviation Training Organisations which were due for renewal were exempted from audits and duration extended for one year.

The extension of exemptions after the 20th October 2020 were more targeted for licence holders and operators that provided essential services or activity for the nation. The PEL office commends licence holders and operators that adapted well to the new “norm” of conducting operations for a safe travel.



The CAAF PEL Team

945

**Flight Crew
Examination**

88

Flight Tests

PILOT LICENCES ISSUED

8% PPL

9% ATPL

38% CPL

45% FTP

Personal Licensing



Flight Crew Licenses / Medicals

License Type	2018		2019		2020	
	Issue	Renewal	Issue	Renewal	Issue	Renewal
ATPL	27	348	74	924	12	205
CPL	53	397	127	1146	43	353
PPL	12	2	42	8	6	2
FTP	61	57	152	160	60	67
Medical	53	443	172	1120	100	367
TOTAL	206	1,247	567	3,358	221	994

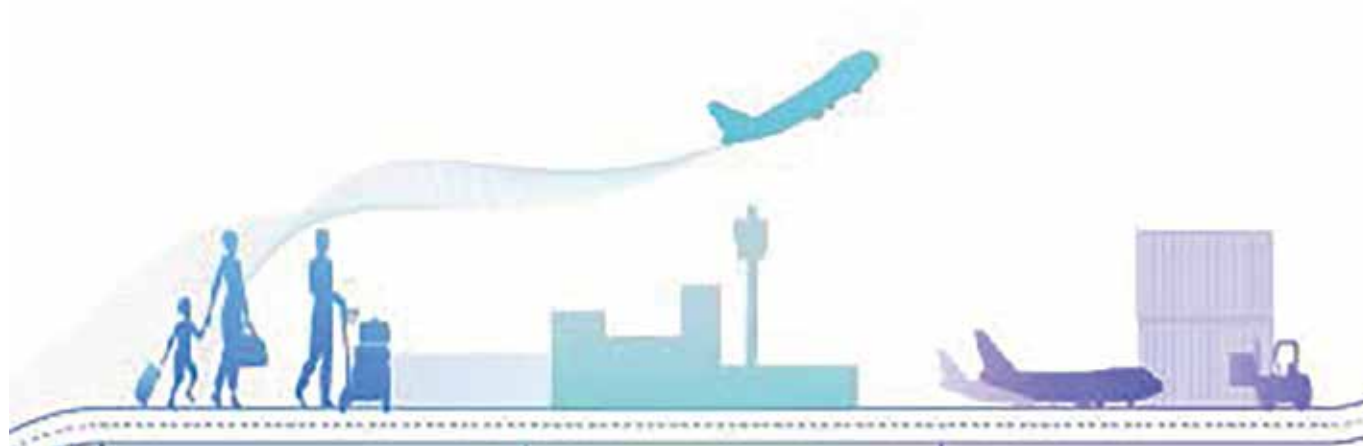
Aircraft Engineer Licenses

License Type	2018		2019		2020	
	Issue	Renewal	Issue	Renewal	Issue	Renewal
AME	24	90	37	136	18	48
AMC	7		14		9	
Medical	63		100		26	

Other licenses Issued

License Type	2018		2019		2020	
	Issue	Renewal	Issue	Renewal	Issue	Renewal
ANR 45 Approval	19	61	39	91	3	18
Validation Issue		78		115		12
Verification Issue		95		149		41

Personal Licensing



Medical Activities

	2018	2019	2020
Number of CAAF AMA	10	11	9
Medical Board Sitings	35	56	11
Medial Cases reviewed by Board	65	99	16
Medical reports reviewed by Medical Assessor	336	191	165
TOTAL	446	357	201

Examinations

	2018	2019	2020
Type Rating	78	218	60
Air Law	113	344	83
ATPL	361	286	224
CPL	456	448	511
PPL	14	-	NIL
FIRX	37	45	59
AME	51	137	51
AMC	290	609	220
Rating (Oral)	41	100	31
TOTAL	1,441	2,187	1,239

Licenses / Permits Issued

	2018	2019	2020
Aeronautical Facility Technicians License (AFTL)	32	21	27
Air Traffic Control License (ATCL)	36	43	86
Aeronautical Station Operators License (ASOL)	184	169	71
Flight Information Service License (FISL)	39	1	22
Aeronautical Facility Technician Trainee Permit	4	Nil	27
Air Traffic Control Trainee Permit	2	12	NIL
Flight Information Service Trainee Permit	Nil	Nil	NIL
TOTAL	297	246	233

GROUND SAFETY DEPARTMENT

As a signatory to the Chicago Convention, Fiji has undertaken to adopt measures to ensure that every aircraft flying over or manoeuvring within our territory complies with the rules and regulations relating to the flight and manoeuvre of aircraft therein. This requires that Fiji provides, within our territory, aerodromes, radio services, search and rescue services, meteorological services, and other air navigation services to facilitate air navigation. To achieve this, the adoption and application of appropriate standard systems of communications procedures, codes, markings, signals, lighting and other operational practices and rules, as well as collaboration at an international level to secure the publication of aeronautical maps and charts, are necessary.

Another important aspect is the requirement and responsibility to establish and provide air traffic services in Fiji's flight information region, control areas and control zones extending over Fiji's territory.

To ensure an adequate level of air traffic services and communications, navigation and surveillance, as well as procedures applicable to the airspace and aerodrome concerned, the Ground Safety Department conducts safety oversight of operators and service providers involved in these areas to ensure implementation of formal and systematic safety management programmes for the services under its jurisdiction.

The year 2020 was a challenging one for the organisation and the Ground Safety Department was no exception. The COVID-19 pandemic disrupted much of 2020 work plans and targets and pushed us all into thinking outside the box and implementing procedures to ensure that we continued to effectively discharge our safety oversight responsibilities.

To meet Fiji's overall aviation safety oversight responsibilities, the critical elements for safety oversight (CE) identified by ICAO as essential safety defence tools of a safety oversight system, were addressed to ensure effective implementation of safety related policy and associated procedures. CAAF's goal is to implement the safety oversight critical elements in a way that assumes the shared responsibility by the CAAF and aviation stakeholders.

Ground Safety Department is responsible for providing safety oversight in respect of Annex 1, 2, 3, 4, 10, 11, 12, 14 and 15.

Critical Element 1 Primary Aviation Legislation

Implementation of ICAO Standards and Recommended Practices is effected via Fiji's Legislation. Thus, as a first step towards discharging our obligations and responsibilities, Fiji has enacted a legislative framework referred to as the primary aviation legislation.

In 2020, work commenced with an assigned team from the Solicitor General's office to review Fiji's Primary Legislation; the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji's Act 1979 and the Civil Aviation Reform Act 1999. The objective of this project was to amalgamate into one (1) document all of the civil aviation primary legislation and ensure that all ICAO Protocol Questions relating to primary legislation was adequately captured.

Critical Element 2 Specific Operating Regulations

This project continues into 2021 and it is envisaged to be completed within the first half of 2021.

Following the finalisation of the draft primary aviation legislation, the harmonisation of the Air Navigation Regulations will be addressed.

The Standards Documents issued by CAAF provide the safety and security standards required for operating within Fiji. Although there were no new standards documents (SD) published by the Ground Safety Department in 2020, each SD was reviewed to ensure any new standards and recommended practices adopted by ICAO were incorporated in our SDs.



Ground Safety Department Team

Critical Element 3 State Civil Aviation System and Safety Oversight Functions

An important part of CE 3 for CAAF is the fulfilment of staffing requirements to enable effective and efficient discharge of its safety oversight functions.

During 2020, the Ground Safety Department operated with two (2) positions vacant, that of the Senior Aerodrome Inspector and Air Navigation Service Inspector AIS/AIM PANSOPS and Charting. Suitable applicants were not able to be recruited and as such the roles and responsibilities of these positions were contracted out or absorbed by other inspectorate staff in the GSD with assistance from the Controller Ground Safety.

In line with the recommendation made by the ICAO Combined Action Team mission to Fiji in 2018 a review of the air navigation service inspectors job functions was undertaken resulting in a new role being created to take over the responsibility for the safety oversight of aeronautical meteorology and assist with air traffic management (ATM). The new Air Navigation Service Inspector responsible for ATM/Meteorology joined CAAF from January 2020.

Critical Element 4 Technical Personnel Qualification and Training

The aviation safety oversight responsibilities include a wide range of complex evaluations, inspections, analyses and interventions. Effective implementation of these tasks requires the input of highly qualified personnel during the various stages of the process. Therefore, the satisfactory execution of the various functions of CAAF depend, largely on the qualifications, experience, technical competency in performing certification, inspection and surveillance functions and dedication of individual inspectors. CAAF has

always invested heavily in the capacity building of its staff to ensure that it has a team of qualified and competent inspectors. Due to the COVID-19 pandemic, most trainings and meetings scheduled for 2020 were initially postponed. However, with the implementation of border restrictions making efficient travel no longer possible, most trainings and meetings were rescheduled for the second half of 2020 via virtual platforms such as Zoom and Microsoft Teams. This allowed GSD inspectors to attend a host of international, regional and national webinars, meetings, seminars and workshops on-line.

Critical Element 5 Technical Guidance, Tools and the Provision of Safety-Critical Information

The effectiveness of Fiji's safety oversight system and the implementation of standards are supported by technical guidance material issued by CAAF. The Ground Safety Department has developed and published several guidance material documents pertaining to its area of oversight :-

- Guidance Material - Aerodrome Manual
- Guidance Material – Aeronautical Study and Safety Assessment
- Guidance Material - Calculation of Declared Distances
- Guidance Material - Certification and Registration Approval of Aerodromes
- Guidance Material - Control of Obstacles
- Guidance Material - Establishment of Runway Safety Teams
- Guidance Material – Procedure for accepting non-compliances at aerodromes
- Guidance Material - Runway Surface Friction Characteristics and Friction Testing

- Guidance Material - Strength Rating of Aerodrome Pavements
- Guidance Material - Wildlife Hazard Management
- Guidance Material - Siting and Maintaining Wind Sensors on Aerodromes

The department has established an Inspectors' Manual to assist the department's inspectors in their safety oversight responsibilities. The manual covers all functional areas of the department and is reviewed, at a minimum, on an annual basis. Publication of CAAF's Aeronautical Information Circulars (AIC) are the responsibility of the Ground Safety Department. These circulars contain explanatory or advisory information concerning technical, legislative or administrative matters, as well as information on the long-term forecast of major changes in legislation, regulations, procedures or facilities liable to affect flight safety. The AICs are accessible to the public via the CAAF website and hardcopy dispatched via mail to those who have subscribed. Eight (8) AICs were issued in 2020.

Critical Element 6 Licensing, Certification, Authorization and Approval obligations

The Ground Safety Department is responsible for the issuance of certificates, approvals and permissions required by legislative requirements for relevant parts of the aviation system of operators and service providers, this includes aerodrome operators, aerodrome service providers and air navigation service providers.

Due to the onset of the COVID-19 pandemic, the department's work plans for the year were severely disrupted. COVID-19 restrictions implemented by the government and the resultant protocols employed by the organisation saw a need for the provision of regulatory relief through the issuance of short extensions (3 months) to several certificates and registration approvals. This was done after the risk assessments conducted on the affected operators and service providers assured CAAF that any risk identified was as low as reasonably practicable. Inspectors overseeing the various certificates and approvals monitored any open findings and conducted additional compliance meetings/follow-ups as required.

Five (5) service providers, 21 aerodrome operators (2 international aerodromes and 19 domestic/private aerodromes) were issued with certificate renewals in 2020.

