

Annual Report 2021



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Introduction

The Annual Report 2021 provides readers with a detailed account of the Pacific Aviation Safety Office's performance for the 2021 reporting period. The report provides an overview of PASO's achievements during the 2021 year.

The report promotes financial transparency through detailed financial statements for the financial year from 1 January 2021 to 31 December 2021.

PASO is governed by a Council of Directors, comprising representatives of Members and Associate Members.

Article 6(3)(f) and (g) of the Pacific Islands Civil Aviation Safety and Security Treaty (PICASST) respectively establishes that it is a function of the Council to "receive, examine, comment on and release [an] annual report" and to "appoint financial auditors and receive their reports annually".

The PASO Constitution and Governance Procedures require, among other things, for the Council to:

- Receive and consider an annual report from the PASO Chairman on the performance of the Council, its committees and the Chief Executive; and
- Receive and consider an annual report on the operations of PASO from the General Manager, as agreed with the Finance and Technical Committees, for presentation at the Annual General Meeting.

PASO also has obligations to several donor partners and other stakeholders.

The Annual Report 2021 is presented to fulfil the PICASST and broader expectations. In addition, the report promotes accountability and transparency around PASO's activities and financial performance.



Joint Message from the Chairperson and General Manager

Following an unprecedented year for the global and Pacific aviation sector in 2020, PASO's continued focus has been on business continuity and further strengthening in preparation for the progressive recovery of the aviation industry in the wake of the COVID-19 pandemic.

We aim to support the emerging shape of the post-pandemic industry and Member needs with a strong organisation and more flexible and agile services while always keeping our focus on ensuring safe skies for the Pacific.

PASO experienced ongoing financial and operational impacts because of the pandemic. Despite this, we have remained steadfast in our mission to deliver our strategy, acknowledging the changing environment we now find ourselves in.

2021 is the second to last year of the current Strategic Plan 2018-2022. Despite pandemic impacts, PASO achieved continued progress in achieving our strategic priorities. The fruits of that work have set up PASO for success and further strengthening ahead of significant anticipated changes in 2022 and beyond. Our work has been about delivering the essential building blocks necessary to set PASO up for further success in the future.

2021 saw a landmark moment for Pacific aviation, with Aviation Ministers from around the Pacific region coming together for the Regional Aviation Ministers Meeting (RAMM). The meeting, a first for Ministers of this kind for almost 20 years, was a strategic opportunity for Forum Island Member States, including all PASO Members, to discuss the wide-ranging aviation needs of the region to ensure there is a safe, sustainable and enhanced aviation environment for the Pacific.

Out of the RAMM, the Port Moresby Declaration was born. The Declaration formalises shared commitments to progressing important Pacific regional aviation matters through a new enhanced collaboration framework. PASO will continue to support the RAMM as a Secretariat and will lead several significant transformational workstreams in 2022. Many of the benefits of this system enhancing work will be realised immediately and in the coming years. We will, however, continue to deliver on a range of other strategic priorities and actions that will advance the region's response to crucial aviation safety and security challenges.

PASO is excited by its ongoing contribution to the RAMM work programme and navigating our business as usual activities in a post-pandemic environment. We are committed to being a core pillar of creating and enabling the Pacific aviation environment of the future. PASO, therefore, continues to adjust, grow and strengthen in readiness to serve our Members and meet expanding expectations.

We acknowledge that many of our Members and industry partners have continued to experience significant challenges throughout 2020 and 2021. We are committed to understanding the evolving needs of our customers and partners through the current period of disruption and difficulty; we will also ensure we are well-positioned to support the industry's recovery. In addition, we will continue collaborating with our customers and stakeholders on initiatives to sustain safe, efficient and right-sized services.

While PASO is anticipating 2022 to continue to throw up challenges similar to those experienced in 2021, Members should take comfort in the knowledge that we are ready and able to meet those challenges to help our Members and the aviation industry rebuild and recover.

