



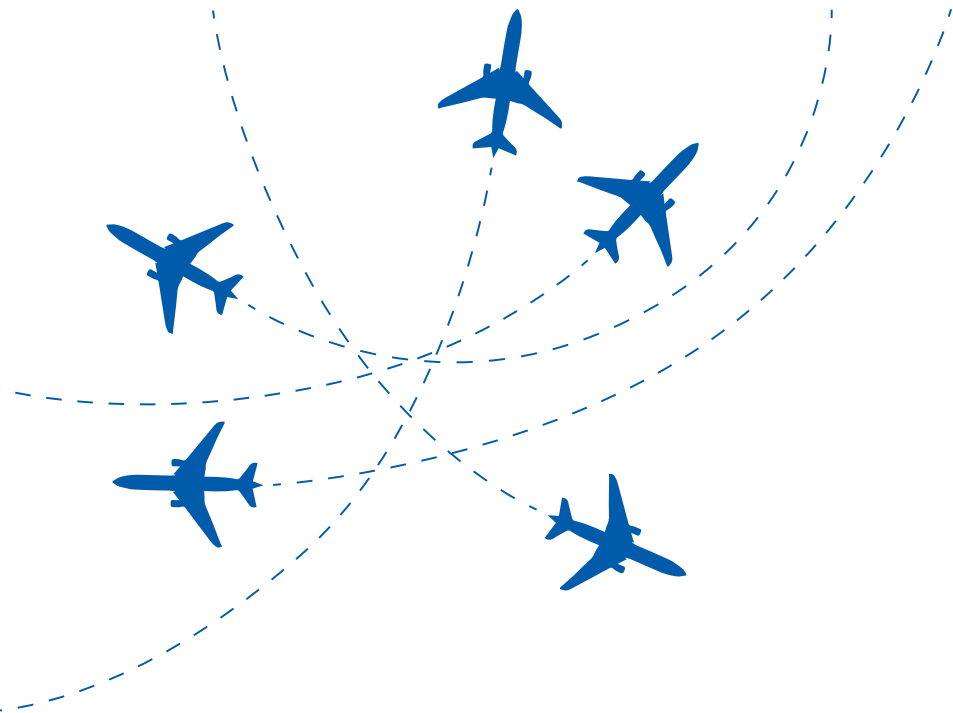
ISO 9001/2008 CERTIFIED

Civil Aviation Authority of Fiji



Annual Report 2016





Vision Contents

To be a model aviation regulator.

Mission

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

Values

Strives to reflect certain key values as the characteristics of the people who are the CAAF team, and equally for the organisation as a whole, in our conduct:

- Professionalism
- Accountability
- Commitment
- Integrity

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Letter to the Minister



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Civil Aviation Authority of Fiji

1st August 2017

The Honourable Aiyaz Sayed-Khaiyum

Attorney-General and Minister for Finance, Public Enterprises, Public Service and Communications
Level 7, Suvavou House
Victoria Parade
SUVA

Dear Honourable Minister,

Civil Aviation Authority of Fiji 2016 Annual Report

On behalf of the Board of the Civil Aviation Authority of Fiji, I have much pleasure in presenting the Authority's 2016 Annual Report as required under Section 28 (1) of the Civil Aviation Authority of Fiji Act, 1979 - Cap 174A.

The report is comprised of the Civil Aviation Authority of Fiji's operational achievements and the audited accounts for the year ending December 2016.

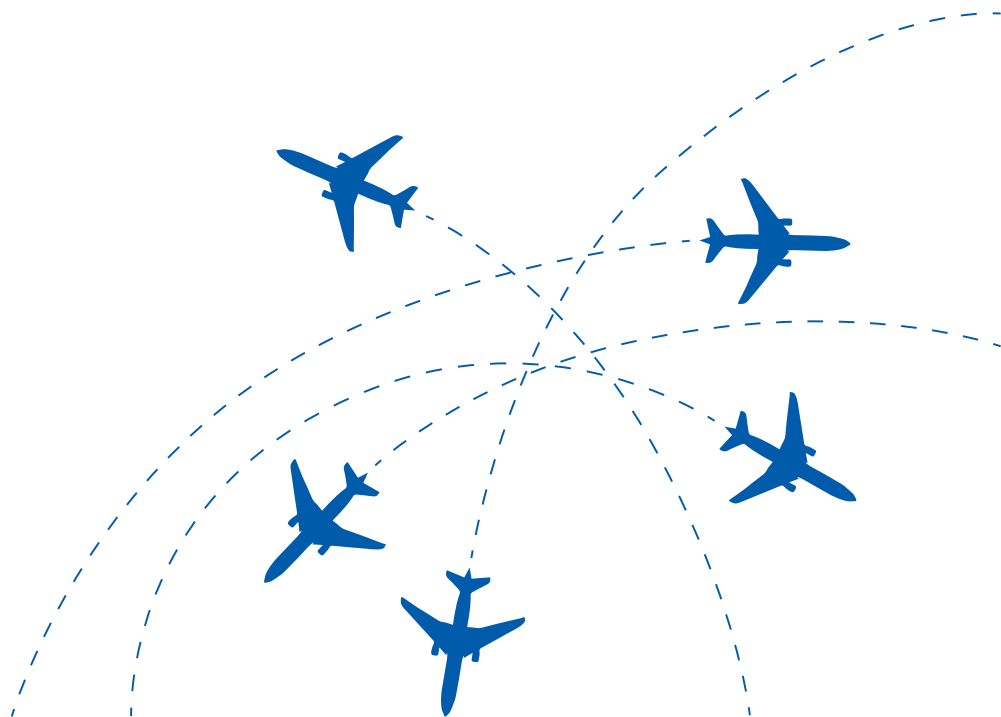
Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Lailun Khan', is written over a horizontal line.

Lailun Khan
Chairperson

The Year in Review

- ICAD Global Plans and Environment
- Aviation Meteorology
- Aviation Security
- Enforcement
- Search and Rescue
- Safety Management System
- Remotely Piloted Aircraft System
- Helicopter Landing Site Registration
- Tropical Cyclone Winston



Chairperson's Report



I would like to thank the Authority and the Executive Management Team for yet another year of success as regulators to ensure that aviation safety and security remained paramount for the travelling public despite many challenges.

Aviation Safety & Security

The Global Aviation Safety Plan (GASP) placed greater prioritisation for States to progress their Effective Implementation (EI) of the ICAO Standards and Recommended Practices (SARPS) and update the ICAO Universal Safety Oversight Audit Programme Continuous Monitoring Approach On-Line Framework (USOAP CMA OLF).

The revised GASP also set a new target date of 2017 for all States that have achieved EI of the SARPS above 60% to progress towards full implementation of their State Safety Programme (SSP). A key requirement is for States to ensure that operators and service providers establish their Safety Performance Indicators (SPI's). The key national stakeholders were developing their SPI's and these will be published in their safety management systems documents for acceptance by CAAF in 2017.

Significant progress was made by the Authority in 2016 resulting in the re-drafting of 83% of the total Protocol Questions (PQ) and Corrective Action Plans (CAPS) on the USOAP CMA OLF.

This work will be completed and submitted to ICAO in 2017 with the plan to invite ICAO to conduct an offsite and in-country validation of Fiji's CAPS to improve Fiji's EI of the SARPS which is currently 60.92% since 2006.

Environment Management in Aviation

Environment Management in Fiji is becoming increasingly important for stakeholders in aviation as well as for the tourism industry. It is, therefore, necessary that the main impact related to aviation from a social, economic and environmental perspective be understood. As regulators, it is also important to know of latest ICAO trends and developments in this area and what challenges lie ahead for regulators such as CAAF.

Aviation is a valuable driver of the world economy, but it is also leading the way with efforts to improve its environmental performance. It is the first industry to have ambitious global goals for reducing the climate impact of its operations which currently contribute 2% of man-made CO₂ emissions.

The aviation industry is committed to mitigating and reducing its environmental impact. The industry's major environmental achievement in 2016 was a historic agreement on a global market-based measure (GMBM) by all 191 ICAO member states at the 39th ICAO Assembly.

The establishment of GMBM will have an impact on the national carrier Fiji Airways, however, there are provisions for exemptions which Fiji Airways could apply for.

Tropical Cyclone Winston

The Authority did not suffer any direct damage from the cyclone but it did not leave our aerodromes unscathed. Those located in the Lau and Lomaiviti groups as well as those in the Yasawas and the Mamanucas suffered much damage and required rehabilitation work to bring them back up to operating standards. During the rehabilitation period, the aerodromes were closed for flight operations.

The Authority's resources were substantially stretched since staff had to carry out additional inspections and facilitation of activities to support the emergency relief efforts.

National Civil Aviation Master Plan (NCAMP)

Air Transport, by its nature, is a global sector and planning is carried out globally by ICAO and the implementations of the global plans are managed regionally and locally by each State. These global plans facilitate the anticipated growth of air transport globally across States and Regions and identify target dates when policies and technology enablers are rolled into the aviation sector and implemented by States and the ICAO Regions, to keep up with the pace of global air transport evolution and growth.

In view of the foregoing, a National Civil Aviation Master Plan to complement the work of all stakeholders and Government was considered essential. This was to ensure that the implementation of global plans is congruent with the modernisation of civil aviation systems, and air transport infrastructure development under the national plan and individual key national civil aviation institution plans.

It was under this backdrop that Government approved the proposal that CAAF engage the ICAO TCB for this project.

Financials

The Authority recorded a pre-tax profit of \$374,626.00 compared to \$800,155.00. The reduction was a direct result of a decrease in operating grants received from Government.

It is however, pleasing to note that the Authority will continue to maintain its core financial streams from departure tax, Government grants and fees and charges.

Acknowledgement

I also wish to thank industry stakeholders and our customers for their considered contributions and input.

Their opinions assist us to ensure that the Authority continues to provide regulatory oversight, legislation, policies and training that are relevant and concurrent with international standards and best practice.

It would not be possible to do my job without the ongoing support of the CAAF Board of Directors. They bring valuable business experience and advice to the organisation.

I also acknowledge the Executive Management for their tireless dedication and work within their respective fields of expertise, as they strive to ensure that all customers and stakeholders are kept safe from harm.

My sincere thanks go to Government and our colleagues at the Ministry responsible for Civil Aviation. I look forward to your continuing support into the future.



Chief Executive's Report



ICAO Global Plans and Environment

This year was significant in that the 39th ICAO Assembly and the 191 contracting States of ICAO made a landmark decision to progress its global market-based measure (GMBM) under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Although the global aviation sector carbon footprint has significantly reduced to less than 2% of the global carbon emissions, ICAO under the CORSIA is committed to further limit or reduce the;

- impact of aviation emissions on local air quality;
- impact of aviation greenhouse gas emissions on the global climate; and
- impact on number of people affected by significant aircraft noise.

Those States that have not submitted their Environment Action Plan (EAP) were also encouraged to do so and those that have submitted were to provide an update to their plan. The Authority developed and submitted Fiji's EAP to ICAO in 2015 and the Ministry/department responsible for Civil Aviation will coordinate and manage the implementation of the requirements of the CORSIA relevant to Fiji.

Other major resolutions by the ICAO Assembly included the endorsement of the revised Global Aviation Safety Plan (GASP), the revised Global Air Navigation Plan (GANP) and the new Global Aviation Security Plan (GASecP). Under these plans, new requirements and targets were established for States to implement and meet respectively. To help States achieve these targets, ICAO reaffirmed its commitment in its efforts in providing assistance to States, through its "No Country Left Behind" (NCLB) initiative in all areas of civil aviation.

During the year, the Authority began negotiations with ICAO in preparation to obtain the benefits offered under the ICAO NCLB Assistance in 2017 and improve its global safety ratings to meet the GASP target.

Air Navigation

The implementation of the GANP in the Asia Pacific Region, which Fiji is a part of, is guided by the Regional Seamless ATM plan. Regular meetings between CAAF and AFL to monitor Fiji's progress on the various air navigation systems (ANS) and aerodrome ground aids (AGA) initiatives by AFL continued with the aim to provide an update to ICAO in 2017. An Air Navigation Service and Aerodrome workshop was also hosted by Fiji in Nadi and was part of the ICAO efforts to assist Pacific States with their implementation and provide ICAO with their updates under the regional plan.

The Government approved ICAO TCB to develop a National Civil Aviation Master Plan (NCAMP) initiated by CAAF. The initial phase of the project was completed in 2016 and a report was submitted for further review and decision by the Ministry responsible for Civil Aviation. The goal of the NCAMP is to facilitate a coordinated approach to the planning and development of the national civil aviation systems and infrastructure in-line with the GANP.

Aerodromes

The open aerodrome findings for Nadi and Nausori were managed under the Authority's SSP's performance/risk based oversight approach and the aerodrome operator's SMS. Under this arrangement, the aerodrome operator is required to demonstrate effective mitigations of safety risks. The Board approved the hiring of an independent consultant to review the Aerodromes' compliance with ICAO Annex 14 to support this process. The audit will be completed in early 2017.

Aviation Meteorology

The air navigation Regulation 145 D certification of the aviation component of the Fiji Meteorology (MET) services (FMS) to ensure its compliance with ICAO Annex 3 by the Authority was concluded in 2016 with the support of a MET expert from the NZ CAA. The development of its corrective action plan to address the audit findings was steadily progressing with the issue of

the FMS Certification planned for 2017.

Security

The GASecP facilitated the transition of the ICAO USAP to the CMA similar to the USOAP CMA. CAAF, as the appropriate Aviation Security Authority, signed the USAP CMA Agreement with ICAO and awaits its guidance to progress the USAP CMA activities further. Security threats and national vulnerability to the same were constantly monitored in consultation with national aviation security stakeholders due to the complexity, unpredictability and mobility of threats to civil aviation. However, security risk assessment outcomes did not give rise to the need to raise the national aviation security alert level in 2016.

The air cargo provisions of Annex 17 of the Chicago Convention have been substantially revised and strengthened through Amendments 12, 13 and 14, and the accompanying guidance in the ICAO Aviation Security Manual has been updated and expanded. CAAF has carried out consultation with stakeholders and the requirements have been implemented.

Industry Training

CAAF certificated the Fiji Airways A330 Multi-Functional Training Device (MFTD). The device will reduce the training content of pilots in overseas simulators and, consequently, reduce the number of pilot off-duty days and costs. Similarly, discussions for B737 MFTD also took place, including a long-term plan to establish an ANR 145 D aviation training institution having a Full Flight Simulator (FFS) to train cabin crew, pilots and other types of aviation training.

Organisation Improvements and Staffing

Organisation improvements to ensure efficiency and effectiveness of work flow and service delivery continues and the implementation of CAAF's integrated ICT strategy was initiated in 2016. The plan, approved by the Board, includes the integration of a Management Database, Surveillance system, a revamped website and a new Private Automatic Branch Exchange (PABX) system. The process of

acquiring these technologies and implementing them will be rolled over into the 2017 work plan.

The annual review of the Authority's succession plan identified gaps in Management and other key inspecting staff positions. Incumbents' contracts were renewed or extended where no suitable candidates were identified. Vacant positions were filled and some further re-advertised while the responsibilities of the vacant positions were shared by the existing staff.

The attraction and retention of highly skilled professionals with scarce skills under the current salary levels remained the primary challenge for the Authority. Staffing costs remain high given the nature of CAAF business as the sole provider of aviation regulatory services. The Board approved the hiring of an independent consultant to conduct a Job Evaluation Exercise of the Authority expected to commence early next year.