Due to the impacts of the COVID-19 pandemic, following a cost benefit analysis and risk assessment conducted by the Air Traffic Service Provider (ATSP), a Safety Case was submitted to CAAF advising of the withdrawal of Flight Information Service from the four Northern aerodromes; Rotuma, Savusavu, Matei and Labasa. Air traffic to these areas had significantly decreased and it was no longer viable to maintain the provision of an air traffic service at the aerodromes. The ATSP Certificate was amended accordingly.

Six (6) HLS operators were issued with registration approvals in 2020; four renewals and two new issues.

05

AIR NAVIGATION SERVICE PROVIDER CERTIFICATES

Air Traffic Service Provider (ANR145A)

Aviation Training Institute Certificate – Air
Traffic Services (ANR145B)

Approved Maintenance Organisation – Com-
munications, Navigation and Surveillance
(ANR145C)

Aviation Meteorology Service Provider
(ANR145D)

Aeronautical Information Service (ANR145E)

07

REGISTERED HELICOPTER LANDING SITES

Tokoriki Island Resort HLS
Pacific Island Air 1 (PDM Pontoon) HLS
Likuliku Lagoon Resort HLS
Vunabaka HLS
Nanuku Resort HLS
Fiji Marriott Resort HLS
Island Hoppers Limited Denarau HLS

22

AERODROME CERTIFICATES

Nadi International

Nausori International²

Labasa Domestic

Savusavu Domestic

Matei Domestic

Rotuma Domestic

Gau Domestic

Koro Domestic

Lakeba Domestic

Bureta Domestic

Kadavu Domestic

Vanuabalavu Domestic

Moala Domestic

Cicia Domestic

Yasawa Private

Malololailai Private

Nanuku Private

Mago Private

Kaibu Private

Wakaya Private

Laucala Private

Mana Private*

Ono-i-lau aerodrome certificate not renewed by the aerodrome operator due to in frequency of flights. Medical Evacuation flights to the aerodrome are operated on an as need basis, after conduct of a risk assessment by the aircraft operator and coordination with the aerodrome operator and CAAF's Aviation Safety Department.

Nausori aerodrome, upgrade project commenced in 2019 and continued through 2020. This project is to enable operation of wide bodied aircraft into the aerodrome, the implementation of the required Runway End Safety Areas (RESA) and installation of an Instrument Landing System (ILS). This upgrade project is due for completion in April 2021.

Of the 42 **Helicopter Landing Sites (HLS)** documented in the various Helicopter Operator's Operations Manual (OM), seven (7) HLS's have been issued with Registration Approvals by Ground Safety Department. Of the seven (7), one (1) HLS operator did not renew its registration approval in 2020 due to closure as a result of the COVID-19 pandemic. The remaining 35 sites are operating via approval granted by the Air Safety Department during acceptance of the route guides documented in the OMs. Coordination with these HLS operators to have the HLSs registered continued in 2020, however, with the impacts of the COVID-19 pandemic, most of these sites have been closed.

The COVID-19 pandemic affected the ability of many private aerodrome and HLS operators to maintain the certification status of their aerodromes. Most of these aerodromes and HLSs served island hotels/resorts which had closed temporarily due to the international travel restrictions and nil inbound tourists to their premises. At the end of 2020, some aerodromes have since reopened with the assistance of flying training schools who wish to use these aerodromes as training stops.

Aerodrome Inspectors engaged with the Ministry of Health to provide guidance on the registration of hospital HLSs and Flying Training Schools and Individuals on the establishment of small

airfields. This coordination is on-going and several site inspections have been conducted.

Permissions issued by the Ground Safety Department pertain to the operation of aerial devices within the restricted areas of an aerodrome; i.e. within 5km of an International aerodrome and within 3km of a Domestic aerodrome, or elsewhere above 200ft. The aerial devices for which permissions are issued include Unmanned Aerial Vehicles (UAVs) also known as Remote Piloted Aircraft Systems, Sky lanterns, pyrotechnics and balloons. Permissions granted in 2020 compared to 2019 saw a significant decrease; 39%, this was attributed to the lack of activity due to the COVID-19 pandemic. The permissions normally issued throughout the year for festive events such as weddings, came to a complete standstill from March 2020, the only permissions being issued were those for UAV activity.

The following is a comparison of Permissions, Exemptions and Off Airport Development Approvals issued between 2018 and 2020.

TYPE	2018	2019	2020
Permissions	53	84	48
(Pyrotechnic displays, Sky lantern/ balloon releases/ RPAs within the Control Zone)	*26 UAVs	*63 UAVs	*45 UAVs
Approval for Operations into non-certified aerodromes	NIL	NIL	01
Exemptions provided from Standard Requirements	6	6	3
Approval Off Airport Development	27	150	12
TOTAL	86	240	64

Exemption(s) from provisions of a Standards Document or Air Navigation Regulations pertaining to air navigation services and aerodromes are issued following an application for an exemption with the supporting risk assessment/aeronautical study from the operator/service provider and subsequent review by the Authority identifies that mitigations implemented (imposition of limiting conditions or compensatory measures/controls) will maintain the level of risk of such an exemption being issued at an acceptable level (as low as reasonably possible).

Off-Airport-Development applications are assessed by the Ground Safety Department subject matter experts. The assessment is two-fold; firstly, an assessment is conducted by the aerodrome inspector against the requirements of the aerodrome obstacle limitation surface criteria and secondly by the PANSOPS inspector against the instrument flight procedure criteria, prior to endorsement. OAD assessments in 2020 also saw a substantial decrease from 2019; 92%. Again, this was attributed to the impacts COVID-19 had on the nation; building, development and communication projects being put on hold.

Air Traffic Control Surveillance Service

The Air Traffic Service Provider is working towards the implementation of an ATC Surveillance Control Service in Fiji's Approach Control airspace. The ANS inspectors worked in coordination with the service provider to ensure equipment, training and licensing aspects are implemented to standards. Due to the lack of traffic to conduct adequate on the job training (OJT), exemptions were provided to the service provider and licence holders, to enable the conduct of a portion of the OJT to be conducted in the simulator. The Safety case, and additional mitigations stated therein, provided assurance that a level of safety equal to or better than the standard would be maintained.

Two New Zealand Controllers (exFiji) obtained a conversion of their NZ licence to a Fiji licence and went on to be rated and validated as Fiji's first

Approach Radar Controllers in August 2020. This first of type rating/validation was conducted in the ATM simulator.

Instrument Flight Procedures – Performance Based Navigation

Required Navigation Performance – Authorisation Required (RNP-AR) Runway 20 approach procedure approved in 2020.

Implementation of Safety Management Systems (SMS)

SMS audits continue to be a part of the Ground Safety Department's certification audits conducted on the operators. Nil operator has reached 100% implementation in the area of SMS. Of the main four areas of implementation, safety policies and objectives and safety risk management have been implemented. The areas of safety assurance and safety promotion have not been adequately implemented. Although some of the criteria in these areas have been implemented, other criteria such as safety performance monitoring/measurement and safety training/education/communication are still in its infancy stages.

Guidance material on SMS has been issued to industry and the Ground Safety Department will continue to raise awareness and monitor this important component of certification.

Fiji Search and Rescue (SAR) Manual

The Fiji SAR Manual was endorsed by the Hon. Minister for Defence on the 16th October 2020.

Flight Inspections

Exemptions were issued on the flight inspection requirements of nav aids due to the inability of the service provider to have this conducted due to the travel restrictions that prevented the entry into Fiji of the flight inspection crew to conduct the activity.

Critical Element 7 Surveillance Obligations

The Ground Safety Department, in line with the

direction of CAAF in this area, is moving towards a Performance Based Approach in our safety oversight surveillance activities. This is reflected in the department's surveillance programs and plans.

The COVID-19 pandemic had a major impact on the department's workplans, particular in the area of oversight surveillance obligations on the operators/service providers. Planned inspection dates had to be revised and shifted to later in the year and this resulted in an increase in workload due to the need for alternative forms of monitoring via virtual platforms, emails, meetings/desktop audits.

The major upgrade of Nausori aerodrome required an increase in surveillance inspections by aerodrome inspectors. This commenced in 2020 and had to be put on hold upon the onset of COVID-19. However, in the latter part of 2020, surveillance inspections recommenced.

Critical Element 8

Resolution of Safety Concerns

The resolution of safety concerns relates to the non-compliances, non-conformances and safety related concerns identified with the operator/service provider during certification audits and surveillance inspections. This continues to be an area where additional resources are required to ensure that monitoring is robust and followup with operators/service providers are efficient. Due to high workload faced by inspectors, the resolution of safety concerns requires the operator/service providers to be proactive and provide the required assurances in a timely manner that safety issues have been adequately addressed. Safety and Compliance meetings are held with the larger operators/service providers to facilitate monitoring of this area.

Another important part of the resolution of safety concerns is the effective investigation of the Mandatory Occurrence Reports (MORs) received. The MORs are assigned as either assessments or safety investigations to the appropriate inspector. In 2020, the Ground Safety Department saw the

assignment of 24 MORs to its inspectors, in addition to the 04 MORs that were carried forward from the previous year. 23 MORs were successfully closed, leaving 5 MORs still open and carried through to 2021.

Safety awareness and education of aviation stakeholders are provided during inspections, audits and meetings. Furthermore, articles dealing with areas highlighted as a concern during safety oversight or new initiatives, are compiled and submitted for publication in the CAAF Aviation Safety Bulletin.

Several enforcement matters from the Flight Operations Department were taken before the Enforcement and Compliance Committee (ECC) for deliberation and decision. Ground Safety Department inspectors participated, as the CGS representative, on two of the ECC cases.

ICAO Initiatives

ICAO Global Air Navigation Plan (GANP)

The Global Air Navigation Plan (GANP) is the strategy to achieve a global interoperable air navigation system offering safe, secure and efficient air transport for people and goods worldwide, while limiting the impact of aviation on the environment. The GANP serves as a worldwide reference to transform the air navigation system in an evolutionary and inclusive manner so that no State or Stakeholder is left behind. It serves to assist States to prepare their navigation plans.

The Fiji ANS/AGA group, members consist of CAAF, Fiji Airports and the Fiji Meteorology Service. Due to the COVID-19 pandemic and the restrictions placed on meetings during the first half of 2020, the meetings of the smaller task force groups replaced the main ANS/AGA group meeting. The task force groups continued the work of the ANS/AGA group to discuss/monitor Fiji's progress against the Aviation Safety Block Upgrades identified in the GANP. These updates are provided to ICAO via an on-line reporting system.

Effective Implementation of ICAO Standards in ANS and AGA

The effective implementation (EI) of the critical elements is an indication of the State's capability for safety oversight. The EI scores for GSD areas are as follows:

- ANS EI score 83.43%, and
- AGA EI score 78.03%

ICAO Global Reporting Format for reporting Runway Surface Conditions

The new ICAO Global Reporting Format (GRF) for the reporting of runway surface conditions was to have been implemented across the globe in November 2020. The new GRF required a change in aerodrome, aeronautical information service (AIS) and air traffic service (ATS) procedures in the reporting of runway surface conditions to aircrew. This change required the implementation of training (flight crew, aerodrome and air traffic service personnel), a new transmission format to be enabled in AIS and ATS systems and the issuance of guidance material. Following the onset of the COVID-19 pandemic, many States requested that ICAO review the new GRF implementation date. ICAO agreed and the implementation date has now been shifted to November 2021. Fiji continues to work on its deliverables to ensure that come November 2021 it will be ready for the implementation.