Lauano Yvonne T. Tuioti Mariner-Viliamu
PASO Chairperson (On behalf of Samoa)

Mr. Andrew Valentine
PASO General Manager

2021 By the Numbers



7
National Airlines
of PASO Members
Certified & Operating



5
National Airlines
of PASO Associate
Members Certified to
Operate to the Member
States



3
Airlines from other States
Certified to Operate to the
Member States



12
Certificated Aerodromes

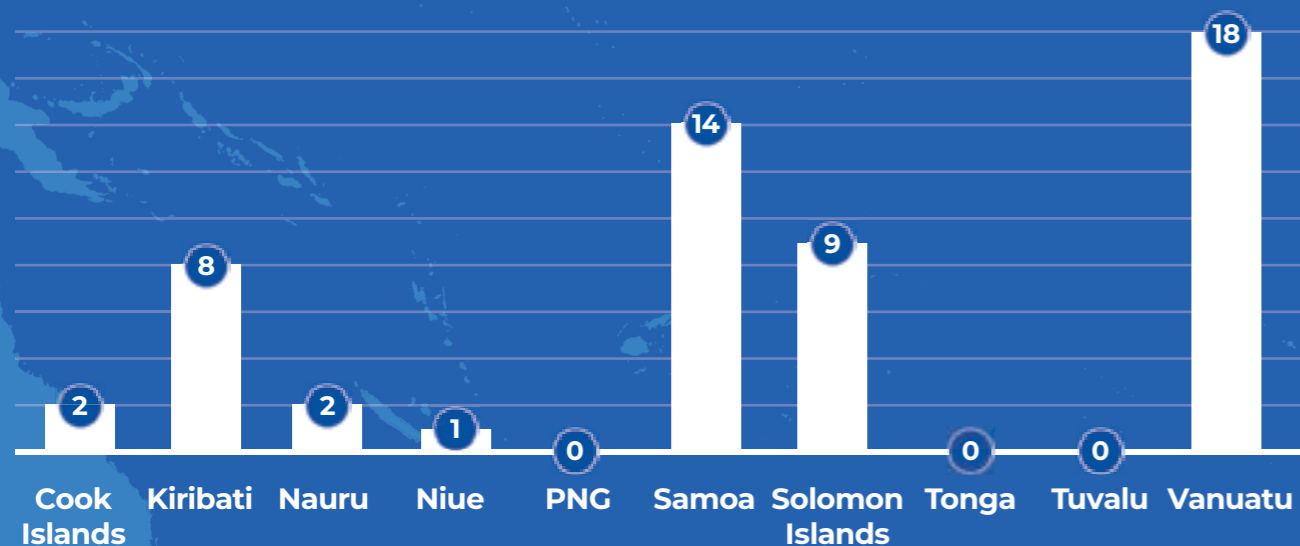


38
Certificates Issued to
Service Providers in PASO
Member States



54
Certifications Completed
Remotely Using PASO
Off-Site Certification Audit
(OSCA) Framework

Certifications Completed by OSCA - 2021



Industry Perspective on Pandemic Resurgence and Increasing Uncertainty Delaying Recovery.

“The devastating and unprecedented impacts of the global coronavirus pandemic and the subsequent travel restrictions on the airport industry and the entire air transport ecosystem are now well-known. After a decade of consistent and robust growth in global passenger traffic, the COVID-19 pandemic virtually halted activity at airports around the world in the second quarter of 2020. As a result, the total number of passengers for the year fell sharply from 2019 to a level the world’s airports had not seen since 1997.

That said, the vaccination effort now well underway in many countries suggests there may be positive signs of gradual reopening in countries that experience high vaccination rates. While the first quarter of 2021 showed little sign of improvement compared to the fourth quarter of 2020, the hope was that the second quarter would emerge as a pivotal point and represent the start of a real recovery. Unfortunately, this did not happen, despite increasing numbers of people being vaccinated and some international travel restrictions gradually being eased. The momentum of the Asia-Pacific region, fuelled by the rapid recovery of the Chinese domestic passenger market, was severely dampened in the third quarter of 2021 by a resurgence of COVID-19 and the re-establishment of travel restrictions in the region.

COVID-19 remains an existential crisis for airports, airlines and their commercial partners, and the aviation industry needs support and practical policy decisions from governments. [Industry] is cautiously optimistic and advocates the importance of a pragmatic and risk-based approach to managing the sustainable recovery of the aviation industry as it prepares for a return of air traffic demand. Government action to promote safe travel—including a coordinated and risk-based approach to testing and vaccination—is critical, rather than governments enforcing full-scale restrictions and blanket measures.

The speed of the recovery continues to depend substantially on several stakeholders and the level of coordination pursued by national governments worldwide. While the global travel market is still mostly depressed, more and more countries are moving towards the gradual reopening of their borders to vaccinated travellers.”