CAAF continued to enjoy full ISO certification status after a successful ISO 9001/2008 review. The Authority was also preparing for transitioning to the new ISO 9001/2015 Standards.

Work Plan and Service Delivery

Finally, the review of the Corporate Plan identified a total of 55 tasks of which 86% of these were progressed in 2016. In terms of the CAAF Service Charter delivery, the Authority achieved 95.2% delivery which exceeded its target of 93.8% for the final six months of 2016. The Authority as part of its continuous improvement of its service delivery, plans to conduct quarterly assessments beginning in 2017, replacing the existing six-monthly assessments so that any corrective actions required can be promptly undertaken.

I thank the Board and the Ministry responsible for Civil Aviation for their support in all areas of the Authority's activities in 2016. The ultimate goal of the Authority in all its safety and security oversight efforts is to prevent serious incidents and accidents. My sincere gratitude is extended to all the staff in working with the industry to achieve another year of safe and secure aviation operations.



Corporate Profile



The Civil Aviation Authority of Fiji is a Statutory Authority, established under the Civil Aviation Authority of Fiji Act 1979 (CAP 174A).

Its principal place of business is at Namaka, Nadi Airport, which is also the location of the head office.

As the regulator of the Civil Aviation industry in Fiji, the Authority is responsible for discharging its functions on behalf of the Fiji Government, under its responsibility to the Chicago Convention to ICAO.

Its functions, as provided under the Civil Aviation Authority Act, 1979, (as amended) are as follows:

Regulating civil aviation operations in the Fiji Islands by, among other things to include:

1. a) Issue of certificates, licences, approvals, registrations and permits after appropriate inspection, audit and examination;
- b) Development and promotion of appropriate, clear and concise aviation safety standards;
- c) Development of effective enforcement strategies to secure compliance with aviation safety standards;
- d) Assessment of decisions taken by the industry for their impact on aviation safety;
- e) Conducting regular reviews 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 safety developments;

- g) Conducting regular reviews of aviation security programmes and activities;
 - h) The prosecution of any offence committed under the CAAF 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.
2. a) Any function conferred on it under the Civil Aviation of Fiji Act 1999, Cap 174A, Civil Aviation Reform Act 1999 and Civil Aviation (Amendment) Promulgation, 2008.
 - b) Carrying out such obligations of the State arising from its State's membership of the International Civil Aviation Organisation as directed by the Minister.

3. The Authority's safety-related functions include:

Encouraging a greater acceptance by the aviation industry of the industry's obligation to maintain high standards of aviation safety through:

- a) Comprehensive safety education and training programmes;
- b) Accurate and timely aviation safety advice;
- c) Fostering an awareness in the industry and within the community generally, of the importance of aviation safety and compliance with relevant legislation;
- d) Promoting full and effective consultation and communication with all interested parties on aviation safety issues.

CAAF's stakeholders are the CAAF Board, Government, airport operators, airlines, the tourism industry, aircraft maintenance organisations, service providers, air travellers, the general community, the Authority's own workforce and individuals associated with aviation activities.

As the aviation industry is the principal user of the Authority's services, CAAF will continue to provide a climate in which the industry can serve the best interests of its customers. This will be within the requirements set by the Authority to safeguard the safety of air travellers and the public in general.

Corporate Objectives

- Establish and maintain an effective regulatory framework including strategies for enforcement;
- Ensure industry compliance with regulatory requirements;
- Discharge State's obligations to ICAO;
- Align industry to the State Safety Programme (SSP) by mandating the implementation of Safety Management System (SMS);
- Encourage high standards of aviation safety and security through education and regular consultation with industry;

- Enhance productivity by maintaining a competent and motivated workforce;
- Ensure continuous improvement to CAAF's internal systems, and maintain ISO certification, and:
- Support the State as necessary on aviation matters.

Quality Assurance - Our Commitment

The prime objective of CAAF is to ensure that highest aviation safety standards are met and its products and services are provided in an efficient manner, meeting both the regulatory requirements and the needs of our customers.

CAAF Quality Management System is specifically formulated and structured in a way that best meets the needs of CAAF and our 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 Quality Policy

CAAF is committed to meeting customer satisfaction by continuously improving and implementing the highest level of aviation standards.



Board Members



Lailun Khan
Chairperson



Dr Joseph Veramu
Board Member



Satish Patel
Board Member



Craig Strong
Board Member



Pravish Punja
Board Member

Corporate Governance

The Civil Aviation Authority of Fiji recognises the importance leadership plays in good governance, which is a fundamental principle upheld by CAAF.

As such, the CAAF Board Members are cognizant of the responsibility it has for stewardship and accountability to its shareholder, the Government of the Republic of Fiji. The Board works closely with the CAAF Management to ensure that issues of transparency, disclosure, due process and probity are diligently reviewed and that the highest standards are upheld.

The Authority adopts and supports the following corporate governance principles:

- a) The Board shall be independent. This means that the Board must be independent of Management. The Board Members must disclose any interests, financial, personal or cultural, that may threaten its independence. The Board Members must not have any contractual or financial relationship with the Authority that puts them in a position that presents a conflict of interest.
- b) The Chairperson of the Board must be independent of Management and must facilitate timely, truthful and constructive communications between Management and the Board and amongst Board members.
- c) The Board adopts a Code of Conduct for Board Members, management and employees based on sound corporate governance principles, including the need to create and maintain a corporate culture that encourages compliance with all relevant laws and regulations. The Code of Conduct has a whistle-blowing procedure which protects the anonymity of the whistle-blower and the information, and ensures that all such information is properly investigated.
- d) The Board adopts a policy of ethical and transparent disclosure of all information to the relevant stakeholders.



Executive Management



Netava Waqa
Chief Executive



Ajai Kumar
Manager Corporate Services



Theresa Levestam
Controller Ground Safety

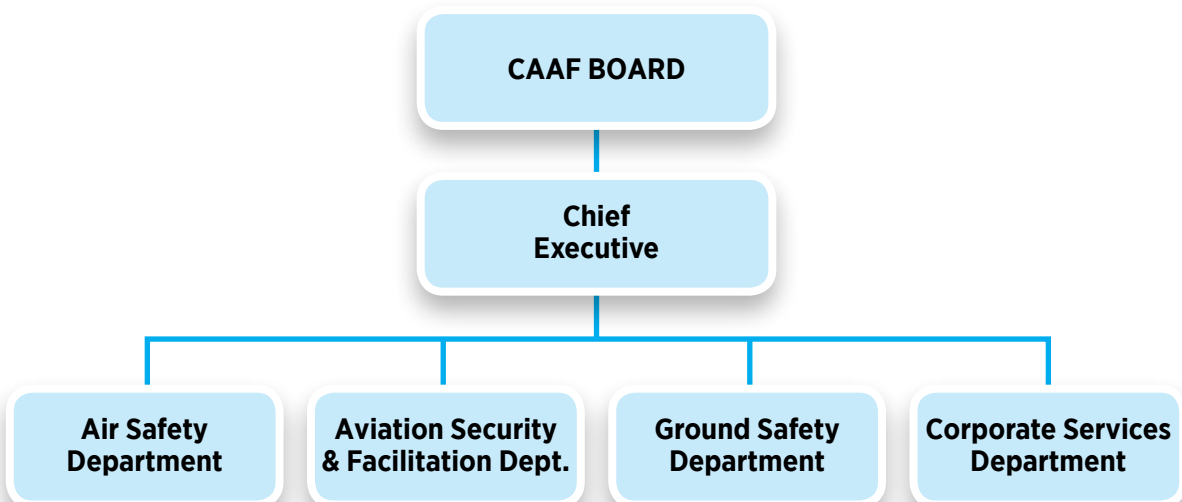


George Tudreu
Controller Air Safety



Etuate Rakuro
Controller Aviation Security & Facilitation

CAAF Organisational Structure



Operational Overview



PRIMARY AVIATION LEGISLATION

Primary Aviation Legislation is a national legislative framework commonly known as the “Civil Aviation Act (1976)”, proclaiming the requirements to establish the State’s civil aviation organisation and the associated basic structures that provide for specific civil aviation regulations.

Enforcement

The Civil Aviation Authority of Fiji strengthened its enforcement policy in 2016 and revised procedures to effectively implement the provisions of sections 12C, 12D and 17(g) in the Civil Aviation Authority of Fiji Act (1979) introduced in 2008. Subsequently, the Authority developed and published Improvement and Infringement notices.

The new enforcement policy and procedure provisions empower the Authority and, where required, authorised Police officers to issue notices when there is a breach of the civil aviation law. The enforcement process was also revised to include the Legal Section and Enforcement Committee involvement before a final decision is made where infringement is alleged. This was considered necessary to mitigate situations of wrongful exercise of discretion or potential abuse of delegated authority or perceived conflict of interest by the Authority.

Appeal

The Board gave its approval for the Management to review the existing appeal process with the view of removing the Civil Aviation Authority of Fiji (CAAF) Chief Executive from hearing the industry appeals as per section 12F of the Civil Aviation Authority of Fiji Act. The current provision could

be perceived as a conflict of interest in spite of the robust enforcement process in place managed by the Enforcement Committee, which is independent of the Chief Executive.

Search and Rescue (SAR)

The Authority forms part of the committee headed by the Ministry of Defence established to draft the Fiji SAR Act and the supporting Fiji Search and Rescue Manual. In 2016, a major Search and Rescue Exercise (SAREX) was conducted to test the effectiveness of the proposed Fiji SAR Manual by bringing together all stakeholders of the plan in two simulated scenarios.

Deficient areas were highlighted, and coordination amongst the committee continued to address these in the Manual. Once finalised, a workshop will be held in the first quarter of 2017 to review and endorse the Manual, which will be the impetus for submission of the SAR Act to Parliament.

Facilitation

The Authority is part of the Facilitation Committee that continued the monitoring of airport facilitation for both Nadi and Nausori. These committees continued to meet every month as required under the regulation to address facilitation matters at the airport level. A total of twenty-four (24) Facilitation meetings were conducted during the year.

SPECIFIC OPERATING REGULATIONS

These are the national legal requirements in conformity with minimum international standards set by International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs). Equivalent alternative means of compliance are acceptable provided differences are filed with ICAO.

Harmonisation of Air Navigation Regulation (ANR) Parts

The Harmonisation Project is undergoing a final review and vetting process by the Solicitor General's Office supported by CAAF. However, the drafting and finalisation of the associated Standards Documents for each of the ANR Parts were put on hold when Government focus was re-directed to other national priorities.

Proposed ANR Part 15

Significant changes were made to the proposed ANR Part 15 to improve the regulation and administration of enforcement, particularly in relation to drugs and alcohol and the creation of a Disputes Tribunal. The penalties table was also reviewed.

Aviation Security

Work to strengthen global aviation security countermeasures continued during the year. Specifically, ICAO amended both Annex 9 on Facilitation (Amendment 26) and Annex 17 on Aviation Security (Amendment 14) to the Convention on International Civil Aviation.

These amendments were to facilitate the update of aviation security countermeasures which, amongst other things, will now include landside areas at the airport, while Annex 9 amendments focused on Traveller ID and fast travel programmes.



STATE CIVIL AVIATION SYSTEM AND SAFETY OVERSIGHT FUNCTIONS

This requires a member State to fulfil its obligations as provided for in the Chicago Convention, an appropriately established, organised, funded and empowered civil aviation system.

Organisation Structure

The Authority meets its responsibilities through the roles and functions of its Departments as detailed in Appendix A. This is supported by appropriately qualified technical and non-technical staff in accordance with the Authority's structure detailed in Appendix B.

The Air Safety Department has four sections – International Flight Operations, Domestic Flight Operations, Airworthiness and Personnel Licensing to deal with Air Safety-related matters in Fiji Civil Aviation.

The Ground Safety Department has a flat structure with the division of labour and the number of positions grouped according to the volume of work related to the air navigation system/ aerodrome and ground aids (ANS/AGA).

The Aviation Security and Facilitation Department also has a flat structure and deals with personnel licensing, facilitation and all aviation security matters.

The Corporate Services has five sections that provide support functions - Finance, Human Resources, Information Communication Technology, Quality Assurance and Legal.

Manpower

The Authority employed 48 technical and administration staff during the year, which included one expatriate Rotary Wing Inspector in the Air Safety Department.

Staff composition was as follows:

Department	Locals	Expatriates	Vacancies	Total
Air Safety	18	1	3	22
Ground Safety	7	0	2	9
Aviation Security & Facilitation	7	0	1	8
Corporate Services	15	0	3	18
TOTAL	47	1	9	57

There were nine vacancies, some of which were due to staff resignations and other positions created to assist with succession planning, as well as to meet the requirements of increasing deliverables.

Staff Recruitment and Retention

The recruitment and retention of technical, operational and ICT staff continue to be a challenge for the Authority. As a result, the Authority continues to extend contracts for two staff beyond the retirement age – Senior Flight Operation Inspector and Airworthiness Officer. A total of six staff are employed beyond the retiring age of 60.

Two resignations involved the key positions of Senior Airworthiness Officer and Human Resource Officer. One un-established staff position was not filled due to re-structure of the particular operations.

The appointment of one Aviation Security and Facilitation Inspector trainee strengthened the internal capacity building for the department. The position of the second trainee could not be filled and was re-advertised.

The vacant position of one Airworthiness Officer was also filled.

A summary of staff movement during the year was as follows:

Staff Movements	2015	2016
New Recruits	9	4
Promotions	6	0
Contract Expiry	1	4
Resignation	2	2
Retirement	1	0

Structure and Manpower Review

Phase I of the Manpower Review Project has been successfully completed, with some of the vacancies immediately filled.

The next phase (Phase II), which began in late 2015 and continued in 2016, focuses on strategic manpower issues relating closely to the Authority’s operational strategies and plans. This phase is being conducted by Executive Management. It is expected that a job evaluation exercise planned for 2017 will also complement the review.

Performance Management System

The Authority continued with its Performance Management System (PMS) in 2016. This system was implemented in 2010 as a means of measuring and assessing employee performance with the objective of improving organisational performance and rewarding deserving employees. The associated reward of the PMS is part of the Authority’s Human Resources strategy to attract and retain competent and qualified staff.

The Authority embarked on a review of the PMS framework to include organisation and individual goals, which is progressing. The objective is to strengthen alignment between the individual, departmental and organisational goals.

Financial Resources

The Authority is funded for both operational and capital expenditure as follows:

- \$5.00 per passenger from international departure tax contributing approximately \$3.2m or 53.9% of CAAF’s total annual income;
- Regulatory fees contributing to approximately \$1.1m or 18.6% of CAAF’s total annual income;
- Government Grant – the Government allocation to CAAF as annual operating grant was \$3.0m for 2014 and \$2.0m for 2015. However, this was revised in 2014 and paid on a need basis. CAAF, therefore, received \$1.3m in 2015, or approximately 21.9% of CAAF’s total annual income.
- Other income derived from dividends, interest and miscellaneous items formed approximately 5.6% of CAAF’s total annual income.

Operating Results

The key financial results for the year were:

	2016 \$	2015 \$
Total Income	5,786,710	6,107,390
Total Expenses	5,412,084	5,307,235
Profit (Loss)	374,626	800,155
Carried Forward Losses	2,436,071	2,698,052
Tax Paid	Nil	Nil
Total Assets	17,718,390	17,501,055
Total Liabilities	822,053	881,828
Capex	200,656	355,431



Capital Works

The Authority is not a capital-intensive organisation, however, most of the capital works were related to the upgrade of the Authority Information Communication Technology and the purchase of operational vehicles. The Authority also purchased an additional 100kva standby generator to mitigate the effects of power disruptions from the Fiji Electricity Authority (FEA) grid.