ICAO State & Regional Letters

ICAO letters and surveys continued through 2020, many requiring coordination with aviation stakeholders and submission of surveys or updates to online reporting systems as appropriate. To assist States through the pandemic, several guidance documents were issued. Of note was the ICAO Council Aviation Recovery Task Force (CART) Report and annexed guidance document, Take-off: Guidance for Air Travel through the COVID-19 Public Health Crisis. which aim at restarting the international air transport system and aligning its global recovery. The Department

of Civil Aviation coordinated the implementation of the recommendations set out in the Report with CAAF, Ministry of Health and the airport operator. The implementation status of each of the recommendations is updated online on a regular basis by the focal point in each area.

ICAO Webinars and Meetings

ICAO, along with many organisations worldwide, ceased on the opportunities that the COVID-19 pandemic brought. It supported the Member States by providing information and guidance on various ANS and Flight Safety related implementations, through the hosting of various events such as workshops, seminars, and webinars.

The APANPIRG Sub Groups, Working Groups and Task Force meetings continued via virtual teleconference (VTC). In previous years, participation by CAAF staff was limited due to budget required to travel to the ICAO Asia Pacific Regional Office for the meetings, however, with the conduct of the meetings via VTC, CAAF was able to participate in additional meetings in 2020.

General

The second half of 2020, saw CAAF reduce its working week from five to four working days; i.e. Monday - Thursday. This was part of the austerity measures implemented by CAAF to absorb the impact of the loss in CAAF revenue. This reduction in workdays, affected some deliverables and workplans and the ability to efficiently utilise annual leave.

Staffing wise, the Ground Safety Department faced a few challenges. Staff departures were encountered at the beginning of 2020, first ANSI APC, who took up a lucrative posting in Papua New Guinea and second the Administrative Assistant who was recruited into the Aviation Security and Facilitation Department as a cadet. Controller Ground Safety took on the responsibility of the CAAF Chief Executive's role in July 2020. This was only possible with the team work and assistance of the Ground Safety Department staff.

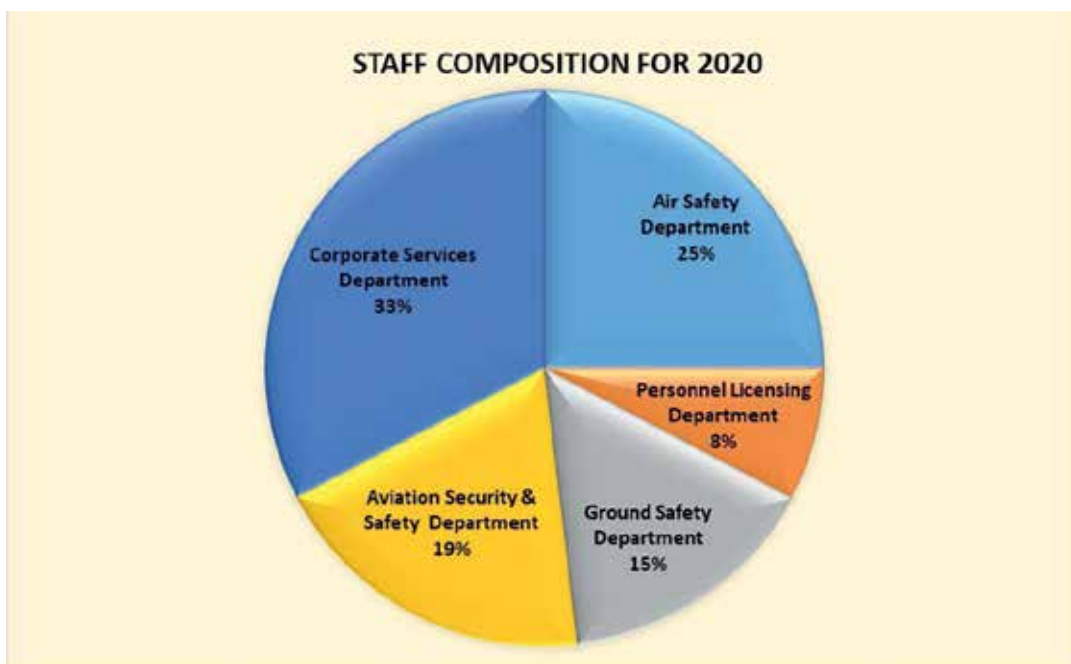
CORPORATE SERVICES DEPARTMENT



CAAF Corporate Services Department Team

CAAF employed 52 staff in 2020; Air Safety & Safety Department 10 and Corporate Services department 13, Personnel Licensing Department 4, Ground Safety Department 8, Aviation Security

& Safety Department 10 and Corporate Services department 17 staff.



Staff Composition for 2020

There was a total of 13 vacancies as a result of staff resignations, contract expiries and other positions that had been created to assist in the increasing workload over the years.

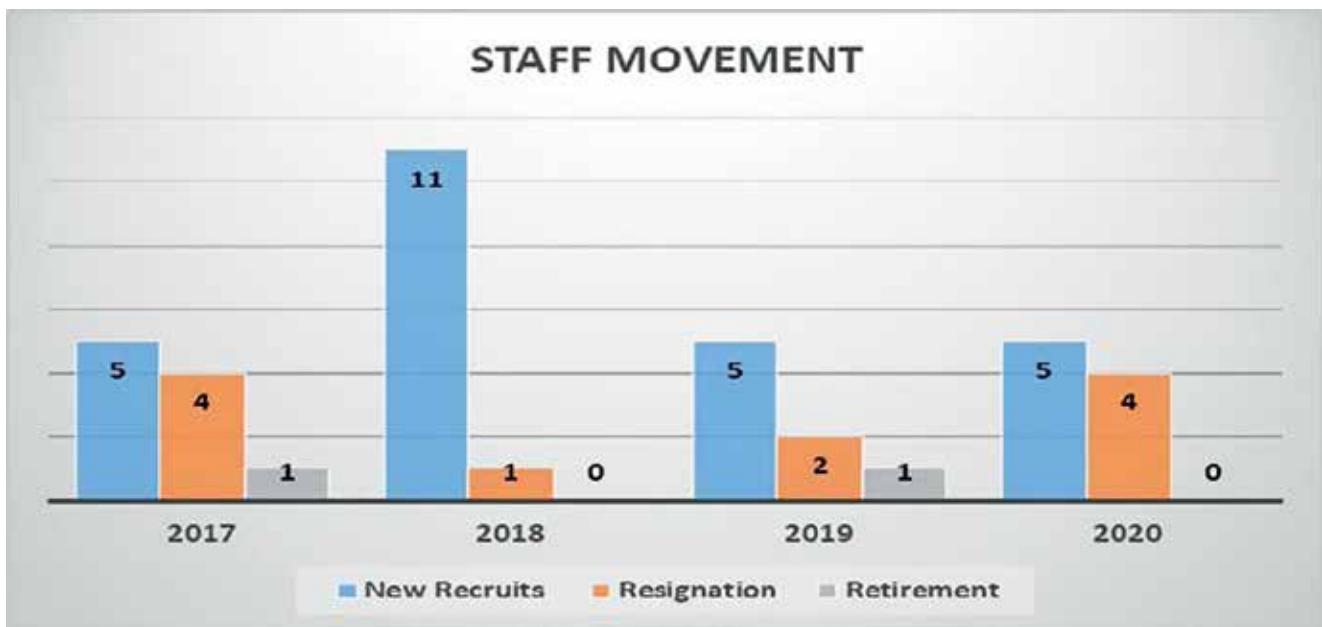
Staff Recruitment and Retention

CAAF is continuously challenged with the need to recruit and retain key operational personnel who hold scarce skills and are difficult to find. Due to several key projects and the inability to recruit full-time staff in a timely manner, CAAF has engaged staff on temporary basis to assist in discharging the increasing workload.

Staff Training & Development

Due to the COVID-19 pandemic overseas training were postponed. During the second half of the year, trainings and meetings resumed using virtual platforms.

Furthermore, once restrictions were eased in the second half of 2020, CAAF was able to conduct several training sessions for industry in the area of aviation security.



No	Date	Training Conducted by CAAF	Training Instructor
1	23 rd to 24 th June 2020	ASTP 123 Airline Foundation Training	Jasmel Singh
2	29 th June - 3 rd July 2020	Aviation Security Cargo Security Course	Jasmel Singh
3	6 th to 10 th July 2020	ASTP 123 Cargo & Mail Training	Jasmel Singh
4	17 th to 21 st August 2020	ICAO ASTP 123 Management Training	Moses Tuisa
5	14 th to 18 th September 2020	ICAO Aviation Security Management Course (3 participants from CAAF and other 14 from industry)	Jasmel Singh Moses Tuisa

Quality Assurance Office

CAAF Quality Management System (QMS) is specifically formulated and structured in a way that best meets the needs of CAAF and our customers. Various elements of the QMS combine to ensure all quality and regulatory requirements are complied with and that consistency and uniformity in service delivery is maintained. The Quality section ensured continued certification to the ISO 9001:2015 through Bureau Veritas New Zealand.

CAAF Quality Policy

CAAF is committed to meeting its customer expectations through continuous improvement and effective implementation of aviation safety and security standards.

The table below shows the CAAF Service Delivery Standards Performance Measurement for the period January to December 2020.

CAAF Service Charter & Delivery

CAAF's service charter documents its commitment to timely and effective service delivery to stakeholders. The service delivery standards in this charter are based on time frames for each process e.g. how many days CAAF will take to process a license, certificate or exemption application etc. The service charter is reviewed every year to ensure that all activities are captured, as well as to ensure the time-lines stated are reasonable.

The measurement of CAAF's performance against the service charter is carried out on a quarterly basis. The results of the quarterly analysis, assists CAAF identify areas of improvement.

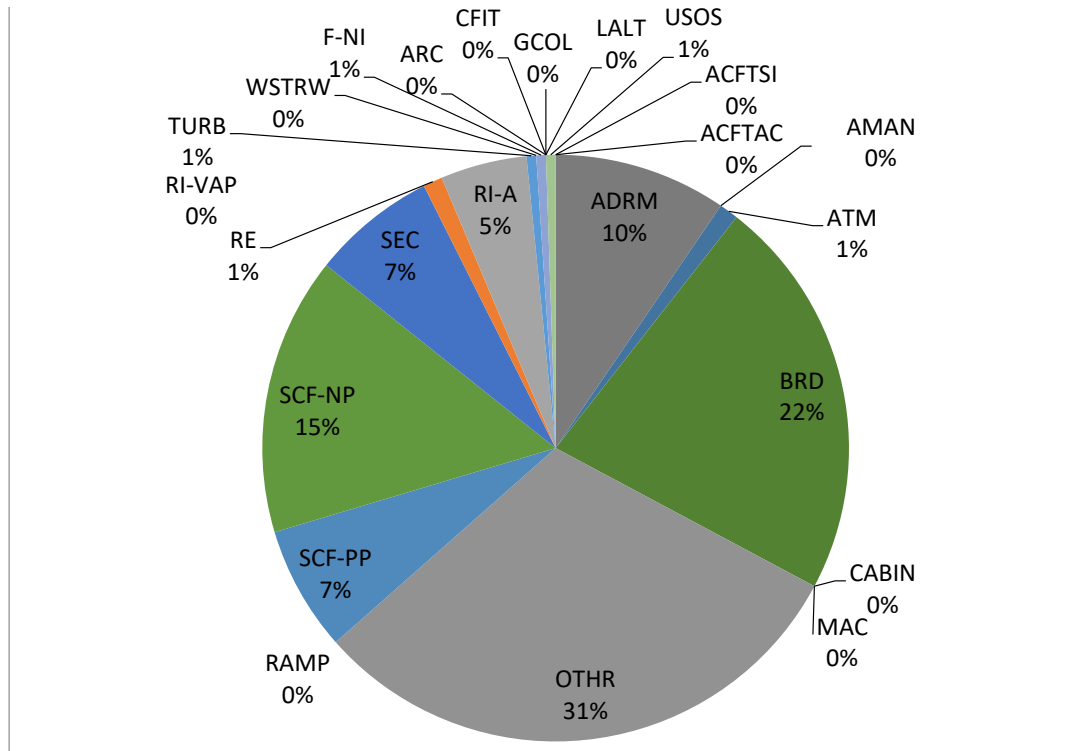
Department/Section	Number of Activities	Average Target (%)	Average Target Achievement (%)
Flight Operations	8	89.4	95.8
Airworthiness	10	89	100
Personnel Licensing	16	93.4	99.9
Ground Safety	14	95.7	100
Aviation Security & Facilitation	15	95.3	100
Personnel Licensing – Aviation Security & Facilitation	4	90	100
Finance/Administration	3	95	99.1
Standards	2	97.5	99.5
Human Resources	5	91	95.8
Safety Education	1	100	100