[Airports Council International (ACI) World - eighth quarterly assessment]

Year in Review: 2021 Snapshot

Key Highlights



Funding Support

Generous support from our donor partners, including the Governments of Australia and New Zealand, and ongoing support from the World Bank, enabled PASO to continue organisational strengthening, service delivery during COVID-19 disruption and continuous system improvements for Members.



RAMM

2021 saw the inaugural meeting of Regional Aviation Ministers in the current format and framework. The Port Moresby Declaration involved States committing to a regional strategy and several key workstreams to take regional civil aviation forward. PASO commenced its role as RAMM Secretariat.



Strong Governance, Participation and Engagement

Under the stewardship of Mr. Magele Hoe J. Viali, Secretary of Transport, Samoa continued to hold the role of PASO Chair. The Corporate and Operations Sub Committees were given a refreshed focus, with broad participation across all Council meetings. Council was fortunate to receive the virtual attendance of the new International Civil Aviation Organisation (ICAO) Secretary-General in its November meeting.



Donor Project Delivery

2021 was an extremely busy year of donor project delivery. The Australian funded regulatory services programme saw no-cost services provided to States to ensure continuity of service and minimise COVID-19 related impacts. The New Zealand funded safety and security improvements saw significant progress, with several States receiving bilateral support and system enhancements.



Organisational Strengthening

Confirmation of the continuation of the World Bank reform programme support evidenced ongoing confidence in PASO's direction and performance. Moreover, the World Bank support continues to see strengthened organisation systems and structures, forming the building blocks for a better PASO. Key highlights landing in 2021 included significant progress on implementing Global Aviation Safety Oversight System (GASOS) recommendations, implementing PASO's quality management system and a suite of policies and procedures, and a new organisation personnel structure implemented to drive better performance and accountability.



Robust Service Delivery

Despite COVID-19 pandemic impacts and travel constraints, PASO delivered 683 workdays to Members in 2021. PASO's work was achieved primarily through the Offsite Certification Audit (OSCA) approach, which was recognised and profiled internationally at the ICAO level. Funding arrangements and changing business requirements saw changes in the structure and engagement of the Inspector Pool. Despite this, PASO remains well-positioned to meet Members' requests for technical assistance from a larger, dedicated and skilled pool of aviation professionals.



Offsite Certificate Audit Framework

With ongoing challenges around borders being shut and travel options constrained or unavailable, PASO continued implementing and refining its OSCA approach, enabling regulatory services to be provided remotely. OSCA has been championed as a success, profiled by ICAO at an international level for service ingenuity and responsiveness during the pandemic constraints.



Remote Training

PASO continued to deliver a range of training and development opportunities to staff and Members via video conferencing as part of PASO's commitment to organisational and Member knowledge and capability building.



Business Continuity

Like 2020, PASO continued to implement, adapt and update its business continuity planning to ensure operations and service availability. PASO continued to operate on a largely remote basis. Improved financial forecasting has been implemented to manage financial risks due to the pandemic.



COVID-19 Response Plan

PASO's dynamic COVID-19 response plan supplemented our business continuity planning, explicitly focussing on ongoing challenges associated with travel disruptions, fast-moving border restrictions and associated remote working and personnel challenges.