Fees and Charges

The Authority began the review of its fee structure based on the Board direction to bring it up to market rates or enough to negate the need for reliance on Government grant.

The need to contribute towards reserves for sustainability in contingent situations continued, which is also essential as recommended by ICAO.

PERSONNEL QUALIFICATIONS AND TRAINING

To effectively fulfil its responsibilities, the State civil aviation system must be properly organised and staffed with qualified personnel capable of accomplishing the required wide range of technical duties involved in safety oversight.

Training Standard

The ICAO guidance document for national civil aviation authorities require CAAF inspectorate staff to be trained, properly organised and resourced to accomplish the diverse and complex technical safety and security oversight activities assigned to them.

ICAO has forecast that there will be a significant shortage of aviation professionals to meet the anticipated growth in the aviation industry. Accordingly, it has emphasised the need for ongoing training to build capacities in the civil aviation industry and in the civil aviation authorities and administrations, in order to address the anticipated short fall.

Training and Development of Staff

The Authority has been operating under the Fiji National University (FNU), National Training and Productivity Centre (NTPC), Method A training programme since 2009 and has been consistently achieving over 80% score in the annual audit performance criteria compliance by the NTPC Grants Claim Audit Team. The Authority had one Training Officer who oversaw the whole process. This staff member has resigned and migrated, and a replacement has been advertised.

The Authority also supports on-going management training so as to create a robust team with strategic focus to meet existing and future challenges. It also provides management training to employees identified to take up senior-level positions as part of the succession planning process.



The MBA training was recommended as part of the succession plan and two of the Authority’s new Controllers (CAS and CGS) are enrolled in the training with progress reviewed annually.

The Legal Section of the Authority also coordinated two Enforcement Training sessions for inspectorate staff members to upskill their investigation knowledge and skills, which is an integral requirement of their work. Each week-long workshop was conducted by the Fiji Police Academy.

Training Budget

The budget to cater for staff training is based on the Training Needs Analysis (TNA) and training plan. This is a fundamental and critical component of the CAAF corporate plan hence the staff training allocation, comprising approximately 7% of the Authority’s 2016 total operating expenditure, similar to previous years.

Whilst the Authority places emphasis on the training and up-skilling of staff, it is to be noted that most technical training is not available locally but overseas. Overseas training incurs substantial costs, so each case is evaluated before a final decision is made and funds committed.

Where possible, CAAF imports training in-house to benefit staff and to share training with industry and regional neighbours. In 2016, CAAF carried out SMS and Accident Investigation training for \$30k and \$40k respectively, benefiting 60 persons compared to \$100k, which would have benefitted only six staff if sent overseas.

A new form of due diligence has been implemented to strengthen and justify the CAAF training needs and assist Executive Management in this decision-making process.

A full list of training sessions attended by staff is attached as Appendix D.



Meetings and Seminars

The Authority's capacity building strategy also includes participation in various meetings and seminars. The list of meetings and seminars attended in 2016 is shown in Appendix C.

Industry Training

CAAF continues to strive to become a learning organisation, where knowledge and training acquired are imparted and shared. This is essential in order to fulfil its aviation safety and security-related functions through the development of comprehensive safety education and awareness programmes.

Partnership with industry stakeholders in capacity building is a key development objective for the Authority. To achieve this, the Authority conducted the following three ICAO STP training courses in 2016:

1. Aviation Security Service (AVSEC) Air Cargo and Mail Security Course;
2. Aviation Security Training Packages (ASTP) Aviation Security Quality Control Course, and
3. Auxiliary Fire Fighting course for Private Aerodrome operators.

Capacity building through AVSEC training will continue to be a priority area going forward.

TECHNICAL GUIDANCE TOOLS AND PROVISION OF SAFETY/SECURITY CRITICAL INFORMATION

Technical Guidance Tools provide the technical experts with guidance on how to accomplish their specific functions aided by access to appropriate tools for the job.

Policy Procedures and Checklist Amendments

The CAAF policies, Inspecting Staff Manuals, procedures and checklist are reviewed and updated regularly as required under its internal safety and quality policy. This is part of the Authority's continuous improvement efforts to keep abreast of the changing industry environment.

A total of 82 changes or amendments were made for 2016 on the electronic intranet register. Some of these amendments were made as part of the work to update the Fiji Correction Action Plans (CAPs) on the ICAO's Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach (CMA) Outlying Field (OLF) to upload evidence to the protocol questions (PQs).



Safety Management

The ICAO Annex 19 mandates both States and Operators to implement risk/ performance-based oversight approach. This is now a prerequisite for the certification, licensing and surveillance activities across industry.

Operators are required to have in place a working safety policy, with procedures, processes and objectives. These include management commitment, the appointment of key safety personnel and safety risk management; the latter including hazard identification, risk assessment and mitigation, and reporting and safety assurance.

Safety assurance also encompasses measuring, monitoring, continuous improvement and safety promotion, the last in turn, including training, education and communication.

The hard work of several Fiji Air Operator's Certificate (AOC) operators bore last year by the Authority issuing longer-term AOCs as a result of the effectiveness of their Safety Management Systems (SMS).

Aviation Security

The Authority conducted a review of its AVSEC documentation suite during the year. These were done in accordance with the CAAF document amendment cycle that is conducted every year.

ISO 9001/ 2008 Certification

The Authority underwent a surveillance audit by Bureau Veritas (BV) from 13-14 July and successfully retained certification. There were no nonconformities raised during the audit, except two observations and three opportunities for improvement, which were subsequently addressed.

Preparatory work also began for the transition and compliance to the new ISO 9001/ 2015 Standards. The Quality Assurance Manager was sent for training and is now working to upgrade the Authority ISO systems and

standards in preparation for the 2017 ISO review audit.

Five internal audits were undertaken in 2016 on all departments followed by Management Review committee meetings held immediately after each audit.

AVIATION QUALITY DATABASE (AQD)

AQD is Aviation Safety Management software that is globally used for risk mitigation by the aviation industry, including CAAF. It facilitates the application of best practice safety management tools and quality assurance principles to effect a cycle of continuous improvement and risk management.

Whilst there are glitches in the software that have limited the Authority's ability to fully utilise the system, it is expected that the problems will be rectified soon by the suppliers Superstructure of New Zealand.

SERVICE CHARTER

The Authority's Service Charter documents the Authority's commitment in terms of service delivery to the stakeholders. The service delivery standards in the charter are based on timeframes for each process, e.g. how many days CAAF will take to process a Licence, 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 timelines stated are reasonable as far as the Authority's processing is concerned.

The measurement of the Authority's performance against the Service Charter is carried out every 6 months and results show the percentage of targets met for each of the Standards. The results help CAAF identify areas that need improvement in terms of service delivery and total turn-around times. Moving forward, service charter measurements will be conducted every quarter from 2017 to enable prompt required corrective actions.



Service Delivery

The following table shows the status of CAAF Service Delivery Standards Performance Measurement for the period January-December 2016:

Department / Section	Number of Activities	Average Target (%)	Average Target Achievement (%)
Flight Operations	13	90.91%	92.95%
Airworthiness	10	89.00%	88.50%
Personnel Licensing – Air Safety	5	91.00%	88.45%
Ground Safety	14	95.71%	84.55%
Personnel Licensing – Ground Safety	6	95.00%	99.99%
Aviation Security & Facilitation	15	94.21%	92.85%
Personnel Licensing – Aviation Security & Facilitation	4	90.00%	93.10%
Finance / Administration	3	95.00%	99.00%
Standards	2	97.5%	99.25%
Human Resources	5	91.00%	71.00%
Safety Education	1	100.00%	100.00%

Activities measured: 78
 Average target for 78 activities: 93.58%
 Average target achieved: 91.80%

LICENSING

Licensing, certification, authorisation and approval obligations of personnel, operators, maintenance and training organisations and other service providers (e.g. air navigation services, aerodromes, security, etc.) to enable them to perform any civil aviation activity within the legal framework and the prescribed standards.

Licensing

In 2016, CAAF continued to maintain the licensing and examination system that is compliant with the ICAO Standards and Recommended Practices established for licensing under Annex 1. Under the Fiji Air Navigation Regulations, a number of licences, permits, and ratings were issued and/ or renewed by the Authority.

Overall, the statistics show a steady increase in the number licensing activities.

Pilot Licence Flight Tests

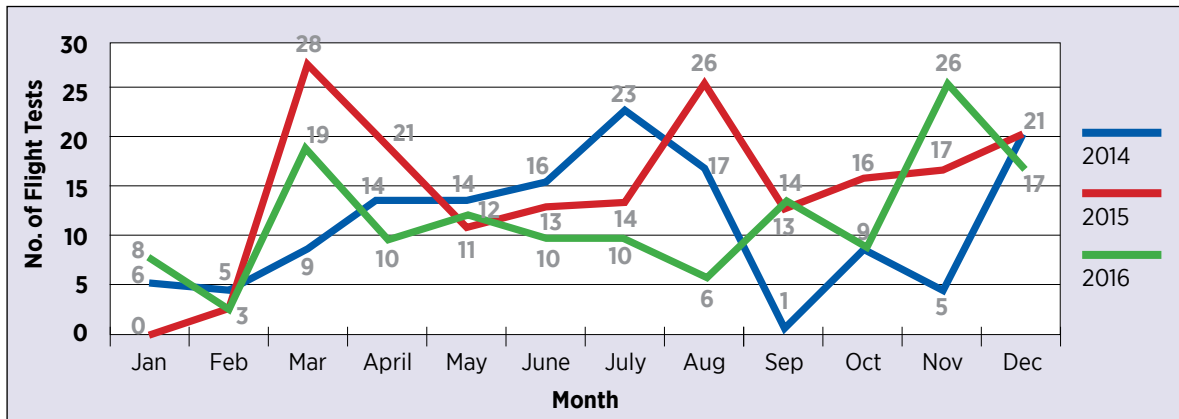
All applicants for licences, permits and ratings issued under the ANR are required to demonstrate their ability to perform as pilot-in-command of an aircraft within the appropriate aircraft category, stipulated procedures and manoeuvres to a degree of competency appropriate to the privileges granted to the type of licence, permit and rating.

As such, flight testing was a major component of pilot licensing activity for 2016, with the year’s total of 183 flight tests being the highest since 2003.



Month	No. of Tests	
	2015	2016
January	0	8
February	3	3
March	28	19
April	21	10
May	11	12
June	13	10
July	14	10
August	26	6
September	13	14
October	16	9
November	17	26
December	21	17
Total	183	144

Monthly Flight Tests Conducted by Licensing Section



Flight Crew Licences/ Medicals

Licence Type	Total 2015		Total 2016	
	Issue	Renewals	Issue	Renewal
ATPL	20	264	42	271
CPL	42	326	42	337
PPL	7	21	4	1
FTP	43	31	87	24
Medical	85	417	121	369
Total	197	1,059	296	1,002

There was an overall increase of 33% in the number of pilot licences, permits and certificates issued in 2016 that indicates a growth of the industry in Fiji. This was also directly related to the increase in the number of flight tests conducted for aviation students of the two ab-initio aviation training institutions, as well as the increase in the number of pilot intakes for the two major air transport carriers in Fiji.

Other Aviation Documents

Licence Type	Total 2015		Total 2016	
	Issue	Renewals	Issue	Renewal
ANR 45 Approval	12	43	24	32
Validation Issue	41	39	54	27
Total	53	82	78	59

Flight Crew Examinations

Flight Crew	Total 2015	Total 2016
Type Rating	76	60
Air Law	99	171
ATPL	251	280
CPL	238	594
PPL	0	2
FIRX	29	42
Total	693	1,149

There was an overall increase in the number of flight crew examinations conducted for licence issue, consistent with the growth of the aviation industry in Fiji.

Aircraft Engineers Licences

Licence Type	Total 2015	Total 2016
AME Issue	10	17
AME Renewal	25	54
Medical	42	40
AMC Issues	4	3
Total	81	114

There was a decrease in the number of licence and medical issues and renewals for (Aircraft Maintenance Engineers (AMEs). The renewal of AME and medicals is on a biennial basis.

Aircraft Engineers Examinations

Engineers	Total 2015	Total 2016
AME	39	46
AMC	88	139
Rating	5	20
Total	132	205

There was an overall increase in the number of airworthiness examinations conducted for licence issue, again, consistent with the growth of the aviation industry in Fiji.

Aviation Medical Matters for Licensing

The Authority currently has nine qualified and accredited aviation medical doctors (Approved Medical Authority - AMA), spread across Fiji, New Zealand and India, authorised under the Fiji Air Navigation Regulations (1981) to conduct medical examinations in accordance with the provisions of ICAO Annex 1 for licences issued by CAAF. CAAF is planning to expand the approved list of doctors even further into the future.

CAAF has one Medical Assessor who conducts monthly quality control and internal reviews of the medical examinations and examinations conducted by the nine AMAs for all holders of licences issued under the Air Navigation Regulations.

There is also a Medical Board of Assessors consisting of two AMAs, and a CAAF Licensing Inspector, to deliberate on aviation medical cases that do not meet the medical standard as laid out in the related CAAF Standards Document for Aviation Medicals and the provisions of ICAO Annex 1 and Aviation Medicine Manual.

Medical Activity	Total 2015	Total 2016
Number of CAAF AMA	10	10
Medical Board Sitzings	18	53
Medical Cases Reviewed by Board	41	14
Medical Reports Inspected by Medical Assessor	239	244
Facility Audits Conducted	5	1
CAAF AMA Renewal	2	6
CAAF AMA Issue	1	1
Total	316	329

The increase in the number of medical reports reviewed by the Medical Assessor was in direct proportion to the total number of aviation medicals completed in 2016.

Air Traffic Control and Aeronautical Facility Licences

The Ground Safety Department (GSD) is responsible for the licensing of Air Traffic Controllers (ATCL), Flight Information Service Officers (FISOL), Aeronautical Facility Technicians (AFTL) and Aeronautical Station Operators (ASOL).

This licensing process includes initial licence issue, issue of ratings and validations on specific equipment and location, as well as subsequent annual renewals of these licences, ratings and validations.



Licences	2015	2016
Aeronautical Facility Technician Licences	22	24
Air Traffic Control Licences	33	33
Flight Information Service Licences	21	35
Aeronautical Station Operators Licences	196	211
Aeronautical Facility Technician Trainee Permit	0	11
Air Traffic Control Trainee Permit	1	4
Flight Information Service Trainee Permit	12	3
Total	285	321

With the exception of Air Traffic Control Licences, all other licence categories experienced an increase in 2016 as a result of the successful completion of the required training by aeronautical facility technicians, flight information service officers and aeronautical station operators.

Recruitment of air navigation engineering and air traffic management staff for training in 2016 resulted in the increase in the issue of Trainee Permits.

Aviation Security Screeners Personal Licensing

The Aviation Security Department conducted thirty-four examinations/ tests for the aviation security screeners. The summary is tabulated below.

Type of Activity	2016
1 Examinations	34
2 Practical Tests	136
3 Image Interpretation Tests and Re-tests	50
4 Re-Tests (for practical tests)	68
Total	288

The ASFD issued a total of 315 aviation security screening licences/ certificates during the year. In addition, it also issued eight AVSEC instructor approvals and five AVSEC Quality Control Officer approvals in 2016.