CAAF Quality Assurance Team

Mandatory Occurrence Reporting (Mor Data) Jan–Dec 2020

The following pie chart shows the occurrence proportion by type over the last 12 months (DATA)



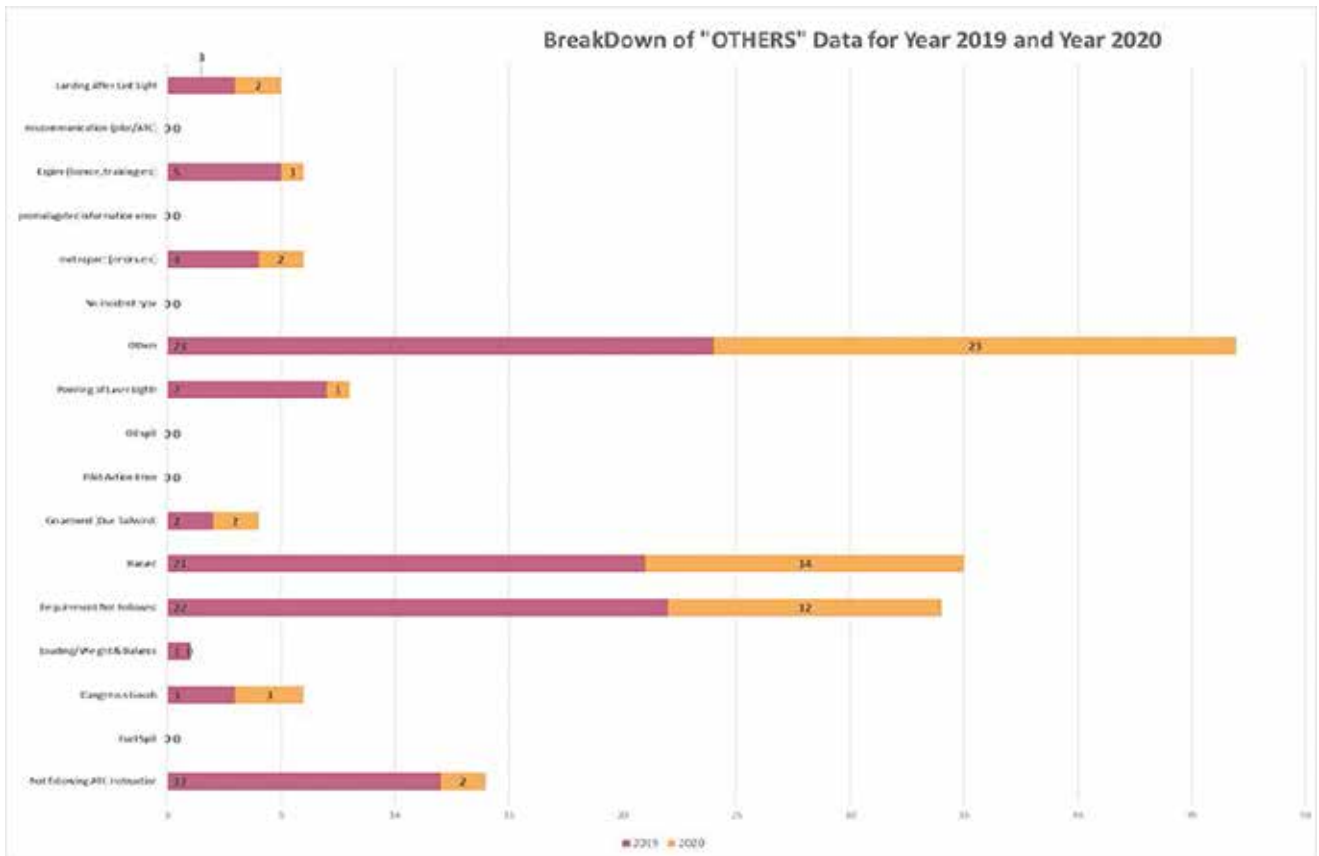
The graph above represents the overall occurrence trend over the last 12 months including the trends for the top four reported incident categories as in the above pie chart (OTHER – 31%, Bird – 22%, SCP-NPP – 15%, and ADRM – 10%)

ICAO Common Taxonomy Team (CICTT) Occurrence Category Definitions

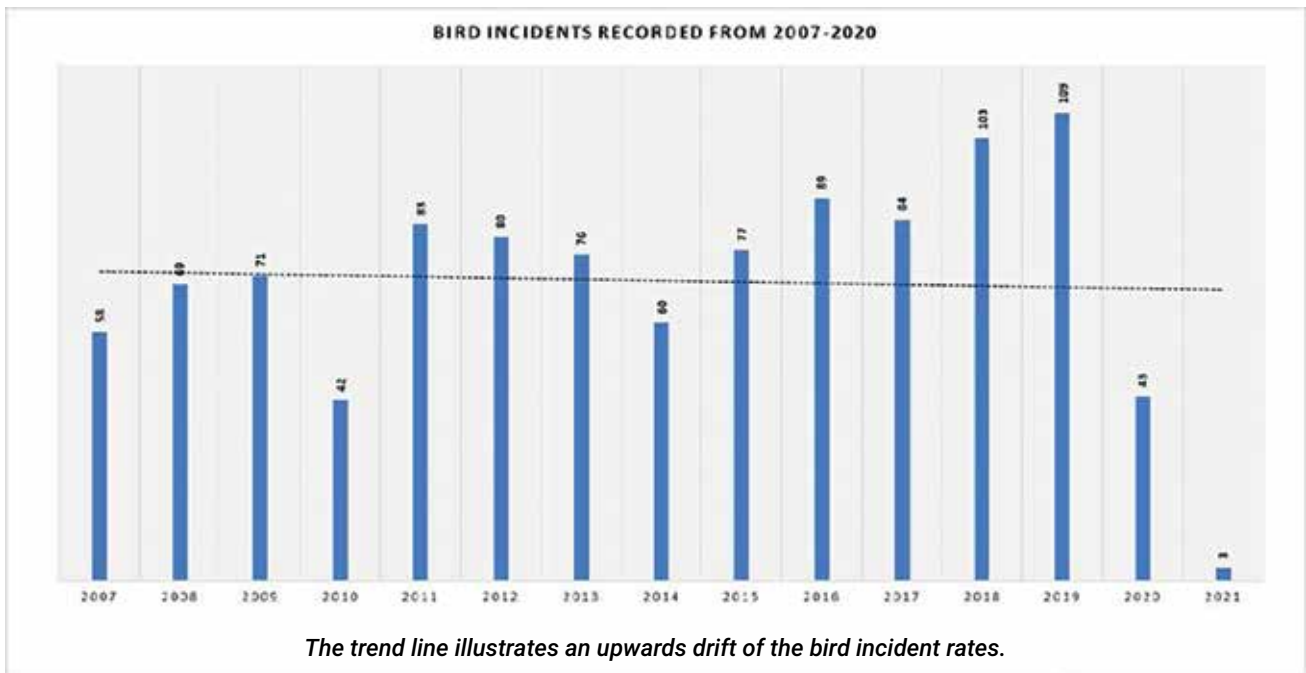
Take-off, Landing, and Ground Operations	
Ground Handling	RAMP
Ground Collision	GCOL
Loss of Control - Ground	LOC-G
Runway Excursion	RE
Runway Incursion – Vehicle, Aircraft or Person	RI-VAP
Runway Incursion – Animal	RI-A
Undershoot/Overshoot	USOS
Abnormal Runway Contact	ARC
Fire/Smoke (Post-Impact)	F-POST
Evacuation	EVAC

Airborne	
Mid-air/Near Mid-Air Collision	MAC
Controlled Flight Into/Toward Terrain	CFIT
Loss of Control - Inflight	LOC-I
Fuel Related	FUEL
Low Altitude Operations	LALT
Abrupt Manoeuvre	AMAN
Windshear or Thunderstorm	WSTRW
Turbulence Encounter	TURB
ICING	ICE

Aircraft	
System/Component Failure or Malfunction (Powerplant)	SCF-PP
System/Component Failure or Malfunction (Non-Powerplant)	SCF-NP
Fire/Smoke (Non-Impact)	F-NI
Miscellaneous	
Security Related	SEC
Cabin Safety Events	CABIN
Other	OTHR
Unknown Or Undetermined	UNK
Non-Aircraft-Related	
Atm/Cns	ATM
Aerodrome	ADRM



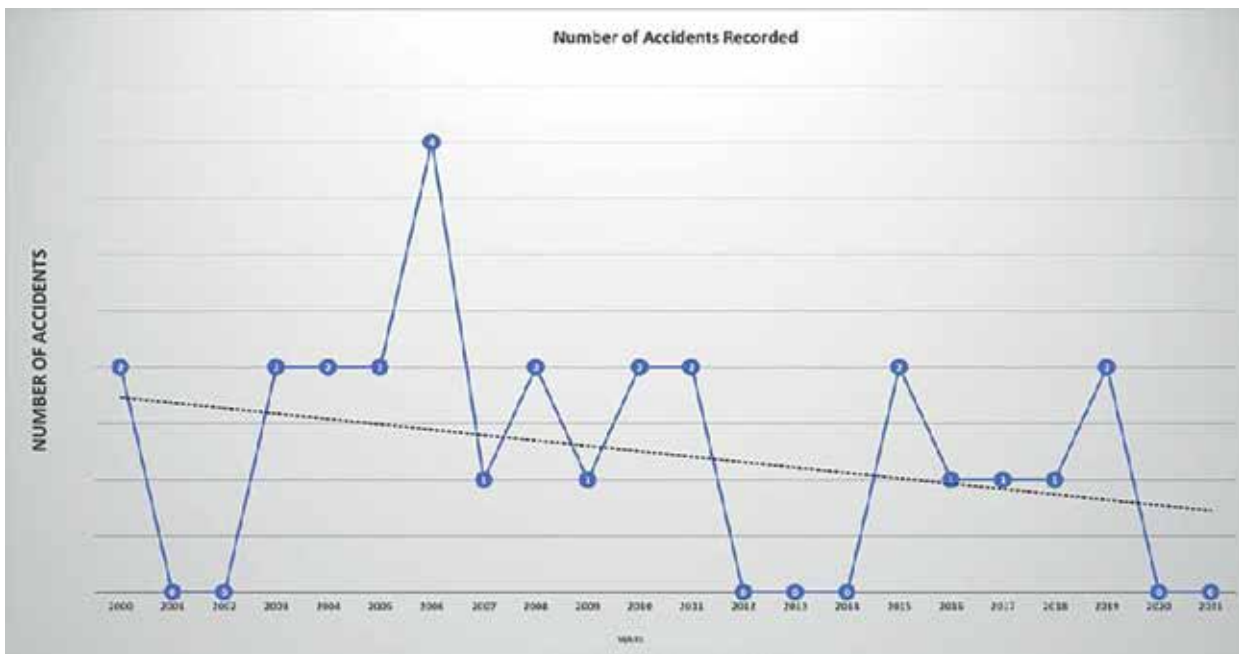
Bird Strike Report Data



ACCIDENT DETAILS (2010 TO 2020)