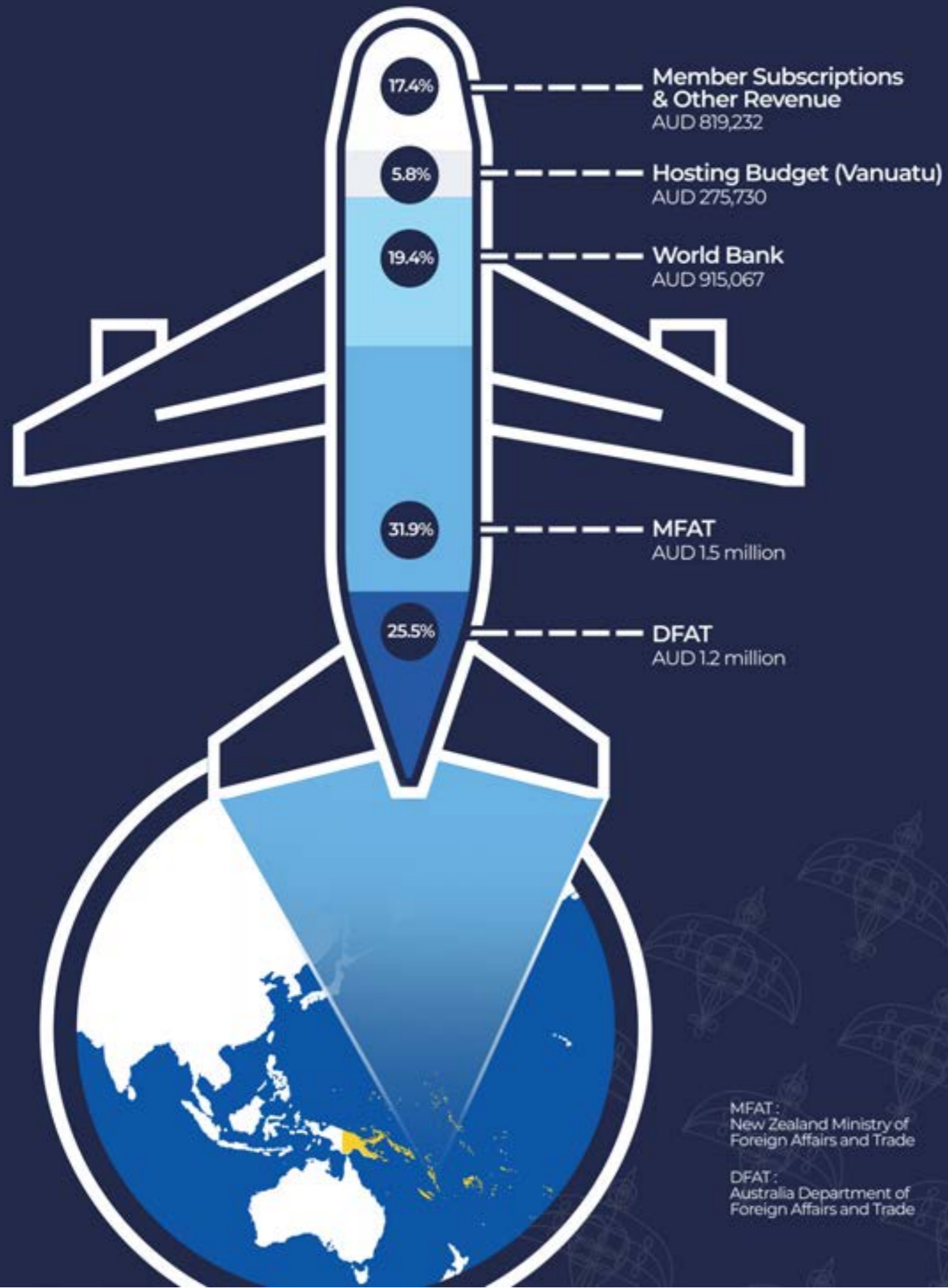
Staff Welfare

Throughout the COVID-19 pandemic, we have placed extra emphasis on the health and wellbeing of our people and on ensuring the safe continuity of PASO's services.



PASO's 'Pink October' morning tea

2021 Funding Support



An Overview of Pacific Aviation Challenges



PASO produced a three-minute video for the RAMM1

Landmark Regional Aviation Ministers Meeting

The landmark virtual Regional Aviation Ministers Meeting (RAMM) was held on 30 June 2021, and hosted by the Government of Papua New Guinea.

The meeting saw Ministers responsible for civil aviation and senior aviation officials from 14 Pacific Island States in attendance. The Ministerial Meeting was the first such high-level regional aviation meeting of its type and format since the inception of the Pacific Civil Aviation Safety and Security Treaty (PICASST) in 2004. Australia, Cook Islands, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Papua New Guinea, Samoa, Solomon Islands, Tuvalu, and Vanuatu attended the RAMM.

Additionally, the Secretary-General of the Pacific Islands Forum Secretariat (PIFS), the Secretary-General from the International Civil Aviation Organisation (ICAO), and senior officials from CROP agencies, including the South Pacific Tourism Organisation (SPTO), Pacific Islands Development Program (PIDP), and South Pacific Community (SPC) were in attendance. The meeting was also attended by government officials from the United States of America and Singapore and officials from the World Bank and the Airlines of the South Pacific Association. Media were invited to the opening remarks.

The RAMM was a strategic opportunity for Forum Island Member States to discuss the wide-ranging aviation needs of the region to ensure there is a safe, sustainable and enhanced aviation environment for the Pacific.