Type of Licence	Initial/ Renewal in 2015	Initial/ Renewal in 2016
Aviation Screener Certification	321	315
Aviation Instructor Certificate	8	8
Aviation Quality Control Approved Certificate	5	5
Total	334	328

CERTIFICATION, AUTHORISATION AND APPROVAL OBLIGATIONS

Aircraft Certification

Several new aircraft types not previously registered in Fiji, such as DHC6-400 Twin Otter on Floats, as well as the King Air BE300 were introduced.

These required review and approval of associated Flight and Training Manuals and amendments to operator manual suites, the approval of associated training institutes, as well as certification of the aircraft, which posed a challenge on the Authority’s resources.

The total number of aircraft on the Fiji Register was 84 of which 62 had valid Certificates of Airworthiness.

Remotely Piloted Aircraft System (RPAS) Registration

As anticipated, the number of RPAS operations in Fiji in 2016 increased exponentially, for commercial as well as recreational purposes. There were five RPAS registered for commercial use and, in addition, 10 RPAS belonging to private individuals were also registered for recreational use.

The use of RPAS in Fiji for recreational purposes requires registration with CAAF. For commercial operations, more stringent requirements need to be complied with, for a formal Authorisation issued by the Authority. An awareness initiative for both the general public and the industry on the use of RPAS began with the production of related safety posters and visits to retail centres.

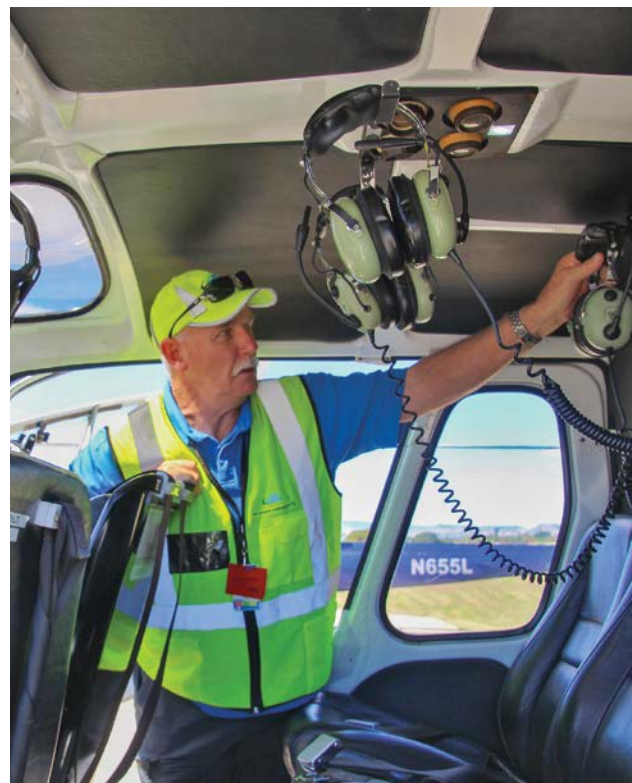
A database is being prepared on drone operators data and their locations in Fiji. There are currently a significant number of RPAS in Fiji that have yet to be registered, as is evident in the number available in retail centres and reports regularly received by the Authority. A nationwide campaign was started in 2016, beginning with the Western Division and Coral Coast.

AOC Renewal Certification

The Fiji and Foreign AOC holders are monitored under an annual surveillance plan; however, CAAF is progressing towards a performance-based oversight approach.

Under this approach, the national airline, Fiji Airways and its subsidiary, Fiji Link were issued a two-year Air Operators Certificate (AOC) instead of the previous one year. The number of various activities under AOC certificates, their maintenance providers and training institutions covered in the 2016 oversight are shown below. The AOC certifications included the Aviation security audits conducted by the AVSEC department.

Type of Operation	Total 2016	Comments
Air Operator Certificate	23	9 certificates were foreign operators issued with foreign AOC
Private Operators	6	2 certificates were micro-light aircraft operators
Aviation Training Institution Certificate	12	9 certificates were overseas-based institutes
Aviation Maintenance Organisation Certificate	22	12 certificates were overseas-based maintenance organisations
Skydive Operations	1	1 sky dive operator
Total	64	



Permissions, Approvals and Exemptions

Pyrotechnics, Sky Lanterns and Balloons

The conduct of pyrotechnic exercises/ displays and sky lantern/ balloon releases within 5 km of an international aerodrome and 3 km of a domestic aerodrome or outside of these areas when any such activity would penetrate navigable airspace above 200 feet requires the issue of a permission by the Authority. Fifteen such permissions were issued in 2016 for religious festivals, maritime flare-firing exercises, weddings and other events, which was 19 less than the previous year.

Laser Lights

The conduct of laser light exhibitions that emanate very high powered laser beams into the sky, and which could pose a danger to aircraft in flight, requires the issue of an exemption from the Authority. Such exemptions require a risk assessment to be conducted and conditions coordinated prior to issue. In 2016, there were seven exemptions issued by the Authority for the conduct of such laser light shows, which was one more than the previous year.

Helicopter Landing Site Registration

In 2016, guidelines and requirements for the registration of Helicopter Landing Sites (HLS) were published as an Aeronautical Information Circular. These guidelines were issued to complement the Heliport Standards contained in the standards document – Aerodromes, and enabled the registration of a HLS to cater for small, general aviation helicopter operations in remote areas.

Efforts to bring Fiji's 40 plus HLSs under the Authority's registration approval process has been a challenge as these HLSs will require implementation of additional requirements

to meet the HLS registration approval standards. In the interim, operations at these landing sites are regulated via the Airline Operating Certificate.

Awareness of registration requirements with the HLS Operators, who consist mainly of private resort operators, continued through 2016 with site visits conducted to the priority sites.

The two registrations that were issued in 2016 were for Vunabaka HLS and Port Denarau Marina Pontoon HLS.

Tropical Cyclone Winston

Tropical Cyclone Winston did not leave our aerodromes unscathed. The aerodromes located in the Lau and Lomaiviti groups, as well as those in Yasawa and the Mamanucas suffered much damage and required rehabilitation work to bring them back up to operating standards. During the rehabilitation period, the aerodromes were closed to flight operations.

The Authority's resources were substantially stretched since staff had to carry out additional inspections and facilitation of activities to support the emergency relief efforts.

Off-Airport Developments

Off-airport developments are coordinated by the Town and Country Planning Department with the Authority. A review is conducted by the Authority, which involves a safety assessment being conducted on the impact such developments would have on future aerodrome development, the Obstacle Landing Surface (OLS) and Procedures for Air Navigations Operations (PANS-OPS) criteria for the different runways. In 2016, there were 55 Off-airport development approvals issued by the Authority; 28 more than the previous year.





QUALITY CONTROL/ SURVEILLANCE OBLIGATIONS

This is to enable the issuing Authority to ensure continued compliance with prescribed requirements on each aviation document issued.

Flight Operations and Airworthiness

The Authority continued surveillance of certificate holders in 2016 through an Audit and Inspection Programme complemented with the performance-based approach.

The types of audits and inspections conducted are programmed annually, on a work plan for each inspectorate staff member.

It covers a variety of activities for each operator under certification, authorisation and approval processes that include AOC, SMS, route, cabin safety and station facility audits, ramp inspection, Dangerous Goods (DG), Certificate of Airworthiness inspections and others.

The reduction in the total number of audits and inspections scheduled and completed in 2016 was a direct result of the focus on performance-based approach.

Air Navigation Services and Ground Aids

The Authority is responsible for the safety oversight and the ongoing surveillance of organisations and personnel responsible for the provision of Air Navigation Services (ANS) within the Nadi Flight Information Region (FIR) and Aerodrome and Ground Aids Services (AGA) at aerodromes

within Fiji. The Air Navigation Service/ Aerodrome and Ground Aids (ANS/AGA) component of Fiji's civil aviation system is made up of the following services:

1. Air Traffic Services (ATS) and Search and Rescue (SAR),
2. Aeronautical Information Service (AIS),
3. Communications Navigation and Surveillance (CNS) Service,
4. Aviation Training for ATS and Rescue Fire Service personnel,
5. Aviation Meteorology Service (AMS), and
6. Aerodrome Operator Services.

In 2016, annual surveillance of Airports Fiji Limited's (AFL) ANS service provider certificate areas were carried out under the CAAF annual audit plan. The following ANS Certificates held by AFL were renewed.

1. Air Traffic Service Provider Certificate to AFL's Air Traffic Management Division for the provision of service at two air traffic control towers, one oceanic control centre, six flight information service units and one rescue coordination centre.
2. Aeronautical Information Service Provider Certificate to AFL's AIS Division for the provision of service at their NOTAM (Notice to Airmen), Briefing, Documentation and Publication units.
3. Aeronautical Maintenance Organisation Certificate to AFL's Air Navigation Engineering Service Division for the provision of service at their two air navigation engineering service units.



4. Aviation Training Institute Certificate to AFL’s Aviation Academy for the provision of Air Traffic Service training.

Short-term Restricted Aviation Training Certificates were issued for various training sessions conducted throughout the year in the areas of Aerodrome Rescue Fire Fighting, Safety Management Systems and Incident Investigation.

Certification of the aviation division of the Fiji Meteorological Services as an Aviation Meteorology Service Provider commenced in 2016 with certification targeted for 2017.

Aerodromes

There are a total of 23 aerodromes in Fiji that have been issued with operating certificates and registration approvals. These consist of one aerodrome that is owned and operated by Airports Fiji Limited, 14 aerodromes that are owned by Government and operated by AFL and eight aerodromes that are privately owned.

Airports Fiji Limited manages and operates the 14 aerodromes; two international aerodromes and 12 domestic aerodromes.

They were issued with 14 operating

certificates and one registration approval for these aerodromes. The eight privately-owned aerodromes are managed and operated by various private resorts in Fiji whose operating certificates were renewed for the operation of these aerodromes.

The annual surveillance plan of all aerodromes also included the security audits by the AVSEC department to ensure compliance with AVSEC standards.

Aerodromes owned and Operated by AFL	Aerodromes owned by Government and Operated by AFL	Privately Owned Aerodromes
Nadi International Aerodrome	Nausori International Aerodrome	Laucala Aerodrome
	Labasa Aerodrome	Mago Aerodrome
	Savusavu Aerodrome	Kaibu Aerodrome
	Matei Aerodrome	Yasawa Aerodrome
	Rotuma Aerodrome	Malolo Aerodrome
	Bureta Aerodrome	Mana Aerodrome
	Gau Aerodrome	Wakaya Aerodrome
	Vanuabalavu Aerodrome	Nanuku Aerodrome
	Koro Aerodrome	
	Kadavu Aerodrome	
	Cicia Aerodrome	
	Lakeba Aerodrome	
	Moala Aerodrome	
	Ono-i-Lau Aerodrome	

Aviation Security Organisation Certification/ Licencing

The ASFD issued a total of twenty-three certificates within the aviation industry. It also issued ten exemptions to the aviation industry.

Type of Certificates		2016
1	Regulated Agent Certificates	12
2	Ground Handling Service Provider Certificates	4
3	Aviation Security Service Organisations Certificates	2
4	Catering Service Provider Approval Certificates	4
5	Air Cargo Operator Approval Certificates	1
6	Aviation Security Service Organisation	2
7	Exemptions	10
Total		33

Aviation Security Programme Approvals

The ASFD also conducted evaluation, verification and monitor approvals of Airline Security Programmes, Airport Security Programmes, Regulated Agents Security Programme, Catering Service Provider Security Programme, Air Cargo Operator Security Programme, Ground Handling Service Provider Security Programme, and the Aviation Security Service Organisation’s (ASSO) Exposition Document and Domestic Aerodrome Standards.

Type of Approvals		2016
1	International Airlines (local AOC)	02
2	Foreign International Airlines (Foreign AOC)	09
3	Domestic Airline Security Programme (AOC)	11
4	International Airports	02
5	Domestic Aerodrome AVSEC Standards	23
3	Aviation Security Service Organisation's Exposition	02
4	Catering Service Provider	04
5	Air Cargo Operator	01
6	Regulated Agent	12
7	Ground Handling Service Provider	04
Total		70

Aviation Security Surveillance Activities

Monitoring and surveillance of existing aviation security certificate holders continued under the Authority’s annual security surveillance plan, as well as AVSEC audits (including follow-up audits, inspections, tests and security surveys as tabulated below.

Type of Activity		2016
1	AVSEC Audits and Follow-Up Audits	102
2	AVSEC Inspections	30
3	Tests	4
4	Security Surveys	2
Total		138

The USA Transportation Security Administration (TSA) conducted their Last Port of Call (LPOC) for Nadi International Airport during the year. CAAF also conducted the same programme for two new Fiji Airways destinations in Singapore and San Francisco in the USA during the year.

The Authority also conducted six AVSEC validation inspections for Hold Baggage Screening (HBS) and transfer cargo on some of the major Fiji Airways destinations around the world.

RESOLUTION OF SAFETY/ SECURITY CONCERNS

Resolution of safety concerns and identified deficiencies is a critical element at the core of all safety oversight activities to ensure elimination of potential hazards. This includes an enforcement system.

Mandatory Occurrence Report (MOR)

MORs are reports of occurrences sent to the Authority by individuals or organisations in the industry in accordance with s.71 of the ANR (1981). The reports relate to incidents that, in the opinion of the reporter, have some bearing on the safety and security of flight operations.

MORs are received by the Authority on CAAF’s Mandatory Occurrence Reporting Form or 001, Bird Strike Notification Form or 002, Aviation Security MOR Form SF004, and confidential reporting through Fiji Confidential Aviation Incident Reports (FCAIR) via phone, fax, email or hardcopy.

Major areas required by the regulation to be reported are, but not limited to, flight operations, aircraft airworthiness, air traffic control, aviation security and associated facilities/ equipment.

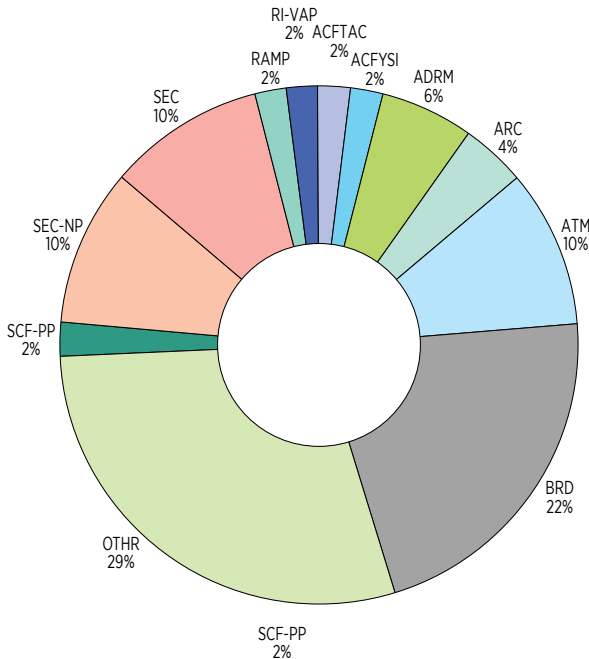
Upon receipt, the MORs are entered into the Authority’s Aviation Quality Database (AQD) and assigned to the appropriate department to assess or investigate and/ or follow up until the required corrective actions are taken by the Operator/ Service provider and closed through CAAF internal procedures.