Year	AIRCRAFT REGISTRATION	Date/ Time	Location
2010	FOIAN	26/04/10 (02.04)	NADI
2011	DQ-KKT	16/10/11 (19.40)	NADI
	DQ-SSS	18/08/11 (01.50)	LAKEBA
2015	DQ-IBT	23/12/15 (00.30)	TREASURE ISLAND
	DQ-IHI	10/06/15 (15.06)	BEQA ISLAND
2016	DQ-SST	26/08/16 (20.19)	NADI
2018	DQ-FTR	23/02/18 (12.00)	VANUA LEVU (Delaikoro)
2019	DQ-HPT	02/08/19 (18:33)	LABASA (Naitauba)
2020	NIL	NIL	NIL

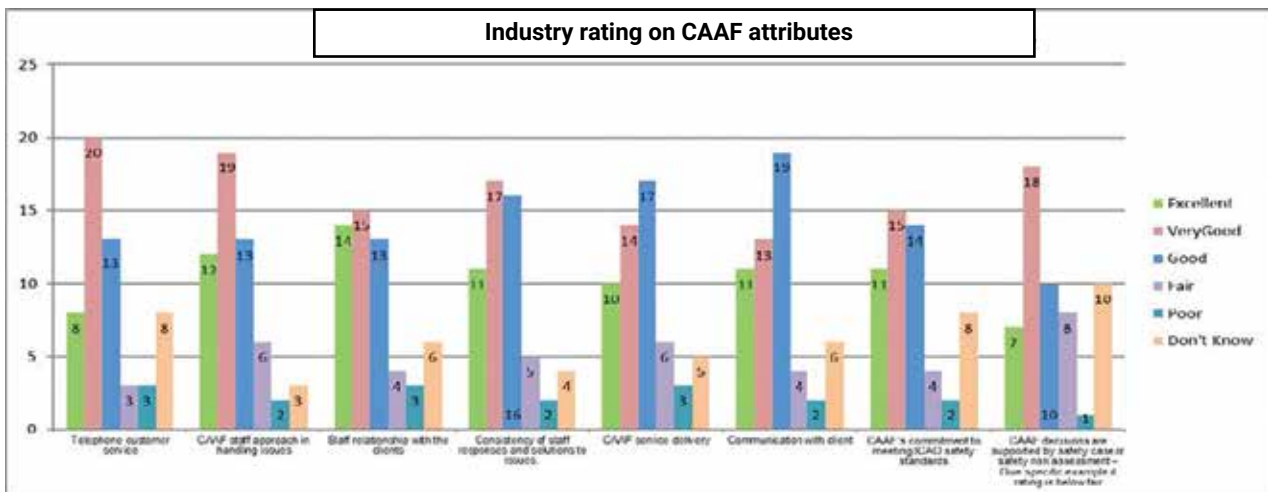
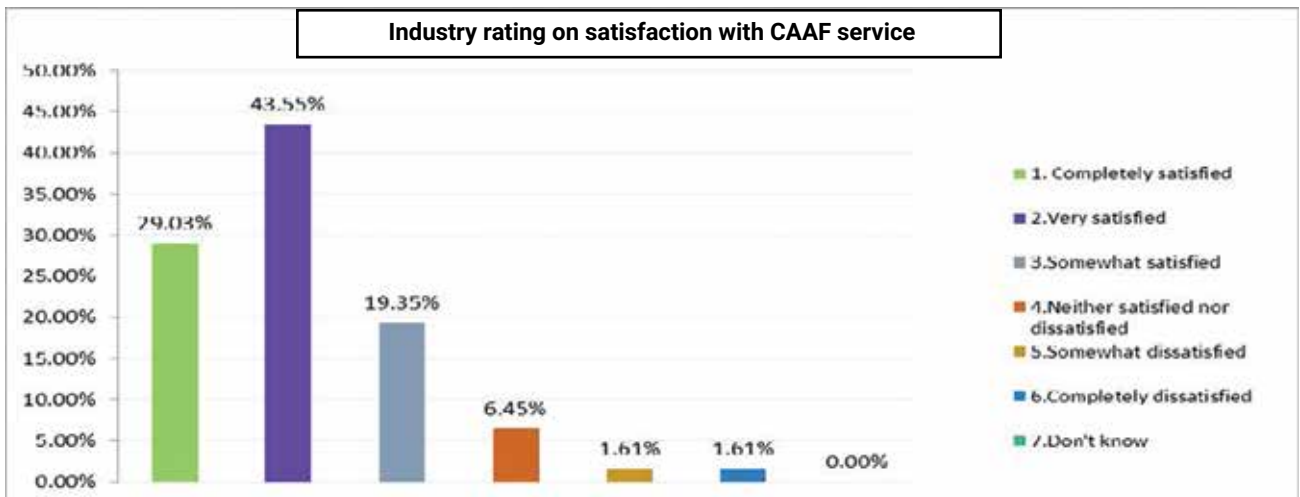
AIRCRAFT ACCIDENTS RECORDED 2010 – 2020



Customer Satisfaction Survey 2020

Customer satisfaction is measured by means of an annual online survey.

Responses are collated and a report generated. This is used by the Executive team to determine areas of focus or in need of improvement and enable the development of strategies to address this.



Acting MCS and team reviewing the CSD Service charter performance.



In line with COVID 19 protocols and customer requests, cashless payment options were introduced.



FINANCIAL STATEMENTS

For Year Ended 31st December 2020

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CIVIL AVIATION AUTHORITY OF FIJI DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Civil Aviation Authority of Fiji (the Authority) presents its report together with the financial statements for the year ended 31 December 2020 and the auditors' report thereon.

Directors

The Directors in office during the year and up to the date of this report were:

Mr Nilesh Prasad	Chairman
Mr Satish Naran Patel	Deputy Chairman
Mr Peceli Baleikorocau	Director
Mr Reginald Johkan	Director
Ms Kamni Naidu	Director

State of affairs

In the opinion of the Board of Directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the Authority as at 31 December 2020 and the accompanying statement of comprehensive income, statement of changes in equity, and statement of cash flows give a true and fair view of the results of the Authority for the year then ended.

Principal activities

The principal activities of the Authority during the course of the financial year were as follows:

- 1) Regulating civil aviation operations in Fiji by, among other things -
 - a) Issuing certificates, licenses, approvals, registrations and permits after appropriate inspection, audit and examination.
 - b) Developing and promoting appropriate, clear and concise aviation safety standards.
 - c) Developing effective enforcement strategies to secure compliance with aviation legislation and safety standards.
 - d) Assessing decisions taken by industry for their impact on aviation safety.
 - e) Conducting regular review of civil aviation systems in order to monitor the safety performance of the aviation industry, to identify safety related trends and risk factors and to promote the development and improvement of the system.
 - f) Conducting regular and timely assessment of international aviation safety developments.
 - g) Conducting regular reviews of aviation security programmes and activities.
- 2)
 - a) Any function conferred on it by or under the Civil Aviation Authority of Fiji Act 1979 Cap 174A or the Civil Aviation Reform Act 1999.
 - b) Carrying out such obligations of the State arising from its membership of the International Civil Aviation Organisation as directed by the Minister.
- 3) Safety-related functions-
 - a) Encouraging a greater acceptance by the aviation industry of the industry's obligation to maintain high standards of aviation safety through:
 - (i) Comprehensive safety education and training programmes.
 - (ii) Accurate and timely aviation safety advice.
 - (iii) Fostering an awareness in industry management and within the community generally, of the aviation safety and compliance with relevant legislations.
 - b) Promoting full and effective consultation and communication with all interested parties on aviation safety issues.

Operating results

The net loss of the Authority for the year ended 31 December 2020 is \$1,669,462 (2019: Loss of \$572,600) after an income tax expense of \$297,525 (2019: income tax benefit of \$254,013).

Bad and doubtful debts

Prior to the completion of the financial statements, the Authority took reasonable steps to ascertain that action had been taken to establish bad debts and the provision for doubtful debts.

As at the date of this report, the Authority was not aware of any circumstances, which would render the amount written for bad debts or the provision for doubtful debts, inadequate to any substantial extent.

**CIVIL AVIATION AUTHORITY OF FIJI
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Non current assets

Prior to the completion of the financial statements, the Authority took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that might be expected to realise.

As at the date of this report, the Authority was not aware of any circumstances, which would render the values attributed to non current assets in the financial statements misleading.

Unusual transactions

Apart from other matters specifically referred to in the financial statements, in the opinion of the Authority, the results of the operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, likely to affect substantially the results of the operations of the Authority in the current financial year, other than those reflected in the financial statements.

Significant Events During the Year

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

The Authority has remained operational since this declaration, continuing to regulate civil aviation operations in Fiji. We have seen a significant impact on our business to date. The Authority provided waivers to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. These waivers were for the remainder of 2020 certificate of airworthiness and aerodrome licence renewal fees respectively and amounted to \$318,426 during the year. The outbreak and the response of various governments in dealing with the pandemic has affected the general activity levels within the community, the economy and the operations of our business.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The Directors confirm that they considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

Events subsequent to balance date

(i) The Impact of COVID-19 Outbreak

The past year has indeed been a very challenging one for the nation with the COVID-19 pandemic and the devastating effects it has had on our economy. The aviation industry has not been spared; the combination of border closures, travel restrictions and quarantine measures has resulted in a significant decrease in air travel demand since March 2020. The International Airline Transport Association predicts that passenger air travel is not expected to return to 2019 levels until 2023.

With the significant decline in international air travel, the Civil Aviation Authority of Fiji's (CAAF) share of the Airport Departure tax, which accounted for approximately 61% of our annual revenue, has diminished. In addition, major aviation players have also been significantly impacted due to the closure of borders and travel restrictions implemented. This has had a flow-on effect to CAAF. Some small private aerodrome operators established to service private resorts have temporarily closed their operations and this has also impacted revenue received by CAAF in aerodrome certification fees.

Despite the decline in revenue, CAAF must ensure that the State's obligations to the International Civil Aviation Organisation and the aviation community is discharged effectively and that aviation safety in Fiji is maintained at the highest levels possible. CAAF's safety oversight operations must continue to ensure that Fiji is ready for the restart and recovery of the aviation sector.

Since April 2021, the Authority has seen a resurgence of the COVID-19 virus across the country and to ensure CAAF survives this second wave, it had to readjust the way business operates without causing disruptions to its services. New procedures and adjustments have been necessary as a result of risk assessments that are made based on the evolution of the pandemic here in Fiji. Whilst the financial impact is consistent with the initial outbreak, the Authority remains committed in ensuring its safety oversight and supports the Ministry of Health and Medical Services efforts in the fight against this coronavirus disease.

(ii) Management Database

Due to the impact of the COVID-19 Pandemic on the Authority's resources and finances, the Management Database project has been shelved and will be reviewed in due course once operations normalise.

(iii) New CAAF Website

The new website project and its implementation has been successful. The project has been completed and went live in the 02nd quarter of 2021 (May 2021).