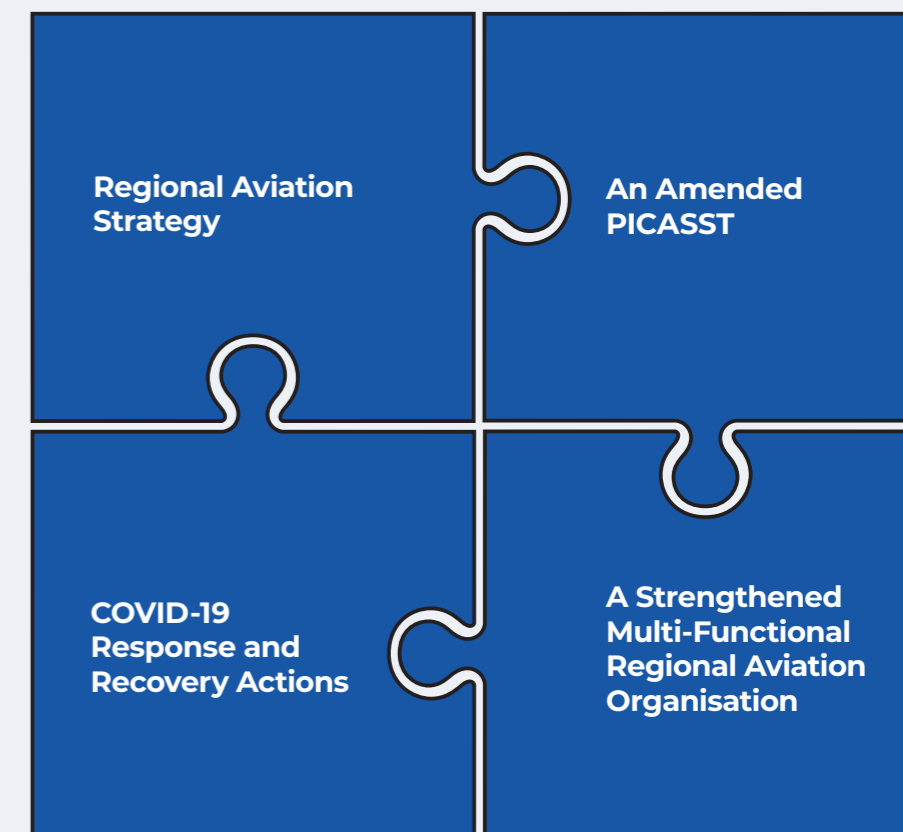
The RAMM focused on strengthening aviation safety and security compliance through enhancing current institutional arrangements and establishing a long-term shared vision for the region.



Pacific Islands Forum States

Key workstreams arising out of the RAMM

Ministers have requested officials to report back to the next Regional Aviation Ministers Meeting in 2022 with a draft Regional Aviation Strategy, an amended Pacific Islands Civil Aviation Safety and Security Treaty (PICASST), and options to sustainably fund enhanced regional collaboration and a Regional Aviation Organisation under the new strategy.



Key decisions

The RAMM resulted in Pacific Island States endorsing the Port Moresby Declaration on Aviation Safety and Security and Framework for Aviation in the Pacific. The Port Moresby Declaration provides a range of strategic priorities and actions to respond to the critical challenges regarding aviation safety and security performance facing Forum Members whom the COVID-19 pandemic has seriously impacted.

Through the Port Moresby Declaration, participating States committed to;

1. the priorities and actions detailed in the 2021 Regional Aviation Ministerial Statement to respond to the following key challenges:
 - a) maintaining a safe, secure, resilient and sustainable aviation system;
 - b) compliance with ICAO standards, as well as obligations of the Convention on International Civil Aviation;
 - c) increasing connectivity within the Pacific region and beyond; and
 - d) having regard to the serious impact of COVID-19 on aviation in the region;
2. strengthen the regulatory oversight capability, capacity and effectiveness of Member States;
3. strengthen the Pacific Aviation Safety Office (PASO) as an important part of the response to the ICAO Pacific Small Island Developing States Study;
4. and convene in 2022 before the ICAO Assembly and thereafter following the Regional Aviation Ministers Meeting Charter to monitor progress and amendments to the PICASST.