The objectives of occurrence assessments/ investigations are to:

- 1) identify and remove the immediate hazard and associated risks to allow for continued safe operations; and
- 2) identify other latent hazards and risks to prevent a repeat of the same incident or possible serious event. Ultimately, the goal of all safety investigations is to prevent serious incidents and accidents.

The following graph represents the overall occurrence trend over the last 12 months, including the trends for the top four reported incident categories as in pie chart (Bird – 22%, SCP-NPP – 10%, ATM/CNS – 10% and SEC – 10%)

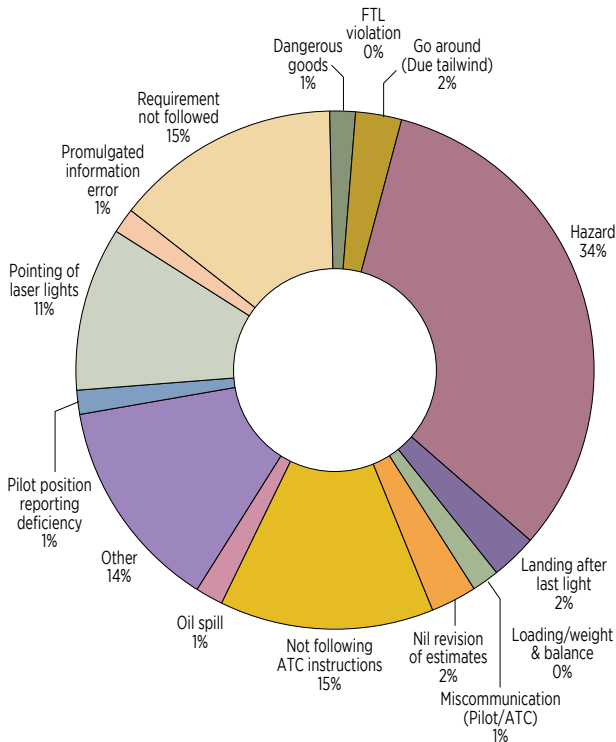
Occurrence proportion by Type over the last 12 months and 'Other' Type of Incidents break down.



LEGEND

- ACFTAC - Aircraft Accident
- ACFYSI - Aircraft Serious Incident
- ADRM - Aerodrome
- ARC - Abnormal Runway Contact
- ATM - ATM/CNS
- BRD - Bird
- OTHR - Other
- RAMP - Ground Handling
- RI-VAP - Runway Incursion - Vehicle, Aircraft or Person
- SCF-PP - System/Component Failure or Malfunction (Powerplant)
- SEC - Security Related
- SEC-NP - System/Component Failure or Malfunction (Non-Powerplant)

Other Type of Incident Breakdown



Safety Education and Public Awareness

Safety education is part of the Authority function integrated into the audit programme and dispensed by inspectors during certification audits. Additionally, high risk areas highlighted via the mandatory occurrence reporting system are addressed during inspections and via articles published in the Aviation Safety Bulletins.

The Authority prepared the 'CAAF Safety Awareness Plan 2016-2017' as a strategy to address the CAAF Corporate Plan 2016-2018 Objective 7, 'Comprehensive Safety Education, Timely Safety Advice and Improved Awareness'. The Strategy is three-fold: analysis of safety data to identify high risk safety and security issues, establishment and implementation of an action plan to mitigate the risks identified, and periodic evaluation of the safety and security high risk areas and action plan.

Arising from the above, safety awareness to the public was conducted through newspapers, TV, cinemas and bill boards. This is expected to continue in 2017.

Aviation Safety Block Upgrade (ASBU)

Implementation of the applicable ASBU as set forth by ICAO in the Global Air Navigation Plan (GANP) is progressing.

The core of the block upgrade concept is a pragmatic system of modules involving communications, navigation and surveillance capabilities linked to four specific and inter-related areas namely, Airport Operations, Globally Interoperable Systems and Data, Optimum Capacity and Flexible Flights and Efficient Flight Path.

Task Force groups, whose membership consist of the Authority and the Service Providers subject matter experts, have been established to progress the modules of the ASBU that have been identified for implementation by the Service Providers.

Performance-Based Navigation (PBN)

PBN forms the cornerstone for the majority of air traffic management optimisation programmes with the goal of increased safety, airspace and fuel efficiency. As the air transport industry continues to grow, the need to fit more aircraft into the same portion of airspace has become a top priority and, as a result, 'Performance-Based Navigation' features very highly on ICAO's list of priorities.

Fiji meets 67% of ICAO's goal for PBN approaches by States at its International Aerodromes, through the establishment of PBN approaches by the ASTP to four of the six international runway ends. The remaining two international runway ends are currently served by established conventional instrument approaches and the Authority continues to work with industry towards the implementation of PBN approaches for these runways.

ICAO Pacific Island States Workshop on ANS/ AGA

The Authority in coordination with AFL co-hosted the ICAO Pacific Island States Workshop on ANS/ AGA at the Tanoa International Hotel from 12–15 December 2016. The workshop was attended by 50 participants from 11 States/ Administrations, two International Organisations and one Industry partner.

The workshop was facilitated by two ANS and aerodromes subject matter experts from the ICAO Regional Office, who presented over 40 papers promoting the synergy of air navigation systems in the South Pacific with particular focus on ICAO global and regional objectives in the area of ANS and AGA.

The Pacific Island States were challenged to be more visible at ICAO regional workshops and meetings and to take advantage of the expertise the bigger States had to offer. The small Island States, with their vulnerable economies and the many adversities they encounter needed to synergise and ensure that all are working towards common goals for safe, integrated, efficient and sustainable air travel that was inclusive and transparent.

ICAO also emphasised to States the need to provide regular updates to them on their progress in implementing their plans under the Regional seamless Air Traffic Management (ATM) plan and efforts to remove deficiencies registered at the regional office.

Air Traffic Services Incidents Data

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A1	2	0	1	1	1	1	0	1	0	1	0
A2	0	2	4	3	1	2	3	1	2	0	3
A3 (Minor)	8	10	6	13	9	7	4	7	6	5	6
Total	10	12	1	17	11	10	7	19	8	6	9
Traffic Movement	134,681	135,203	130,736	122,193	103,929	97,283	108,397	116,774	129,407	131,695	133,704
% Traffic Growth	-13.2	0.4	-3.3	-6.5	-14.9	-6.4	11.4	7.7	10.8	1.8	1.5

A – Denotes Air Traffic Services (ATS) and an incident where the primary cause or contributory cause/ factor is attributed to the Air Traffic Controller or the ATS system.

Classification A1 is an incident whereby a breakdown of separation incident has occurred and an evasive manoeuvre was carried out to avoid collision between two or more aircraft.

Classification A2 is an incident whereby a breakdown of separation incident has occurred but nil evasive manoeuvre was required. Less than the applicable separation minimum

was maintained between two or more aircraft or between aircraft and terrain or obstacles. Obstacles include vehicles, equipment and personnel on runways and manoeuvring areas. It is believed that a significant or very high risk of collision existed.

Classification A3 is an incident where the applicable separation minimum was maintained but a hazard or a potential hazard to Air Safety existed. There was non-adherence to applicable standards, rules, regulations or procedures.



Air Traffic Services Performance Data per 100,000 movements for A1 Incidents

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A1 Incidents	2	0	1	1	1	1	0	1	0	1	0
Traffic Movement	134,681	135,203	130,736	122,193	103,929	97,283	108,397	116,774	129,407	131,695	133,704
Acceptable Incident rate per 100,000 traffic movements	1.35	1.35	1.31	1.22	1.04	0.97	1.08	1.168	1.294	1.317	1.34
Performance rate as per 100,000 recorded movements*	-0.65	+1.35	+0.31	+0.22	+0.04	-0.03	+1.08	+0.17	+1.29	+0.32	+1.34

Acceptable Level of Safety 1/100,000 movements

A positive performance rate indicates performance above the acceptance level of safety

Air Traffic Services Performance Data per 100,000 movements for A2 Incidents

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A2 Incidents	0	2	4	3	1	2	3	1	2	0	3
Traffic Movement	134,681	135,203	130,736	122,193	103,929	97,283	108,397	116,774	129,407	131,695	133,704
Acceptable Incident rate per 100,000 traffic movements	4.00	4.10	3.92	3.66	3.10	2.90	3.25	3.50	3.88	3.95	4.01
Performance rate as per 100,000 recorded movements*	+4.00	+2.10	-0.08	+0.66	+2.10	+0.90	+0.25	+2.50	+1.88	+3.95	+1.01

Acceptable Level of safety 3/100,000 movements

A positive performance rate indicates performance above the acceptance level of safety

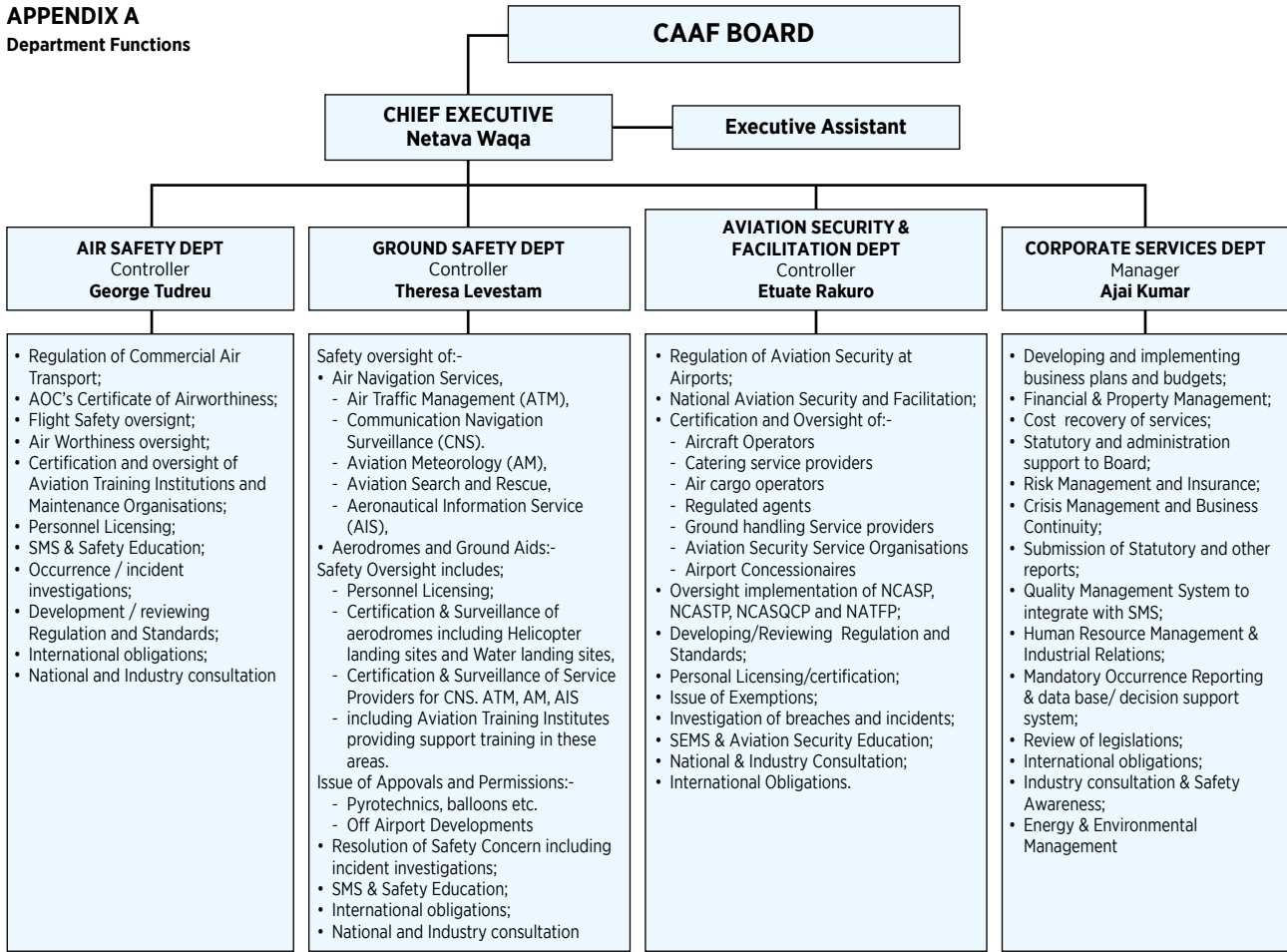
Air Traffic Services Performance Data per 100,000 movements for A3 Incidents

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A3 Incidents	8	10	6	13	9	7	4	17	6	5	6
Traffic Movement	134,681	135,203	130,736	122,193	103,929	97,283	108,397	116,774	129,407	131,695	133,704
Acceptable Incident rate per 100,000 traffic movements	6.7	6.8	6.5	6.1	5.2	4.9	5.42	5.84	6.370	6.585	6.69
Performance rate as per 100,000 recorded movements	-1.30	-3.20	+0.50	-6.90	-3.80	-2.10	+1.42	-11.16	+0.37	+1.59	+0.69

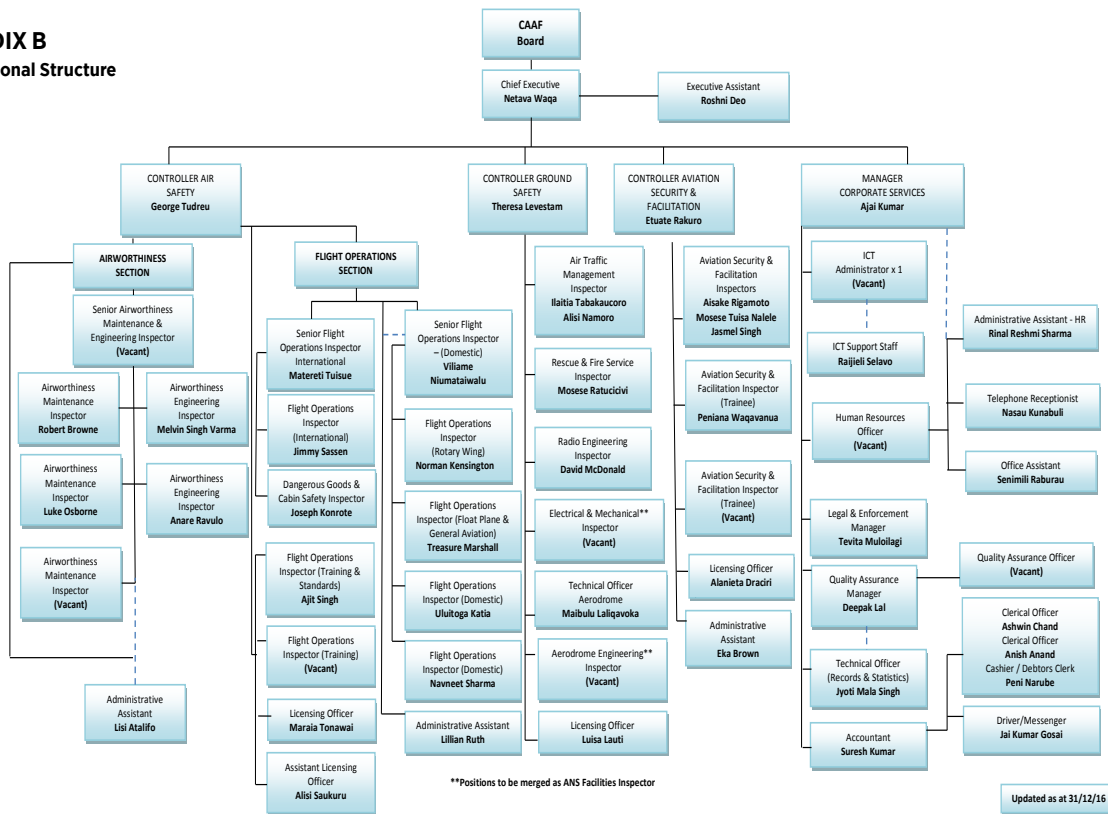
Acceptable Level of safety 5/100,000 movements