**CIVIL AVIATION AUTHORITY OF FIJI
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Other circumstances

As at the date of this report:

- a) no charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Authority could become liable; and
- c) no contingent liabilities or other liabilities of the Authority have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Authority, will or may substantially affect its ability to meet its obligations as and when they fall due.

As at the date of this report, the Authority is not aware of any circumstances that have arisen, not otherwise dealt with in this report or the financial statements, which would make adherence to the existing method of valuation of assets or liabilities misleading or inappropriate.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Authority) by reason of a contract made by the Authority with the Director of a firm of which he is a member, or with a company in which he has a substantial financial interest.

Dated at Nadi this 17th day of December 2021.

Signed in accordance with a resolution of the Board of Directors.



.....
Chairperson



.....
Director

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITOR'S REPORT

Civil Aviation Authority of Fiji

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Civil Aviation Authority of Fiji ("the Authority"), which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

1. Note 5(l) to the financial statements notes the waiver the Authority provided to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. As set out in the Note, the waiver was for the remainder of 2020 certificate of airworthiness and aerodrome license renewal fees respectively and amounted to \$318,426.
2. Note 18 of the financial statements discloses the second wave of COVID-19 outbreak subsequent to 31 December 2020 and how this has been considered by the Directors in the preparation of the financial statements. With the significant decline in international air travel, the Authority's share of the Airport Departure tax, which accounted for approximately 61% of annual revenue, has diminished. In addition, major aviation players have also been significantly impacted due to the closure of borders and travel restrictions implemented. This has had a flow-on effect on the Authority as some small private aerodrome operators established to service private resorts have also temporarily closed their operations which has also impacted revenue received by Authority in aerodrome certification fees. The Authority anticipated that the financial impact of the COVID-19 pandemic on amounts and estimates is consistent with the first wave of the outbreak in April 2020.

My opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and Directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and Directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

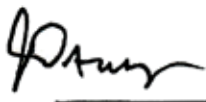
- Conclude on the appropriateness of the management and the directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Civil Aviation Authority of Fiji Act 1979 (Cap 174A), in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
24 December, 2021

**CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
Income		2,578,447	5,187,373
Other operating income	6.1	<u>313,269</u>	<u>416,761</u>
		2,891,716	5,604,134
Administrative expenses	6.2(a)	(1,027,203)	(990,227)
Operating expenses	6.2(b)	(762,649)	(1,866,503)
Personnel expenses	6.2(c)	<u>(2,539,592)</u>	<u>(3,694,323)</u>
		(1,437,728)	(946,919)
Net financing income	6.3	<u>65,791</u>	<u>120,306</u>
Operating loss before tax		(1,371,937)	(826,613)
Income tax (expense)/benefit	7(a)	<u>(297,525)</u>	<u>254,013</u>
Net loss after tax		<u>(1,669,462)</u>	<u>(572,600)</u>
Other comprehensive income			
Change in fair value of investments	11(c)	<u>(1,716,490)</u>	<u>1,159,790</u>
Total comprehensive income for the year		<u><u>(3,385,952)</u></u>	<u><u>587,190</u></u>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 60-82.


**CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
Asset Revaluation Reserve		
Balance at the beginning of the year	4,080,050	4,080,050
Balance at the end of the year	<u>4,080,050</u>	<u>4,080,050</u>
Fair Value Reserve		
Balance at the beginning of the year	6,645,989	5,486,199
Revaluation of investment	(1,716,490)	1,159,790
Balance at the end of the year	<u>4,929,499</u>	<u>6,645,989</u>
Retained earnings		
Balance at the beginning of the year	11,262,118	11,849,668
Effect of adoption of new IFRSs	-	(14,950)
Net loss	(1,669,462)	(572,600)
Balance at the end of the year	<u>9,592,656</u>	<u>11,262,118</u>
Total equity	<u><u>18,602,205</u></u>	<u><u>21,988,157</u></u>

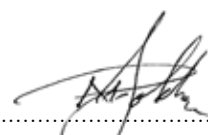
**CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,604,858	1,240,434
Trade receivables	9	171,230	157,564
Income tax refundable	7(c)	53,349	46,770
Other receivables	10	396,407	1,300,813
Investments	11(a)	500,000	2,000,000
Total current assets		<u>2,725,844</u>	<u>4,745,581</u>
Non-current assets			
Investments	11(b)	10,484,501	12,200,991
Property, plant and equipment	12	5,973,181	6,307,458
Intangible assets	13	443,757	329,249
Right-of-use assets	24	228,872	283,162
Total non-current assets		<u>17,130,311</u>	<u>19,120,860</u>
TOTAL ASSETS		<u>19,856,155</u>	<u>23,866,441</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Reserves		9,009,549	10,726,039
Retained earnings		9,592,656	11,262,118
TOTAL EQUITY		<u>18,602,205</u>	<u>21,988,157</u>
Current liabilities			
Trade and other payables	14	344,086	1,144,802
Employee benefits	15	111,950	181,564
Lease liability	24	54,981	51,530
Total current liabilities		<u>511,017</u>	<u>1,377,896</u>
Non-current liabilities			
Deferred tax liabilities	7(b)	545,338	247,812
Lease liability	24	197,595	252,576
Total non-current liabilities		<u>742,933</u>	<u>500,388</u>
TOTAL LIABILITIES		<u>1,253,950</u>	<u>1,878,284</u>
TOTAL EQUITY AND LIABILITIES		<u>19,856,155</u>	<u>23,866,441</u>

Signed on behalf of the Board of Directors



 Chairperson



 Director

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 60-82.

**CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Operating activities			
Cash receipts from customers		3,558,397	4,807,135
Cash payment to employees and suppliers		(4,869,831)	(5,649,269)
Cash generated from operations		<u>(1,311,434)</u>	<u>(842,134)</u>
Income tax paid		(6,579)	(12,208)
Interest received		65,791	120,306
Dividends received		278,349	371,133
Cash flows used in operating activities		<u>(973,873)</u>	<u>(362,903)</u>
Investing activities			
Acquisition of property, plant and equipment		(16,863)	(166,905)
Acquisition of intangible assets		(144,840)	-
Withdrawal of investment		1,500,000	-
Proceeds from sale of property, plant and equipment		-	294
Cash flows provided from / (used in) investing activities		<u>1,338,297</u>	<u>(166,611)</u>
Net decrease in cash and cash equivalents		364,424	(529,514)
Cash and cash equivalents at 1 January		<u>1,240,434</u>	<u>1,769,948</u>
Cash and cash equivalents at 31 December	8	<u><u>1,604,858</u></u>	<u><u>1,240,434</u></u>

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 60-82.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 1. REPORTING ENTITY

Civil Aviation Authority of Fiji is a statutory organisation domiciled in Fiji and established under the Civil Aviation Authority of Fiji Act, 1979 Cap 174A. The Authority's registered office and the principal place of business is located at Namaka, Nadi Airport. The principal activities of the Authority during the course of the financial year included the regulatory oversight of airports and airlines and licensing of personnel.

NOTE 2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis. The accounting policies have been consistently applied by the Authority and are consistent with those used in the previous year.

The financial statements were authorised for issue by the Authority on 17th December 2021.

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars, and are rounded to the nearest dollar, except otherwise indicated.

NOTE 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Authority applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: *Definition of a Business*

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Authority, but may impact future periods should the Authority enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 *Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Authority as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 *Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Authority.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Authority.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

The Authority changed its accounting policies on COVID-19-related rent concession upon early adoption of the IFRS 16 amendment.

In accordance with the transitional provisions provided in the IFRS 16 amendment, the comparative information for 2019 was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in IFRS 16.

On adoption of the IFRS 16 amendment, the Authority is not required to assess whether a COVID-19-related rent concession that meets all of the following conditions is a lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Authority accounts for such COVID-19-related rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. For further details refer to Note 24.

NOTE 3.2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Authority's financial statements are disclosed below. The Authority intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Authority.

New standards and amendments	Effective date
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (including Amendment to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020)	1 January 2023
Amendments to IAS 37 – Onerous Contracts: — Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Authority's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the Authority's accounting policies, Management has made the following judgement, apart from those involving estimations, which has the most significant effect of the amounts recognised in the financial statements.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Operating lease commitments

The Authority has entered into a commercial property lease. The Authority has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating lease.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely and level of future taxable profits together with future tax planning strategies.

Impairment of non financial assets

The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Leases - Estimating the incremental borrowing rate

The Authority cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Authority would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Authority 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Authority estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade receivables

The Authority uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Authority's historical observed default rates. The Authority will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Authority's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Authority's trade receivables is disclosed in Note 21.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency

Transactions in foreign currencies if it may take place, are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities if denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Any goodwill arising on acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(b) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at revalued amount less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Subsequent expenditure

The cost of replacing part of the property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Administration buildings	40 years
General administrative assets	5- 20 years
Plant, furniture and office equipment	10 - 20 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Minor equipment and tools costing less than \$1,000 are expensed in the year of purchase. Capital work-in-progress is subject to depreciation in the year of completion and is capitalised at the actual amount spent.

(c) Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Authority as a lessee

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases (continued)

i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	102 years
Dedicated internet access lease line	6 years

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Authority and payments of penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Authority uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Authority's lease liabilities are presented in leases (see Note 24).

iii) Rental concession

During the financial year, the Authority elected to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Authority accounts for such COVID-19-related rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The Authority presents the impacts of rent concessions within operating expenses.

Until 31 December 2019, the accounting required by IFRS 16 for a change in lease payments, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, depends on whether that change meets the definition of a lease modification.

If a rent concession results from a lease modification, the Authority accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in IFRS 16.

If a rent concession does not result from a lease modification, the Authority accounts for the rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases (continued)

iv) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changed in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of intangible asset.

Intangible assets with infinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

(f) Impairment of non financial assets

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment of non financial assets (continued)

The following criteria are also applied in assessing impairment of specific assets:

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Authority estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(g) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another company.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Authority's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Authority has applied the practical expedient, the Authority initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Authority has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (l) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Authority's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Authority. The Authority measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets at amortised cost (debt instruments) (continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Authority's financial assets include cash and cash equivalents, trade and other receivables.

Financial assets at fair value through OCI (debt instruments)

The Authority measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Authority presently does not hold any debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Authority can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Authority benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Authority elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flow from the asset have expired.
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments - initial recognition and subsequent measurement (continued)

(i) Financial assets (cont'd)

Derecognition (continued)

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Authority's involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

(ii) Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Authority applies a simplified approach in calculating ECLs. Therefore, the Authority does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Authority considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Authority may also consider a financial asset to be in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Authority's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments - initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Authority has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Authority. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) Inventories

Inventories are stated at the lower of costs and net realizable value. Cost includes invoice price plus associated costs into store. Costs are assigned to individual items of inventory mainly on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

(i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(j) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee benefits (continued)

(ii) Pension obligations

Contributions to the Fiji National Provident Fund are charged to the income statement in the period to which the contributions relate.

(iii) Other employee benefits

The Authority has a collective agreement to provide long service leave and retirement gratuity to its employees. The entitlement to this benefit is conditional on completion of a minimum service period and the employee remaining in service up to the retirement age. A liability for long service leave and retirement gratuity is calculated as the present value of expected future payments to be made in respect of services provided by the employees at the balance sheet date. This is adjusted for employee departure trends and appropriate inflation and discount rates. The accruals are divided into current (expected to be paid in the ensuing twelve months) and non-current portions.

(k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Value Added Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Sales

- (i) Revenue comprising rental of agricultural sites, airworthiness fees, pilots/ engineers license fees, airport licenses and inspection fees and charges, and other income are brought to account when the relevant service has been provided / goods are sold; customers have accepted the goods; and collectability of related receivables is reasonably assured.