Initial Strategic Priority Areas Agreed By Ministers



PASO as the RAMM Secretariat has worked closely with aviation officials to discuss and advance the key deliverables as outlined in RAMM.

Following the meeting, PASO promptly allocated resources to progress the key workstreams. With external funding from the World Bank, IOS Consultants were successfully engaged to advance the Regional Aviation Strategy. Following consultations with States, industry and regional agencies, a draft Regional Aviation Strategy has been developed and will be presented for Ministerial consideration in RAMM2.

PASO has also worked with the Pacific Regional Infrastructure Facility (PRIF) to present a report on COVID-19 impact assessment and recovery, a report for States on the impacts of COVID, lessons learned, and a range of key information that can assist States to prepare for and respond to a post-COVID-19 aviation environment. Building on the work that commenced in 2021 around amendment to the PICASST, further consultation and workshops with States has been held to ensure that the PICASST is amended to reflect the current situation of the region as well as encompassing more functions and governance to support an improved aviation system.

Strong Governance, Participation, and Engagement

2021 saw further lifts in governance, Membership and stakeholder participation and engagement. Strong governance in 2021 under the Council's leadership has seen PASO continue to account for its performance and tactical direction to ensure PASO achieves its mission.



PASO 2021 Council Chairperson, Mr. Magele Hoe J. Viali

© PASO

Our Meetings & Sub Committee Structure

2021 saw a different approach taken towards the Corporate and Operations Sub Committees. Under the new approach, the Sub Committees are held independently of full Council meetings. They have become the focal point for all matters to be brought to the Council, enabling early testing of ideas and proposed recommendations. The intention is that in the future, Members will be able to involve a broader range of State representatives in these meetings to ensure better engagement participation and focus on key issues (such as the inclusion of State finance and foreign affairs officials).

Across 2021 Council held:

- » An Annual General Meeting
- » A Special General Meeting (to discuss organisation structure changes)
- » A General Meeting
- » Two Sub Committee meetings (Technical and Corporate)
- » Two Project Sub Committee meetings

The above meetings saw broad participation and engagement of Members and Associate Members.

In its capacity as a critical contributor to the preparations ahead of the RAMM, and now as RAMM Secretariat, PASO also coordinated several aviation officials' meetings and workshops to support the RAMM. This saw broad engagement from States beyond the PASO Membership, with participation and engagement with representatives from New Caledonia, Tahiti, and the Federated States of Micronesia. The wide participation and engagement have enabled positive and productive conversations with an enhanced regional focus and one that values and respects the unique perspectives and interests of the wider region.

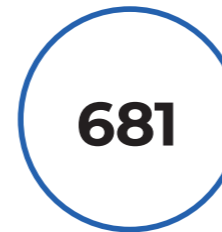




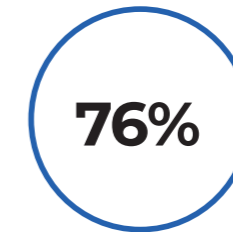
© Salote Mataitini
Tamana Island, Kiribati.

Service Delivery

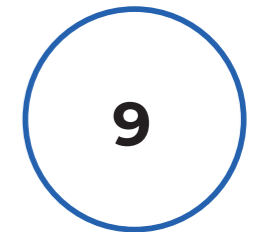
Our Service Snapshot for 2021



Workdays



Workday Percentage
(Against budget/work plan)



States provided
with services



Our workday delivery beats our previous record (506 workdays) by a significant 175 work plan days.

PASO Playing its Regional Role with CROP

Throughout 2021 PASO has continued to participate virtually in regional meetings. This strengthened participation has produced significant benefits to PASO through increased visibility of regional activities but also enabled PASO to better profile our role, and the importance of aviation safety and security in the region, and how regulatory compliance is an essential ingredient of continuing air connectivity to, and within, the region. Regional aviation is now referenced in regular feature of CROP reporting to Forum leaders.

PASO is excited to have contributed, through CROP, to provide support to the Pacific Islands Forum Secretariat regarding its development of the 2050 Blue Pacific Strategy. Through this essential document, air connectivity is recognised as an integral component of achieving a more prosperous Pacific region by 2050.

PASO's regional engagement activities are likely to strengthen further with the appointment to the newly created role of Head of Regional Engagement, bringing core focus on PASO's CROP and other critical regional relationships.