A positive performance rate indicates performance above the acceptance level of safety

APPENDIX A
Department Functions



APPENDIX B
Organisational Structure



APPENDIX C

LIST OF MEETINGS AND SEMINARS

No.	Meetings and Seminars	Country
1	3rd Performance-Based Navigation Implementation Co-ordination Group (PBNICG) Meeting	Thailand
2	Informal South Pacific ATS Co-coordinating Group /30 (ISP ACG/30) Meeting	Australia
3	15th Meeting of ADS B Study & Implementation Task Force & 1ST Surveillance Implementation Co-ordination Group (ADS B /15)	Thailand
4	Third Meeting of Aeronautical Communications Services Implementation Coordination Group (ACSICG/3)	Thailand
5	ICAO High-Level Meeting on a Global Market-Based Measure (MBM) Scheme	Canada
6	11th Meeting of ICAO AIS to AIM Implementation Task Force (AAITF/11)	Thailand
7	Regional Aviation Security Co-ordination Forum (RASCF) Meeting & 53rd DGCA	Sri Lanka
8	ASPEQ Meeting	New Zealand
9	27th Meeting of Asia/Pacific Air Navigation Planning & Implementation Regional Group (APANPIRG)/27	Thailand
10	ICAO/WCO Conference on Cargo Security & Facilitation	Singapore
11	PASO AGM on behalf of the Ministry	Australia
12	Second MSG Aviation & Tourism Sectorial Dialogue (ATSD)	Vanuatu
13	ICAO Global Aviation Dialogues (GLADS) on Market-Based Measures	Indonesia
14	Asia Pacific Remotely Piloted Aircraft Systems (RPAS) Symposium	Singapore

APPENDIX D

LIST OF TRAINING SESSIONS/ COURSES/ WORKSHOPS 2016

In-house Training Sessions/ Courses/ Workshops Attended

No.	Course Name	Date	Venue
1	PMS Framework & Assessment	22nd March 2016	CAAF
2	Overview of QMS / Root Cause Analysis	23rd March 2016	CAAF
3	Implementing the Improvement & Infringements Notices	24th March 2016	CAAF
4	CAAF Investigation & Ethics Training	2nd to 6th May 2016	CAAF
5	CAAF Risk Management Workshop	22nd September 2016	CAAF
6	Enforcement Policy Briefing	5th to 6th October 2016	CAAF
7	First Aid & CPR Training Course	26th to 27th October 2016	CAAF
8	CAAF Workshop on Caution Interview	2nd to 5th November 2016	CAAF
9	Training on Incident & Accident Investigation	21st November to 2nd December 2016	CAAF

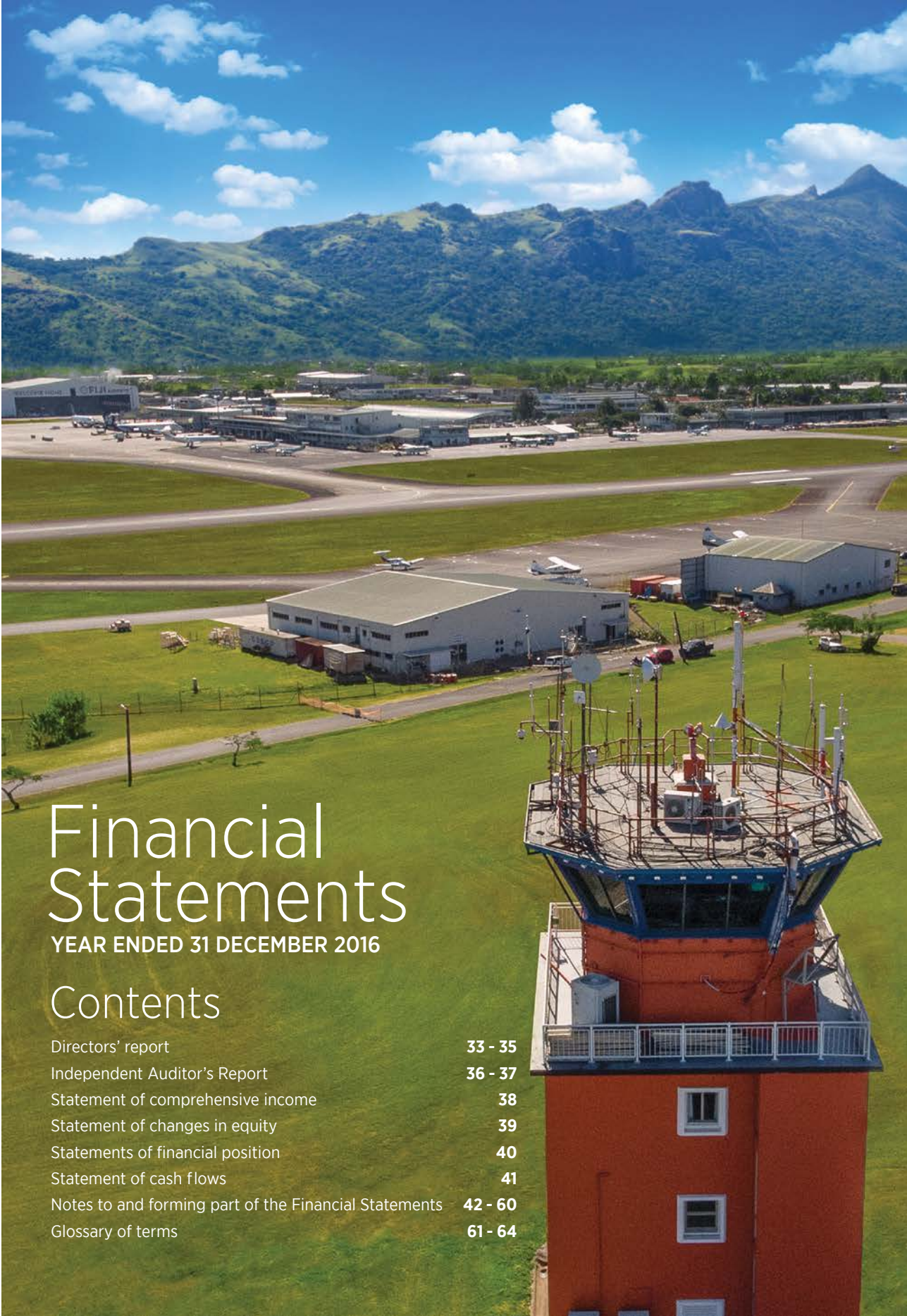
Local Training Sessions/ Courses/ Workshops Attended

No.	Course Name	Date	Venue
1	Ethics & Etiquette Workshop	3rd to 4th February 2016	Grand Pacific Hotel, Suva
2	Aeronautical Station Operators Licence Training	11th to 15th January 2016	AFL Academy, Nadi
3	Taxation of Fringe Benefits & Allowable Deductions Course	25th to 26th May 2016	USP, Suva
4	Fiji Business Excellence Awards Evaluators	30th May to 3rd June 2016	FNU, Suva
5	PWC International Financial Reporting Standards (IFRS) Training Workshop	12th to 13th September 2016	USP, Suva
6	Fiji Human Resource Institute Convention 2016	11th to 12th November 2016	FHRI
7	ICAO Workshop for Pacific Island States	12th to 15th December 2016	ICAO

Overseas Training Sessions/ Courses/ Workshops Attended

No.	Course Name	Date	Venue
1	Safety Oversight Airworthiness Inspectors Course	25th January to 5th February 2016	Singapore
2	Safety Oversight Flight Operations Inspectors Course	18th to 29th January 2016	Singapore
3	ICAO Workshop on Upset Prevention and Recovery Training (UPRT)	19th to 20th May 2016	Singapore
4	Multi Rotor RPAS Training	20th to 24th June 2016	Australia
5	Workshop on Aviation Law	4th to 8th July 2016	Singapore
6	ICAO Workshop on implementation of Aerodrome Operational Procedures to enhance Aerodrome Certification	12th to 14th July 2016	Thailand
7	Performance-Based Navigation (PBN) II Course	23rd to 31st July 2016	Singapore
8	Search & Rescue Administrators Course	15th to 26th August 2016	Singapore
9	Dangerous Goods Training for Emergency Responders	17th to 21st October 2016	Singapore
10	ICAO Workshop on System Wide Information Management (SWIM)	16th to 18th May 2016	Thailand





Financial Statements

YEAR ENDED 31 DECEMBER 2016

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Director's Report

YEAR ENDED 31 DECEMBER 2016

The Authority presents its report together with the financial statements for the year ended 31 December 2016 and the auditors' report thereon.

Directors

The directors in office during the financial year 2016 were :

Mrs Lailun Khan	Chairperson
Dr Joseph Veramu	Director
Mr Craig W. Strong	Director
Mr Satish Naran Patel	Director
Mr Pravish Punja	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 2016 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 for 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, 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 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 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.

Director's Report *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

Operating results

The net loss of the Authority for the year ended 31 December 2016 was \$279,589 (2015 net profit: \$667,722) after an income tax expense of \$654,215 (2015: income tax expense of \$132,433).

Reserves

The Authority proposed that no amounts be transferred to reserves within the meaning of the Companies Act, 2015.

Dividends

The Authority recommends that no dividend be declared in respect of the year ended 31 December 2016.

Bad and doubtful debts

Prior to the completion of the financial statements, the Authority took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the provision for doubtful debts. In the opinion of the Authority, adequate provision has been made 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.

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 the matters and 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.

Director's Report *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

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 20th day of June 2017



Chairperson



Director

Independent Auditor's Report

YEAR ENDED 31 DECEMBER 2016

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Civil Aviation Authority of Fiji, which comprise the statement of financial position as at 31 December 2016, 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.

Basis of Opinion

In my opinion, the accompanying financial statements present fairly the financial position of Civil Aviation Authority of Fiji as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

I 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 Civil Aviation Authority of Fiji in accordance with the International Ethics Standards Board for Accountant's 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 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.

Responsibilities of the Management and Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and Civil Aviation Authority of Fiji Act (Cap 174A), Civil Aviation Reform Act 1999 and Legal Notice 18 of 2006 and for such internal control as the management determines 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, management is responsible for assessing the Civil Aviation Authority of Fiji'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 intend to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Civil Aviation Authority of Fiji'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 or 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.

Independent Auditor's Report *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

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 Civil Aviation Authority of Fiji's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and 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 Civil Aviation Authority of Fiji'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 Civil Aviation Authority of Fiji 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 the management and directors 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 accordance with the requirements of the Civil Aviation Authority of Fiji Act (Cap 174A), Civil Aviation Reform Act 1999 and Legal Notice 18 of 2006, in my opinion:

- a) proper books of account have been kept by Civil Aviation Authority of Fiji, so far as it appears from my examination of those books;
- b) the financial statements are in agreement with the books of account; and
- c) to the best of my information and according to the explanations given to me, give the information required by the Civil Aviation Authority of Fiji Act (Cap 174A), Civil Aviation Reform Act 1999 and Legal Notice 18 of 2006, in the manner so required.



AjayNand
AUDITOR GENERAL



Suva, Fiji
23 June, 2017

Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Revenue		5,407,031	5,772,327
Other operating income	2.1	325,431	305,438
		5,732,462	6,077,765
Administrative expenses	2.2(a)	(1,278,449)	(1,208,819)
Operating expenses	2.2(b)	(1,206,654)	(1,372,758)
Personnel expenses	2.2(c)	(2,926,981)	(2,725,658)
		320,378	770,530
Net financing income	2.3	54,248	29,625
Operating profit before tax		374,626	800,155
Income tax expense	3(a)	(654,215)	(132,433)
Net (loss)/profit after tax		(279,589)	667,722
Other comprehensive income			
Change in fair value of investments	7(c)	556,699	463,916
Total comprehensive income for the year		277,110	1,131,638

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 42-60.

Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Asset Revaluation Reserve			
Balance at the beginning of the year		2,605,376	2,605,376
Revaluation of Assets		-	-
Balance at the end of the year		2,605,376	2,605,376
Fair Value Reserve			
Balance at the beginning of the year		1,496,521	1,032,605
Revaluation of investment		556,699	463,916
Balance at the end of the year		2,053,220	1,496,521
Retained earnings			
Balance at the beginning of the year		12,517,330	11,849,608
Net (loss)/profit		(279,589)	667,722
Balance at the end of the year		12,237,741	12,517,330
Total equity and shares		16,896,337	16,619,227

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 42-60.

Statement of Financial Position

AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,604,080	1,253,118
Trade receivables	5	75,777	424,124
Income tax refundable	3(c)	3,780	-
Other assets	6	1,026,905	1,491,857
Investments	7(a)	2,000,000	1,000,000
		<u>4,710,542</u>	<u>4,169,099</u>
Non-current assets			
Investments	7(b)	7,608,222	7,051,523
Property, plant and equipment	8	4,616,219	4,826,289
Intangible assets	9	210,821	227,343
Deferred income tax asset	3(b)	572,586	1,226,801
		<u>13,007,848</u>	<u>13,331,956</u>
TOTAL ASSETS		<u>17,718,390</u>	<u>17,501,055</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Reserves		4,658,596	4,101,897
Retained earnings		12,237,741	12,517,330
TOTAL EQUITY		<u>16,896,337</u>	<u>16,619,227</u>
Current liabilities			
Trade and other payables	10	702,288	640,316
Employee benefits	11	119,765	241,512
		<u>822,053</u>	<u>881,828</u>
TOTAL LIABILITIES		<u>822,053</u>	<u>881,828</u>
TOTAL EQUITY AND LIABILITIES		<u>17,718,390</u>	<u>17,501,055</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 42-60.

Statement of Cash Flows

AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Operating activities			
Cash receipts from customers		6,262,772	5,716,124
Cash payment to employees and suppliers		(5,126,786)	(5,054,135)
Cash generated from operations		1,135,986	661,989
Income tax refund		(3,780)	-
Interest received		54,248	29,625
Dividends received		282,989	273,710
Cash flows from operating activities		1,469,443	965,324
Investing activities			
Acquisition of property, plant and equipment		(200,656)	(355,431)
Acquisition of intangible assets		-	-
Proceeds from sale of Investment		(1,000,000)	-
Proceeds from sale of property, plant and equipment		82,175	41,376
Cash flows (used in) by investing activities		(1,118,481)	(314,055)
Net increase in cash		350,962	651,269
Cash and cash equivalents at 1 January		1,253,118	601,849
Cash and cash equivalents at 31 December	4	1,604,080	1,253,118

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 42-60.

Notes to and Forming Part of the Financial Statements

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

Civil Aviation Authority of Fiji is a statutory organisation domiciled in Fiji 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.

1.2 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 20th June 2017.

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars.

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATED 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.

Judgments

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.

Operating lease commitments

The Authority has entered in to commercial property leases. 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 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.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 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 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 stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure

The cost of replacing part of the property, plant and equipment is recognised in the carrying amount of the item if its 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 written off 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 determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Authority as a lessee

Finance leases, which transfer to the Authority substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

(c) Leases *(continued)*

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

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 intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

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.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

(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.