The Authority provided waivers to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. These waivers were for the remainder of 2020 certificate of airworthiness and aerodrome licence renewal fees respectively and amounted to \$318,426 during the year.

Other operating income

- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.
(iii) Dividend income from other investments is recognised when the right to receive payment is established.
(iv) Movement in fair value of investments (including investment property) are recognised as income and are determined as the differences between the fair value at year end or consideration received (if sold during the year) and the fair value as at prior year end or cost (if the investment was acquired during the period).

(m) Finance income and expenses

Net financing income comprises of interest income on term deposits, interest expense on bank overdraft, borrowing and foreign currency gains or losses.

(n) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in income statement.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Taxes (continued)

Deferred income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of any unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income tax related to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

(o) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Government grants

Government grants are recognised when the grant is received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Authority receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

(q) Comparative information

Comparative figures have been amended where necessary, for changes in presentation in the current period.

NOTE 6.1. OTHER OPERATING INCOME	2020	2019
	\$	\$
Dividends	278,349	371,133
Sundry	34,920	45,628
	<u>313,269</u>	<u>416,761</u>

NOTE 6.2. EXPENSES

(a) Administrative expenses

Amortisation expenses	(30,332)	(21,632)
Amortisation expense of right-of-use assets	(54,290)	(54,290)
Auditors remuneration and accounting fees	(15,000)	(15,000)
Board member allowance and related expenses	(39,400)	(29,838)
Expected credit loss	(23,914)	(774)
Loss on disposal of property, plant and equipment	-	(36,982)
Depreciation	(351,141)	(341,276)
Insurance	(494,876)	(468,951)
Interest expense on lease liabilities	(18,250)	(21,484)
	<u>(1,027,203)</u>	<u>(990,227)</u>

NOTE 6.2. EXPENSES (continued)

(b) Operating expenses

Advertising	(23,861)	(96,107)
Accident investigation	(18,329)	(90,684)
Consultancy	(164,682)	(504,308)
Customs duty and freight	(3,535)	(17,076)
Legal fees	(44,729)	(87,540)
Medical supplies	(47,167)	(63,074)
Other expenses	(41,799)	(66,974)
Travel and accommodation	(89,751)	(391,703)
Pilot licence book	-	(19,735)
Protective gear	(1,046)	(5,973)
Publications	(6,706)	(4,185)
Repairs and maintenance	(12,988)	(62,688)
Utilities and supplies	(274,418)	(424,308)
Vehicle maintenance	(33,638)	(32,148)
	<u>(762,649)</u>	<u>(1,866,503)</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
(c) Personnel expenses		
Salaries	(1,999,662)	(2,394,725)
Fringe benefit tax	(14,822)	(15,478)
FNPF employers contribution	(132,207)	(218,910)
FNU levy	(25,741)	(28,812)
Annual leave	(326,680)	(333,612)
Performance management system - bonus	-	(184,672)
Staff training	(40,480)	(518,114)
	<u>(2,539,592)</u>	<u>(3,694,323)</u>

The average number of employees during the year	<u>58</u>	<u>62</u>
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NOTE 6.3. FINANCE INCOME

Interest income	<u>65,791</u>	<u>120,306</u>
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NOTE 7. INCOME TAX

Income tax expense recognised in the income statement

Current tax expense	<u>297,525</u>	<u>(254,013)</u>
	<u>297,525</u>	<u>(254,013)</u>

(a) A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2020 and 2019 is as follows:

Accounting profit before income tax	<u>(1,371,937)</u>	<u>(826,613)</u>
Fiji's statutory income tax rate 20%	(274,387)	(165,323)
Tax effect of permanent differences	(71,904)	(84,363)
Under/over provision from prior year	24,026	(4,327)
Prior year tax losses derecognised	289,177	-
Tax losses not recognised	330,613	-
Income tax expense/(benefit) attributable to operating profit	<u>297,525</u>	<u>(254,013)</u>

(b) Deferred income tax at 31 December relates to the following:

(i) Deferred tax asset (recognised at 20% tax rate)

Provisions for employee entitlements	22,390	36,313
Allowance for expected credit loss	5,292	509
Tax losses	-	289,177
Balance at the end of the year	<u>27,682</u>	<u>325,999</u>

(ii) Deferred tax liability

Accelerated depreciation for tax purposes	368,225	369,016
Capital Gain	204,795	204,795
Balance at the end of the year	<u>573,020</u>	<u>573,811</u>

Net deferred tax liabilities	<u>(545,338)</u>	<u>(247,812)</u>
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The Authority has tax losses that arose in the current year of \$1,653,064 that are available for the next four years for offsetting against future taxable profits of the Authority. Deferred tax assets have not been recognized in respect of the current year tax losses as there is insufficient evidence of recoverability in the near future. If the Authority were able to recognize these deferred tax assets, the profit would increase by \$330,613. The total tax losses arising from the past 3 years which are available for set-off against future taxable profits is \$2,987,135.

(c) **Income tax refund/(payable)**

Balance - 1 January	46,770	34,562
Add: Withholding taxes paid	6,579	12,208
	<u>53,349</u>	<u>46,770</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8. CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Cash on hand	550	550
Cash at bank - account no: 3662665	1,104,308	1,239,884
Short term deposit	500,000	-
	<u>1,604,858</u>	<u>1,240,434</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 6 months and 12 months, depending on the immediate requirements of the Authority, and earn interest at the respective short-term deposit rates.

NOTE 9. TRADE AND OTHER RECEIVABLES

Trade receivables	197,690	160,110
Less: allowance for expected credit loss	(26,460)	(2,546)
	<u>171,230</u>	<u>157,564</u>

Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 December 2020, trade receivables at nominal value of \$26,460 (2019: \$2,546) were impaired.

Movement in the provision for impairment of receivables were as follows:

At 1 January	2,546	1,772
Charge for the year	23,914	774
31 December	<u>26,460</u>	<u>2,546</u>
0 - 3 months	141,033	160,110
	<u>141,033</u>	<u>160,110</u>

NOTE 10. OTHER ASSETS

Prepayments	162,778	244,719
Unit Trust of Fiji dividends accrued	139,175	208,762
Departure Tax (Note 20)	9,435	689,666
Receivable from related parties (Note 20)	37,942	25,985
Other assets	47,077	131,681
	<u>396,407</u>	<u>1,300,813</u>

NOTE 11. INVESTMENTS

(a) <i>Current</i>		
Interest-bearing deposits	<u>500,000</u>	<u>2,000,000</u>
(b) <i>Non-current</i>		
Units in Unit Trust of Fiji	<u>10,484,501</u>	<u>12,200,991</u>
Total investments	<u>10,984,501</u>	<u>14,200,991</u>
(c) Reconciliation of available-for-sale financial assets		
Opening balance	12,200,991	11,041,201
Revaluation gain/(loss) on Unit Trust of Fiji units - transfer to fair value reserve	(1,716,490)	1,159,790
	<u>10,484,501</u>	<u>12,200,991</u>
(d) Units in Unit Trust of Fiji held by the Authority is represented by:		
1,413,636 units purchased at \$1.10 per unit	1,555,000	1,555,000
1,339,286 units purchased at \$1.12 per unit	1,500,000	1,500,000
641,026 units purchased at \$1.17 per unit	750,000	750,000
555,556 units purchased at \$ 1.35 per unit	750,001	750,001
689,656 units purchased at \$ 1.45 per unit	1,000,001	1,000,001
Revaluation on current market value	4,929,499	6,645,989
	<u>10,484,501</u>	<u>12,200,991</u>

4,639,160 units valued at re-purchase price of \$2.26 per unit (2019: @ \$2.63).

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 12. PROPERTY, PLANT AND EQUIPMENT	2020 \$	2019 \$
<u>Freehold land</u>		
<i>Deemed cost:</i>		
At 1 January	2,500,000	2,500,000
At 31 December	<u>2,500,000</u>	<u>2,500,000</u>
<u>Buildings</u>		
<i>Deemed cost:</i>		
At 1 January	2,881,582	2,858,362
Additions	12,156	23,220
At 31 December	<u>2,893,738</u>	<u>2,881,582</u>
<i>Depreciation and impairment</i>		
At 1 January	190,690	118,794
Depreciation charge for the year	72,304	71,896
At 31 December	<u>262,994</u>	<u>190,690</u>
Net book value	<u>2,630,744</u>	<u>2,690,892</u>
<u>Motor vehicles</u>		
<i>Deemed cost:</i>		
At 1 January	580,035	468,670
Additions	-	111,365
At 31 December	<u>580,035</u>	<u>580,035</u>
<i>Depreciation and impairment</i>		
At 1 January	244,551	142,548
Depreciation charge for the year	116,007	102,003
At 31 December	<u>360,558</u>	<u>244,551</u>
Net book value	<u>219,477</u>	<u>335,484</u>
<u>Furniture, fittings & equipment</u>		
<i>Deemed cost:</i>		
At 1 January	1,170,954	1,196,204
Additions	4,708	31,220
Disposals	-	(56,470)
At 31 December	<u>1,175,662</u>	<u>1,170,954</u>
<i>Depreciation and impairment</i>		
At 1 January	389,872	241,689
Depreciation charge for the year	162,830	167,377
Disposals	-	(19,194)
At 31 December	<u>552,702</u>	<u>389,872</u>
Net book value	<u>622,960</u>	<u>781,082</u>
Net book value	<u><u>5,973,181</u></u>	<u><u>6,307,458</u></u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 13. INTANGIBLE ASSETS	2020	2019
	\$	\$
<i>Software costs</i>		
Opening balance	216,322	216,322
Additions	94,904	-
Closing balance	<u>311,226</u>	<u>216,322</u>
<i>Amortisation and impairment:</i>		
Opening balance	57,637	36,005
Amortisation	30,332	21,632
Closing balance	<u>87,969</u>	<u>57,637</u>
Net book value:	<u>223,257</u>	<u>158,685</u>
<i>Work in progress</i>		
<i>Deemed cost:</i>		
At 1 January	170,564	169,464
Additions	49,936	1,100
At 31 December	<u>220,500</u>	<u>170,564</u>
Net book value:	<u>443,757</u>	<u>329,249</u>
NOTE 14. TRADE AND OTHER PAYABLES		
Trade payables	40,178	97,641
Income in advance	206,362	717,425
Other payables	97,546	329,736
	<u>344,086</u>	<u>1,144,802</u>
NOTE 15. EMPLOYEE BENEFITS		
<i>Current</i>		
Employee leave entitlements	<u>111,950</u>	<u>181,564</u>

The employee leave entitlements is calculated as the leave balances at the end of the period multiplied by the employees pay rate at that time.

NOTE 16. CONTINGENT LIABILITIES

The Authority's contingent liabilities comprise of property insurance and for aircraft accident with the following amounts:

- aviation liability cover of \$750,000,000
- material damage of \$6,750,182
- business interruption of \$3,420,000
- cyclone of \$8,934,000

There are four matters in court arising out of enforcement actions taken by the Authority under the Air Navigation Regulations:

- two cases were in relation to licensing issues.
- one case contains a claim for damages against the Authority.

No amount is recognised or is estimated for this possible liability, as the existence of which is dependent upon the outcome of the legal proceedings.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 17. SIGNIFICANT EVENTS DURING THE YEAR

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

The Authority has remained operational since this declaration, continuing to regulate civil aviation operations in Fiji. We have seen a significant impact on our business to date. The Authority provided waivers to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. These waivers were for the remainder of 2020 certificate of airworthiness and aerodrome licence renewal fees respectively and amounted to \$318,426 during the year. The outbreak and the response of various governments in dealing with the pandemic has affected the general activity levels within the community, the economy and the operations of our business.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The Directors confirm that they considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

NOTE 18. EVENTS SUBSEQUENT TO BALANCE DATE

Management Database

Due to the impact of the COVID-19 Pandemic on the Authority's resources and finances, the Management Database project has been shelved and will be reviewed in due course once operations normalise.