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

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Authority determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. All regular way purchases and sales of financial assets are recognised on the trade date that the Authority commits to purchase or sell the asset. Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that do not meet the hedge accounting criteria as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the finance income or finance costs in the income statement. The Authority has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortised cost using the effective interest method (EIR), less impairment. 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 in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

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

(i) Financial assets *(continued)*

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.

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 pay.

(ii) Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(iii) Impairment of financial assets

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

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

(iii) Impairment of financial assets *(continued)*

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred by the Authority. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

(iv) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives as hedging instruments in an effective hedge, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Authority's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(v) Financial liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that do not meet the hedge accounting criteria as defined IAS 39. Gains and losses on liabilities held for trading are recognised in the income statement. The Authority has not designated any financial liabilities as at fair value through profit or loss.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

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

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

(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.

(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:

(i) Sales

Revenue comprising rental of agricultural sites, airworthiness fees, pilots/ engineers licence fees, airport licences 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.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

(l) Revenue *(continued)*

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.

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.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.4 Significant accounting policies *(continued)*

(n) Taxes *(continued)*

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.

(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.

Notes to and Forming Part of the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
2.1 Other operating income			
Dividends		282,989	273,710
Gain on sale of Plant & Equipment		12,071	-
Sundry		30,371	31,728
		<u>325,431</u>	<u>305,438</u>
2.2 Expenses			
(a) Administrative expenses			
Amortisation expenses		(32,505)	(31,531)
Auditors remuneration-current year		(10,000)	(9,896)
Board member allowance		(80,558)	(7,999)
Doubtful Debts		-	(9,595)
Loss on disposal of property, plant and equipment		-	(6,918)
Dividend Tax - Transitional 1%		(17,420)	-
Depreciation		(324,639)	(293,930)
Insurance		(494,903)	(499,390)
Other administrative expenses		(318,424)	(349,560)
		<u>(1,278,449)</u>	<u>(1,208,819)</u>
(b) Operating expenses			
Consultancy		(160,258)	(488,144)
Travel		(326,552)	(327,739)
Repairs & maintenance		(39,151)	(25,939)
Utilities and supplies		(680,693)	(530,936)
		<u>(1,206,654)</u>	<u>(1,372,758)</u>
(c) Personnel expenses			
Salaries		(2,250,432)	(2,302,030)
Fringe Benefit Tax		(40,793)	(42,414)
FNPF Employers Contribution		(213,946)	(186,614)
FNU Levy		(27,635)	(25,549)
Annual leave and gratuity		(227,617)	33,971
Performance Management System - Bonus		(149,209)	(133,133)
Sick leave bonus & leave allowance		(17,349)	(1,947)
		<u>(2,926,981)</u>	<u>(2,725,658)</u>
The average number of employees during the year		<u>51</u>	<u>51</u>
2.3 Finance income			
Interest income		<u>54,248</u>	<u>29,625</u>

Notes to and Forming Part of the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
3. Income tax			
(a) A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2016 and 2015 is as follows:			
Accounting profit before income tax		374,626	800,155
Fiji's statutory income tax rate 20%		74,925	160,031
Tax effect of temporary differences		(23,561)	(27,598)
Prior year tax losses Lapsed		602,851	-
Income tax expense attributable to operating profit		654,215	132,433
(b) Deferred income tax at 31 December relates to the following:			
(i) <u>Deferred tax asset (recognised at 20% tax rate)</u>			
Accelerated depreciation for tax purposes		61,419	30,163
Provisions for employee entitlements		23,953	48,302
Provisions for doubtful debts		-	5,875
Tax losses		487,214	1,142,461
Balance at the end of the year		572,586	1,226,801
(c) Income tax refund			
Balance - 1 January			
Add: Income tax paid		3,780	-
		3,780	-
Less: Proceed from income tax refund		-	-
Less: Income tax refund not claimable		-	-
		3,780	-
4. Cash and cash equivalents			
Cash on hand		550	550
Cash at bank - A/C No: 3662665		158,826	1,247,584
Cash at bank - A/C No: 12545124		1,444,704	4,984
		1,604,080	1,253,118

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.

5. Trade and other receivables

Trade receivables	75,777	453,498
Less : provision for doubtful debts	-	(29,374)
	75,777	424,124

Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 December 2016, trade receivables at nominal value of \$ zero (2015:\$29,374) were impaired and fully provided for.

Notes to and Forming Part of the Financial Statements (*cont'd*)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
5. Trade and other receivables (<i>continued</i>)			
Movement in the provision for impairment of receivables were as follows:			
At 1 January		29,374	20,979
Charge for the year		-	8,395
Reversal of allowance for uncollectability		(29,374)	-
31 December		<u>-</u>	<u>29,374</u>
At 31 December, the ageing analysis of trade receivables is as follows:			
0 - 3 months		47,440	295,319
4 - 6+ months		28,337	158,179
		<u>75,777</u>	<u>453,498</u>
6. Other assets			
Prepayments		233,901	229,364
Unit Trust of Fiji dividends accrued		171,649	164,690
Departure Tax		616,968	1,043,260
Other assets		4,387	54,543
		<u>1,026,905</u>	<u>1,491,857</u>
7. Investments			
(a) Current			
Interest bearing deposits		<u>2,000,000</u>	<u>1,000,000</u>
(b) Non-current			
Units in Unit Trust of Fiji		<u>7,608,222</u>	<u>7,051,523</u>
(c) Reconciliation of available-for-sale financial assets			
Opening balance		7,051,523	6,587,607
Revaluation gain on Unit Trust of Fiji units - transfer to fair value reserve		556,699	463,916
		<u>7,608,222</u>	<u>7,051,523</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		2,053,220	1,496,521
		<u>7,608,222</u>	<u>7,051,523</u>

4,639,160 units valued at repurchase price of \$1.64 per unit (2015:@ \$1.52).

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
8. Property, Plant & Equipment			
<u>Freehold land</u>			
<i>Deemed cost:</i>			
At 1 January		1,500,000	1,500,000
Revaluations		-	-
At 31 December		1,500,000	1,500,000
 <i>Depreciation and impairment</i>			
At 1 January		-	-
Depreciation charge for the year		-	-
At 31 December		-	-
 Net book value		1,500,000	1,500,000
 <u>Buildings</u>			
<i>Deemed cost:</i>			
At 1 January		2,399,772	2,391,957
Additions		8,166	7,815
Disposals		-	-
At 31 December		2,407,938	2,399,772
 <i>Depreciation and impairment</i>			
At 1 January		198,149	138,213
Depreciation charge for the year		60,011	59,936
Disposals		-	-
At 31 December		258,160	198,149
 Net book value		2,149,778	2,201,623

Notes to and Forming Part of the Financial Statements (*cont'd*)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
8. Property, Plant & Equipment (<i>continued</i>)			
<u>Motor Vehicles</u>			
<i>Deemed cost:</i>			
At 1 January		699,305	507,444
Disposals		(219,000)	(66,400)
Additions		52,293	258,261
At 31 December		532,598	699,305
 <i>Depreciation and impairment</i>			
At 1 January		225,203	163,677
Depreciation charge for the year		112,788	95,833
Disposals		(154,883)	(34,307)
At 31 December		183,108	225,203
 Net book value		349,490	474,102
 <u>Furniture, fittings & equipment</u>			
<i>Deemed cost:</i>			
At 1 January		1,020,999	976,702
Additions		124,212	80,734
Disposals		(29,331)	(36,437)
At 31 December		1,115,880	1,020,999
 <i>Depreciation and impairment</i>			
At 1 January		370,435	252,511
Depreciation charge for the year		151,838	138,161
Disposals		(23,344)	(20,237)
At 31 December		498,929	370,435
 Net book value		616,951	650,564
 Net book value		4,616,219	4,826,289

Notes to and Forming Part of the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
9. Intangible Assets			
<u>Software costs</u>			
Opening balance		321,059	312,439
Addition		15,984	8,620
Closing balance		337,043	321,059
 <u>Amortisation and impairment:</u>			
Opening balance		93,716	62,185
Amortisation		32,506	31,531
Disposal		-	-
Closing balance		126,222	93,716
 Net book value:		210,821	227,343
10. Trade and other payables			
Trade payables		157,098	216,014
Income in advance		421,890	424,302
Other payables		123,300	-
		702,288	640,316
11. Employee benefits			
<i>Current</i>			
Employee leave entitlements		119,765	133,660
Gratuity		-	107,852
		119,765	241,512

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

(b) Gratuity provision applies to only those established staff on Collective Agreement and calculated at 3 weeks pay for each completed year of service multiplied by the basic salary, inclusive of FNPF/FNU levy.

Gratuity for staff below 50 years of age (nil) would be shown as non-current and those above 50 years is shown as current liability.

12. Contingent liabilities

The Authority's contingent liabilities comprise of property insurance and for aircraft accident above existing cover.

Notes to and Forming Part of the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
13. Expenditure commitments			
a)(i) Capital commitments:			
New Surveillance System		70,000	-
Website		100,000	-
		170,000	Nil
(ii) Future commitments in respect of operating lease are as follows:			
Within one year		5,727	5,727
After one year but not more than five years		22,908	22,908
More than five years		223,353	229,080
Minimum lease payments		251,988	257,715

14. Related parties**(a) Directors**

The directors in office at the date of this report were :

Mrs Lailun Khan (Chairperson)

Dr Joseph Veramu

Mr Craig W. Strong

Mr Satish Naran Patel

Mr Pravish Punja

Board member allowances are disclosed under Note 2.2 (a).

(b) Transactions with related entities and key management personnel

Key management personnel comprises of Chief Executive, 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.

	Notes	2016 \$	2015 \$
Key management compensation			
Remuneration		486,801	543,432
FNPF (Employer share 2016 -10%)		36,804	38,665
		523,605	582,097

15. 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 it's 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.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

15. Financial risk management objectives and policies *(continued)***(a) Market risk** *(continued)*

(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

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.

(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 2016 based on contractual undiscounted payments.

Year ended 31 December 2016	On demand	Less than a yr	> 5 years	Total
		\$	\$	\$
Trade and other payables	-	702,288	-	702,288
Year ended 31 December 2015	On demand	Less than a yr	> 5 years	Total
		\$	\$	\$
Trade and other payables	-	640,316	-	640,316

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 2016.

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 reserve.

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
15. Financial risk management objectives and policies <i>(continued)</i>			
Trade and other payables		702,288	640,316
Less cash and short term deposits		(1,604,080)	(1,253,118)
Net debt		(901,792)	(612,802)
Equity		16,896,337	16,619,227
Capital and net debt		<u>15,994,545</u>	<u>16,006,425</u>
Gearing ratio		-5.64%	-3.83%

16. 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	
<i>Financial assets</i>		
Cash and cash equivalents	1,604,080	1,253,118
Available-for-sale investments	7,608,222	7,051,523
Trade and other receivables	<u>75,777</u>	<u>424,124</u>
<i>Financial liabilities</i>		
Trade and other payables	<u>702,288</u>	<u>640,316</u>

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.

17. Revaluation reserve

The Authority engaged an independent valuer Professional Valuations Limited on 2 July 2012 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation increments have been incorporated into the property, plant and equipment.

18. 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
AFL Compound
Namaka
Nadi Airport

Notes to and Forming Part of the Financial Statements *(cont'd)*

YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Income			
Airworthiness fees		433,150	385,598
Pilots/engineers licence/airport licence fees		735,287	754,677
Government grant		711,898	1,335,999
Departure Tax		3,525,234	3,294,591
Rental from agricultural lease		1,462	1,462
		5,407,031	5,772,327
Other operating income		379,679	335,063
Total income		5,786,710	6,107,390
Expenses			
Auditors remuneration		10,000	9,896
Amortisation of lease and software licence		32,505	31,531
Annual leave and gratuity		227,617	33,971
Board member allowances		80,558	7,999
Doubtful Debts		-	9,595
Dividend Tax - Transitional 1%		17,420	-
Consultancy		160,258	488,144
Depreciation		324,639	293,930
Insurance		494,903	499,390
Loss on disposal of property, plant and equipment		-	6,918
Salaries and wages		2,699,364	2,691,687
Staff training		318,424	349,560
Travel		326,552	327,739
Utilities and supplies		680,693	530,936
Repairs and maintenance		39,151	25,939
Total expenses		5,412,084	5,307,235
Profit before income tax		374,626	800,155

Glossary of Terms

A		AQD	Aviation Quality Database
AAGR	Annual Average Growth Rate	ASA	Air Service Agreement
AAIIC	Aircraft Accident Investigator In-charge	ASBU	Aviation System Block Upgrades
AAITF	Aeronautical Information Management Implementation Task Force	ASC	Airport Security Committee
ACAS	Aircraft Collision Avoidance System	ASD	Air Safety Department
ACC	Area Control Service	ASFD	Aviation Security Facilitation Department
ACI	Advance Cargo Information	ASFI	Aviation Security and Facilitation Inspector
ACNZ	Airways New Zealand	ASIAC	Aviation Security Instructors Approval Certificate
ACO	Air Cargo Operator	ASO	Aeronautical Station Operator
ACOAC	Air Cargo Operator Approval Certificate	ASOL	Aeronautical Station Operators License
ACOSP	Air Cargo Operator Security Programme	ASP	Airline Security Programme
ACP	Airport Contingency Plan	ASP	Airport Security Programme
ACSIGG	Aeronautical Communications Services Implementation Coordination Group	ASQCAC	Aviation Security Quality Control Approval Certificate
AD	Active Directory	ASSC	Aviation Security Screening Certificate
ADS-B	Automatic Dependent Surveillance – Broadcast	ASSO	Aviation Security Service Organisation
ADS-BSITF	Automatic Dependent Surveillance – Broadcast study and Implementation Task Force	ASSOC	Aviation Security Service Organisation Certificate
ADS-C	Automatic Dependent Surveillance – Contract	ASSOE	Aviation Security Service Organisation Exposition
AFC	Airport Facilitation Committee	ASTP	Aviation Security Training Packages
AFCS	Automatic Flight Control System	ATC	Air Traffic Control
AFIS	Aerodrome Flight Information Service	ATCL	Air Traffic Controllers Licence
AFISO	Aerodrome Flight Information Service Officer	ATCO	Air Traffic Control Officer
AFL	Airports Fiji Limited	ATIC	Aviation Training Institute Certificate
AFM	Aircraft Flight Manual	ATIS	Automatic Terminal Information Services
AFTL	Aeronautical Facility Technicians Licence	ATLB	Air Transport Licensing Board
AFTN	Aeronautical Fixed Telecommunication Network	ATM	Air Traffic Management
AGA	Aerodromes and Ground Aids	ATMC	Air Traffic Management Centre
AIC	Aeronautical Information Circular	ATMI	Air Traffic Management Inspector
AIDC	ATS Inter Facility Data Communication	ATN	Aeronautical Telecommunications Network
AIG	Aircraft Accident and Incident Investigation	ATPL	Airline Transport Pilot
AIGD	Automatic Implementation and Guidance Document	ATS	Air Traffic Services
AIM	Aeronautical Information Management	ATS (F) LTD	Air Terminal Services (Fiji) Ltd
AIP	Aeronautical Information Publication	ATSD	Aviation & Tourism Sectorial Dialogue
AIR	Airworthiness of Aircraft	ATSP	Air Traffic Service Provider
AIRAC	Aeronautical Information Regulation and Control	AVSEC	Aviation Security
AIS	Aeronautical Information Service	B	
AISP	Aeronautical Information Service Provider	BCAR	British Civil Airworthiness Requirements
ALoS	Acceptable Level of Safety	BUDSS	Block Upgrade Demonstration Showcase And Symposium
AMA	Approved Medical Authority	BV	Bureau Veritas
AME	Authorised Medical Examiner	C	
AMHS	Automated Message Handling System	C/CMO	Chief of Continuous Monitoring and Oversight Section
AMS	Aviation Meteorology Services	CAA	Civil Aviation Authority
AMSP	Aviation Meteorology Service Provider	CAAF	Civil Aviation Authority of Fiji
ANB	Air Navigation Bureau	CAE	Then known as - Canadian Aviation Electronics
ANP	Air Navigation Plan	CAEP	Committee for the Protection of the Environment
ANR	Air Navigation Regulation	CAP	Corrective Action Plan
ANRF	Air Navigation Reporting Form	CAPEX	Capital Expenditure
ANS	Air Navigation Service	CAPT	Captain
ANSP	Air Navigation Service Provider	CAS	Controller Air Safety
AO	Airworthiness Officer	CASA	Civil Aviation Authority of Australia
AOC	Air Operator certificate	CASF	Controller Aviation Security & Facilitation
AOC	Air Operators Certificate of Competency	CBDR	Common But Differentiated Responsibilities
AOC	Airline Operational Communication	CBS	Cabin Baggage Screening
AOCP	Aircraft Operator Contingency Plan	CBT	Computer-based training
AOG	Aircraft On Ground	CC or CCL	Compliance Checklist
AOM	Airside Operations Manual	CDA	Current Data Authority
AOSP	Aircraft Operator Security Programme	CDI	Course Deviation Indicator
APAC	Asia Pacific	CDM	Clean Development Mechanism
APANPIRG	Asia/Pacific Air Navigation Planning & Implementation Regional Group	CDP	Climb - Descend Procedure
APRAST	Asia Pacific Regional Aviation Safety Team	CE	Critical Element
		CE (CAAF)	Chief Executive
		CFIT	Controlled Flight Into Terrain