New CAAF Website

The new website project and its implementation has been successful. The project has been completed and went live in the 02nd quarter of 2021 (May 2021).

The Impact of COVID-19 Outbreak

The past year has indeed been a very challenging one for the nation with the COVID-19 pandemic and the devastating effects it has had on our economy. The aviation industry has not been spared; the combination of border closures, travel restrictions and quarantine measures has resulted in a significant decrease in air travel demand since March 2020. The International Airline Transport Association predicts that passenger air travel is not expected to return to 2019 levels until 2023.

With the significant decline in international air travel, the Civil Aviation Authority of Fiji's (CAAF) share of the Airport Departure tax, which accounted for approximately 61% of our annual revenue, has diminished. In addition, major aviation players have also been significantly impacted due to the closure of borders and travel restrictions implemented. This has had a flow-on effect to CAAF. Some small private aerodrome operators established to service private resorts have temporarily closed their operations and this has also impacted revenue received by CAAF in aerodrome certification fees.

Despite the decline in revenue, CAAF must ensure that the State's obligations to the International Civil Aviation Organisation and the aviation community is discharged effectively and that aviation safety in Fiji is maintained at the highest levels possible. CAAF's safety oversight operations must continue to ensure that Fiji is ready for the restart and recovery of the aviation sector.

Since April 2021, the Authority has seen a resurgence of the COVID-19 virus across the country and to ensure CAAF survives this second wave, it had to readjust the way business operates without causing disruptions to its services. New procedures and adjustments have been necessary as a result of risk assessments that are made based on the evolution of the pandemic here in Fiji. Whilst the financial impact is consistent with the initial outbreak, the Authority remains committed in ensuring its safety oversight and supports the Ministry of Health and Medical Services efforts in the fight against this coronavirus disease.

NOTE 19. EXPENDITURE COMMITMENTS

	2020	2019
	\$	\$
(i) Capital commitments:	<u>13,607</u>	<u>68,037</u>
(ii) Future commitments in respect of operating lease are as follows:		
Within one year	5,727	5,727
After one year but more than five years	22,908	22,908
More than five years	<u>200,445</u>	<u>206,172</u>
Minimum lease payments	<u>229,080</u>	<u>234,807</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 20. RELATED PARTIES

(a) Directors

The Directors in office during the year and up to the date of this report were:

Nilesh Prasad	Chairman
Mr Satish Naran Patel	Deputy Chairman
Peceli Baleikorocau	Director
Reginald Jokhan	Director
Ms Kamni Naidu	Director

Board member allowances are disclosed under Note 6.2 (a).

(b) Transactions with related entities and key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority. Key management personnel comprises of Chief Executive Officer, Controller Air Safety, Controller Ground Safety, Controller Aviation Safety and Facilitation and Manager Corporate Services.

Transactions with key management are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

	2020	2019
	\$	\$
Key management compensation		
Remuneration	417,009	398,392
FNPF (Employer Share 5% from 01/04/2020)	18,654	20,965
	<u>435,663</u>	<u>419,357</u>

Related party relationships

The Authority is a Fijian Government controlled entity. Related parties to the Authority are Key Management Personnel including the Portfolio Minister, the Authority's Board of Directors and other Fijian government entities.

All transactions with related parties are on normal commercial terms and conditions. During the year, the aggregate amounts included in the determination of operating profit before income tax that resulted from significant transaction with those related parties were as follows:

Name	Nature		
Fiji Airways	Revenue	707,673	789,596
	Expenses	36,938	90,052
Airports Fiji Limited	Revenue	304,055	314,064
	Expenses	4,399	7,360
Fiji Revenue and Customs Service	Departure tax	741,815	3,788,267
Government of Fiji	Grant	400,099	-

(Payables)/receivables from related parties disclosed in the financial statements as follows:

Fiji Revenue and Customs Service	9,435	689,666
Airports Fiji Limited	155,741	44,830
Airports Fiji Limited	-	(156,004)
Fiji Airways	55,256	197,438
Fiji Airways	(180,997)	(523,775)
Total net amount owing as at 31 December	<u>39,435</u>	<u>252,155</u>

Disclosed as:

Departure tax (Note 10)	9,435	689,666
Income in advance (Note 14)	(180,997)	(679,779)
Receivable from related parties (Note 10)	37,942	121,287
Trade receivables (Note 9)	173,055	120,981
	<u>39,435</u>	<u>252,155</u>

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including low returns on investments), credit risk, liquidity risk and cash flow interest rate risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

(a) Market risk

(i) Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from overseas specialised training payable in foreign currency.

(ii) Price risk

The Authority is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Authority exposure is to the interest bearing term deposits. The interest rates are fixed over the term of the deposits and are reviewed on maturity.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Authority is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Authority has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Authority has policies that limit the amount of global credit exposure to any customer.

Trade receivables

Customer credit risk is managed by each business unit subject to the Authority's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2020, the Authority had 2 customers (2019: 1) that owed totalled more than \$100,000 and accounted for approximately 88% (2019: 64%) of all the receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, and customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Authority does not hold collateral as security. The Authority evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

Set out below is the information about the credit risk exposure on the Authority's trade receivables using a provision matrix:

31 December 2020	Days past due				Total
	< 30 days	31-60 days	61-90 days	> 91 days	
	\$	\$	\$	\$	\$
Expected credit loss rate	5%	7%	10%	30%	
Estimated total gross carrying amount at	48,115	10,299	7,760	74,859	141,033
Expected credit loss	2,221	723	777	22,739	26,460

31 December 2019	Days past due				Total
	< 30 days	31-60 days	61-90 days	> 91 days	
	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	13%	
Estimated total gross carrying amount at	90,476	50,181	436	19,017	160,110
Expected credit loss	-	-	-	2,546	2,546

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Authority aims to maintain flexibility in funding by keeping committed credit lines available.

The Authority monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Authority's financial liabilities at 31 December 2020 based on contractual undiscounted payments.

Year ended 31 December 2020

	On demand	Less than a year	> 5 years	Total
			\$	\$
Trade and other payables	-	344,086	-	344,086
Lease liabilities	-	69,780	577,800	647,580
	-	413,866	577,800	991,666

Year ended 31 December 2019

	On demand	Less than a year	> 5 years	Total
			\$	\$
Trade and other payables	-	1,144,802	-	1,144,802
Lease liabilities	-	69,780	647,580	717,360
	-	1,214,582	647,580	1,862,162

Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the year 31 December 2020.

The Authority monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Authority includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders less the net unrealised gains

	2020	2019
	\$	\$
Trade and other payables	344,086	1,144,802
Less: cash and short term deposits	(1,604,858)	(1,240,434)
Net debt	<u>(1,260,772)</u>	<u>(95,632)</u>
Equity	18,602,205	21,988,157
Total capital	<u>18,602,205</u>	<u>21,988,157</u>
Capital and net debt	<u>17,341,433</u>	<u>21,892,525</u>
Gearing ratio	-7.27%	-0.44%

NOTE 22. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Authority's financial instrument that are carried on the financial statements.

	Fair Value	
	2020	2019
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	1,604,858	1,240,434
Available-for-sale investments	10,484,501	12,200,991
Trade and other receivables	<u>171,230</u>	<u>157,564</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 22. FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

Trade and other payables	344,086	1,144,802
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Market values have been used to determine the fair value of available-for-sale financial assets. The Authority does not have any borrowings or loan notes.

NOTE 23. REVALUATION RESERVE

The Authority engaged an independent valuer Professional Valuations Limited on 13th January 2017 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 2017.

NOTE 24. LEASES

AUTHORITY AS A LESSEE

During the financial year, as a result of COVID-19 pandemic, the Authority has received rent concession in the form of reduced rental payments for a certain period of time.

The Authority has applied the practical expedient to all rent concessions that meet the conditions of the IFRS 16 amendment.

The amount recognised in the Authority's 31 December 2020 profit or loss to reflect changes in lease payments that arise from rent concessions to which the Authority has applied the practical expedient is \$17,447. The lease liability is reduced by \$17,447.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land \$	TFL Dedicated \$	Total \$
As at 1 January 2019	69,753	267,699	337,452
Additions	-	-	-
Amortisation expense	(750)	(53,540)	(54,290)
As at 31 December 2019	69,003	214,159	283,162
Additions	-	-	-
Amortisation expense	(750)	(53,540)	(54,290)
As at 31 December 2020	68,253	160,619	228,872

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 \$	2019 \$
As at 1 January	304,106	352,402
Additions	-	-
Accretion of interest	18,250	21,484
Payments	(52,333)	(69,780)
Rent Concessions	(17,447)	-
As at 31 December	252,576	304,106
Current	54,981	51,530
Non-current	197,595	252,576
	252,576	304,106

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	54,290	54,290
Interest expense on lease liabilities	18,250	21,484
Variable lease payments (rent concessions)	(17,447)	-
Total amount recognised in profit or loss	55,093	75,774

The Authority had total cash outflows for leases of \$52,333 in 2020 (2019: \$69,780) and rent concessions for \$17,447 was provided by the lessor.

**CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 25. GOVERNMENT GRANT

On 24th November 2020, a grant of \$400,099 VEP was received from the Government of Fiji to enable the Civil Aviation Authority of Fiji to carry out its functions effectively and efficiently. The grant was recognised in income as the Authority has unconditional entitlement to it. Nil grant was received in 2019 financial year.

NOTE 26. REGISTERED OFFICE

Civil Aviation Authority of Fiji is domiciled in Fiji, the registered office and principal place of operation is located at:

Civil Aviation Authority of Fiji
Ottawa Road
Korowai
AFL Compound
Namaka
Nadi

**CIVIL AVIATION AUTHORITY OF FIJI
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
Income		
Airworthiness fees	647,512	634,130
Pilots/engineers license/airport license fees	787,559	763,514
Government grant	400,099	-
Departure Tax	741,815	3,788,267
Rental from agricultural lease	1,462	1,462
	<u>2,578,447</u>	<u>5,187,373</u>
Other operating income	379,060	537,067
Total income	<u>2,957,507</u>	<u>5,724,440</u>
Expenses		
Advertising	23,861	96,107
Accident investigation	18,329	90,684
Auditors remuneration and accounting fees	15,000	15,000
Amortisation of software license	30,332	21,632
Amortisation expense of right-of-use assets	54,290	54,290
Annual leave	326,680	333,612
Board member allowances and related expenses	39,400	29,838
Expected credit loss	23,914	774
Consultancy	164,682	504,308
Legal Fees	44,729	87,540
Customs duty and freight	3,535	17,076
Depreciation	351,141	341,276
Insurance	494,876	468,951
Interest expense on lease liabilities	18,250	21,484
Loss on disposal of property, plant and equipment	-	36,982
Medical supplies	47,167	63,074
Other expenses	41,799	66,974
Pilot licence book	-	19,735
Protective gear	1,046	5,973
Publications	6,706	4,185
Salaries and wages	2,172,432	2,842,597
Staff training	40,480	518,114
Travel	89,751	391,703
Utilities and supplies	274,418	424,308
Vehicle maintenance	33,638	32,148
Repairs and maintenance	12,988	62,688
Total expenses	<u>4,329,444</u>	<u>6,551,053</u>
Loss before income tax	<u>(1,371,937)</u>	<u>(826,613)</u>





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