CGS	Controller Ground Safety
CLE	Continuous Legal Education
CMA	Continuous Monitoring Approach
CMO	Continuous Monitoring and Oversight Section
CMP	Crisis Management Plan
CNG	Carbon Neutral Growth
CNS/ATM	Communication Navigation Surveillance/Air Traffic Management
CONOPs	Concepts of Operations
COPS	Controller Operations - AFL ATM
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
COSIA	Carbon Offsetting Scheme for International Aviation
COSPAS- SARSAT	Cosmicheskay Sistema Poiska Avanynyh Sudov - Search and Rescue Satellite – Aided Tracking System
CP	Chief Pilot
CPDLC	Controller Pilot Data-Link Communication
CPI	Consumer Price Index
CPL	Commercial Pilot Licence
CRA	Central Reporting Agency
CRVTF	Common Regional Virtual Private Network Task Force
CSA	Comprehensive System Approach
CSA	Commercial Statutory Authority
CSN/ATM	Communications, Navigation and Surveillance/Air Traffic Management
CSP	Catering Services Provider
CSPAC	Catering Services Provider Approval Certificate
CSPSP	Catering Services Provider Security Programme
CTA	Control Area
CTR	Control Zone
D	
DD/SMM	Deputy Director of Safety Management And Monitoring
DDPG	Dispatch Deviation Planning Guide
DGAC NC	Directorate General Aviation Civile, New Caledonia
DGCA	Director Generals of Civil Aviation
DHCP	Domain Host Configuration Protocol
DME	Distance Measuring Equipment
DME	Designated Medical Examiner
DNS	Domain Name Server
E	
EA	Executive Assistant
EAG	Environment Advisory Group
EAP	Environment Action Plan
e-ANP	Regional Air Navigation Plan
ECCAIRS	European Co-ordination Centre for Aviation Incident Reporting System
EFB	Electronic Flight Bag
EFIS	Electronic Flight Information System
EFOD	Electronic Filing Of Differences
EGPWS	Enhance Ground Proximity Warning System
EI	Effective Implementation
EMI	Electrical/Mechanical Inspector
EPM	Emergency Procedures Manual
ERP	Employment Relations Promulgation
EUC	Emission Units Criteria
Executives	CE, CAS, CGS, CASF, MCS
F	
F&R	Finding and Recommendation
FAA	Federal Aviation Administration
FAFA	Fiji ATPL Flight Planning
FAHF	Fiji ATPL Human Factors
FAMT	Fiji ATPL Meteorology
FANS	Future Air Navigation System
FANV	Fiji ATPL Navigation
FAPA	Fiji ATPL Performance & Loading
FAS	Fiji Accounting Standards
FASA	Fiji ATPL Aerodynamics & Systems

FBEA	Fiji Business Excellence Awards
FCAIR	Fiji Confidential Aviation Incident Report (FCAIR)
FCFA	Fiji CPL Flight Planning
FCHF	Fiji CPL Human Factors
FCMT	Fiji CPL Meteorology
FCNV	Fiji CPL Navigation
FCSA	Fiji CPL Aerodynamics & Systems
FD	Filing of Differences
FEA	Fiji Electricity Authority
FFS	Full Flight Simulator
FIR	Flight Information Region
FIS	Flight Information Service
FISO	Flight Information Service Officer
FISOL	Flight Information Service Officers Licence
FIT	FANS Interoperability Team
FMS	Flight Management System
FMS	Fiji Meteorological Service
FNPF	Fiji National Provident Fund
FNU	Fiji National University
FO	First Officer
FOD	Foreign Object Damage
FOI	Flight Operations Inspector
FPL	Filed Flight Plan
FSO	Flight Safety Officer
FSU	Flight Service Unit
G	
GADSS	Global Aeronautical Distress and Safety System
GANP	Global Air Navigation Plan
GASP	Global Aviation Safety Plan
GCAT	Grant Claim Audit Team
GDP	Gross Domestic Product
GHG	Green House Gas
GASecP	Global Aviation Security Plan
GHSP	Ground Handling Service Provider
GHSPC	Ground Handling Service Provider Certificate
GHSPSP	Ground Handling Service Provider Security Programme
GLADS	Global Aviation Dialogues
GMBM	Global Market Based Measure
GNI	Gross National Income
GNSS	Global Navigational Satellite Systems
GPS	Global Positioning System
GPWS	Ground Proximity Warning System
GSD	Ground Safety Department
H	
HBS	Hold Baggage Screening
HF	High Frequency
HHMD	Hand Held Metal Detector
HLG	High Level Group
HLM-ENV	High Level Meeting on Environment
HLSC	High-level Safety Conference
HLs	Helicopter Landing Sites
HQ	Headquarters
HR	Human Resource
HRO	Human Resource Officer
HSC	High Salary Commission
HSI	Horizontal Situation Indicator
I	
IASA	International Aviation Safety Assessment Program
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICT	Information Communication Technology
ICVM ICAO	Coordinated Validation Mission
IFALPA	International Federation of Air Line Pilot's Association
IFATCA	International Federation of Air Traffic Controllers
IFISO	International Flight Information Service Officer

IFR	Instrument Flight Rules
IFRS	International Financial Reporting Standards
IIC	Investigator In-Charge
ILS	Instrument Landing System
IMC	Instrument Meteorological Conditions
IMF	International Monetary Fund
IP	Information Paper
IREX	Instrument Rating Exam
ISO	International Standard Organisation
ISPACG	Informal South Pacific ATS Coordinating Group
iSTAR'S	Integrated Safety Trend Analysis and Reporting System
IT	Information Technology
ITP	In-Trail Procedure
J	
JAR	Joint Aviation Requirement
JAR-FCL	Joint Aviation Requirements-Flight Crew Licensing
JAR-TSO	Joint Aviation Requirements-Technical Service Orders
JCAB	Civil Aviation Bureau Japan
K	
KPI's	Key Performance Indicators
KRA's	Key Result Areas
KSSD	Key Service Delivery Drivers
L	
LAME	Licensed Aircraft Maintenance Engineer
LEG	Primary aviation Legislation and Civil Aviation Regulations
LEI	Lack of Effective Implementation
LEM	Legal Enforcement Manager
LMCC	Labour Management Consultative Committee
LO	Licensing Officer
LOC	Loss of Control
LPOC	Last Port Of Call
LRM	Logical Rejection Message
LSA	Lower Safe Altitude
M	
MATM	Manager Air Traffic Management – AFL
MATS	Manual of Air Traffic Services
MBM	Market Based Measure
MCS	Manager Corporate Services
MEL	Minimum Equipment List
MET	Meteorological Services
MFTD	Maintenance Flight Training Device
MIR	Mandatory Information Request
MOA	Memorandum of Agreement
MOC	Memorandum of Commitment
MOR	Mandatory Occurrence Report
MORI	Manual Of Occurrence Report & Investigation
MOU	Memorandum of Understanding
MOWP	Method Of Work Plan
MPE & PSR	Ministry of Public Enterprises and Public Sector Reform
MPL	Multi Crew Pilot
MQR	Minimum Qualification Requirements
MRD	Minimum Requirement Document
MRV	Monitoring Reporting Verification
MSA	Minimum Safe Altitude/Minimum Sector Altitude
MSG	Melanesian Spearhead Group
MTCA	Ministry of Transport & Civil Aviation
N	
N/A	Not Applicable in relation to implementation status
NAS	Network Attached Storage
NATFC	National Air Transport and Facilitation Committee
NATFP	National Air Transport and Facilitation Programme
NCAMP	National Civil Aviation Master Plan
NCASC	National Civil Aviation Security Committee
NCASP	National Civil Aviation Security Programme
NCASQCP	National Civil Aviation Security Quality Control Programme

NCASTP	National Civil Aviation Security Training Programme
NCLB	No Country Left Behind
NCMC	National Continuous Monitoring Coordinator
NDB	Non Directional Beacon
NexGen	Next Generation
NM	Nautical Mile
NOF	Notam Office
Non-MBM	Non-Market Based Measure
NORDO	Non Radio Equipped
NOTAM	Notice to Airmen
NPF	National Planning Framework for Air Navigation Systems
NTPC	National Training Productivity Centre
NZCA	New Zealand Civil Aviation Authority
NZCAR	New Zealand Civil Aviation Rules
O	
OAG	Office of the Auditor General of Fiji
OC	Operation Certificate
OCA	Oceanic Control or Oceanic Control Area
OCS	Oceanic Control System
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
OHT	Operator Harmonisation Taskforce
OJT	On-the-job training
OJTI	On-the-job training Instructor
OLF	On-Line Framework
OLS	Obstacle Limitation/Landing Surface
OPS	Aircraft Operations
OPS	Manual Operations Manual
ORG	Civil Aviation Organization
P	
PABX	Private Automatic Branch Exchange
PANS	Procedures for Air Navigation Services
PASO	Pacific Aviation Safety Office
PBN	Performance Based Navigation
PBNICG	Performance Based Navigation Implementation Coordination Group
PECCAT	Ministry of Public Enterprises, Communications, Civil Aviation & Tourism
PEL	Personnel Licensing
PIASA	Pacific Islands Air Services Agreement
PIC	Pilot In Command
PICASST	Pacific Islands Civil Aviation Safety & Security Treaty
PIF	Pacific Island Forum
PIRGS	Planning Implementation Regional Groups
PKP	Passenger Kilometre Performed
PLACI	Preloading Advance Cargo Information
PMS	Performance Management System
PPAM	Personnel Policies And Administration Manual
PPL	Private Pilot License
PQ	Protocol Question
Q	
QAM	Quality Assurance Manager
QMS	Quality Management System
R	
RA	Resolution Advisory
RA	Regulated Agent
RAC	Regulated Agent Certificate
RASP	Regulated Agent Security Programme
RCC	Rescue Coordination Centre
RE	Runway Excursion
REI	Radio Engineering Inspector
RESA	Runway End Safety Area
RFSI	Rescue Fire Service Inspector
RNAV	Area Navigation
RNO	Resumed Normal Operation

RNP	Required Navigation Performance
RNP – AR	Required Navigation Performance – Approval required
RO	Regional Office
ROC	RPAS Operator Certificate
RP	Remote Pilot
RPA	Remotely Piloted Aircraft
RPAS	Remotely Piloted Aircraft System
RPS	Remote Pilot Station
RSC	Rescue Sub Centre
RSOO	Regional Safety Oversight Organization
RTF	Radio Telephony
RTK	Revenue Tonnes Kilometres
RVR	Runway Visual Range
RVSM	Reduced Vertical Separation Minima
S	
S	Satisfactory relation to implementation status
SAA	Singapore Aviation Academy
SAAQ	State Aviation Activity Questionnaire
SAO	Senior Airworthiness Officer
SAR	Search and Rescue
SAREX	Search & Rescue Exercise
SARPS	Standards and Recommended Practices
SASL	Strategic Air Services Limited
SATCOM	Satellite Communication
SCP	Singapore Co-operation Program
SD	Standards Document
SESAR	Single European Sky ATM Research or Europe programme of Airspace & ATM
SFOI	Senior Flight Operations Inspector
SID	Standard Instrument Departure
SIPS	State Implementation Programme
SIS	Small Island States
SITA	Societe International Telecommunications Aeronautical
SLOP	Strategic lateral-offset procedure
SME	Subject matter expert
SMS	Safety Management System
SMTP	Simple Mail Transfer Protocol
SO	Second Officer
SOTS	Station Officer Training and Standards
SRR	Search and Rescue Region
SSC	Significant Safety Concern
SSeC	Significant Security Concern
SSP	State Safety Programme
STAR	Standard Terminal Arrival Route
STP	Standardized Training Packages
SUAS-AG	Small UAS Advisory Group
SURICG	Surveillance Implementation Coordination Group

SVFR	Special Visual Flight Rules
SWIM	System Wide Information Management
T	
TA	Traffic Advisory
TCAS	Traffic Collision Avoidance System
TCB	Technical Cooperation Bureau
TCDS	Type Certificate Data Sheet
TDDS	Terminal Data Distribution System
TF	Task Force
TM	Traffic Management
TMA	Terminal Control Area
TMU	Traffic Management Unit
TNA	Training Needs Analysis
TOR	Terms of Reference
TORS	Technical Officer (Records & Standards)
TPAF	Training and Productivity Authority of the Fiji Islands
TRIP	Traveller Identification Programme
TSA	Transportation Security Administration
TWAS	Terrain Warning Avoidance System
U	
UA	Unmanned Aircraft
UA	Upper Airspace
UAS	Unmanned Aircraft System
UAV	Unmanned Aerial Vehicles
UM	Uplink Message
UMSS	Unified Message Switching System
UNFCCC	United Nations Framework Convention on Climate Change
UPR	User Preferred Route
UPRT	Upset Prevention and Recovery Training
US	Unsatisfactory in relation to implementation status
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Audit Programme
UTC	Universal Coordinated Time
UTOF	Unit Trust of Fiji
V	
VFR	Visual Flight Rules
VHF	Very High Frequency
VIS	Visibility
VLF	Very Low Frequency
VMC	Visual Meteorological Conditions
VOR	VHF Omni-directional Radio Range
VPN	Virtual Private Network
VSI	Vertical Speed Indicator
VSP	Variable System Parameters
W	
WCO	World Customs Organization
WP	Working Papers





ISO 9001/2008 CERTIFIED

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