ICAO Secretary General Commitments to the Pacific

In November, the PASO Council was highly honoured to welcome the International Civil Aviation Organization (ICAO) Secretary-General, Mr. Juan Carlos Salazar, to participate in its meeting. Secretary-General Salazar expressed appreciation to the Government of Vanuatu for hosting PASO and acknowledged the financial support of the Government of New Zealand and Australia. When acknowledging the impacts of COVID-19 on the Pacific, the Secretary-General also undertook that ICAO would assure more responsive and effective teamwork with States, industry and international partnering organisations going forward and will lead the global air transport community in reuniting people, societies, and economies again.

Secretary-General Salazar was joined by ICAO's Asia Pacific Regional Director, Mr. Tao Ma. Regional Director Ma was clear to participants of the meeting that assisting the Pacific States to enhance their aviation safety, security, and capacity building is a priority for the ICAO Asia Pacific Office over 2022 and for years to come.

We acknowledge that this achievement, during obviously challenged and constrained times, was largely due to the generous financial support from the Government of Australia to make a wide range of PASO's regulatory services free of charge to Members across 2021 (principally audit and surveillance services).

This also saw a heavy focus on providing surveillance services to supplement PASO certification audits and inspections for the first time. While ultimately there was limited uptake of surveillance services, PASO understands that further work is required to engage with Members to reinforce the value and importance of the service and embed surveillance into State work plans going forward.

Working Through COVID

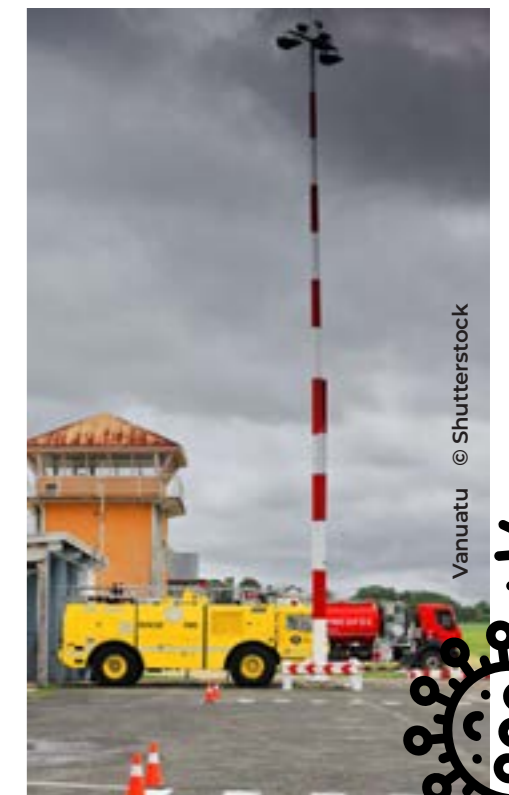
At a practical level, 2021 saw ongoing challenges in delivering our services in traditional ways. For example, COVID-19 and associated travel restrictions have continued to limit travel for our aviation professionals and Inspectors.

PASO has continued to utilise the Offsite Certification Audit approach (OSCA) to conduct most of our activities. Some travel was possible to the Cook Islands to aid with certification tasks as part of the aviation industry recovery following the relaxing of border restrictions between the Cook Islands and New Zealand.

Some activities were also conducted in Australia, but with fast-moving changes in border restriction and flight availability, there was a considerable impact on our resources.

PASO's regulatory services continue to be fine-tuned to enable Offsite Certification Audits (OSCA) for PASO Members via their National Aviation Authorities. The focus of improvements will be around how PASO uses OSCA to complement our Members 'on the job training' initiatives.

In October, PASO presented a paper on the OSCA approach to the ICAO's high-level COVID-19 conference, which was well-received among international peers.



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Vanuatu





Major Projects

PASO continued to assist the Governments of Samoa, Vanuatu and Tuvalu concerning major projects involving entry in service of new aircraft, including some first of type certification activities. Despite ongoing political decisions impacting the conclusion of these projects, PASO has supported States to navigate the complexity of these tasks in trying circumstances, given the effects of COVID-19 and the impossibility of conducting activities 'in-country'.



ICAO Annex 16 / Carbon Offsetting and Reduction Scheme (CORSIA) Training

In September, 44 participants from six States (Cook Islands, Kiribati, Papua New Guinea, Samoa, Solomon Islands and Vanuatu) participated in a capacity building webinar on Annex 16 under the PASO / European Union Aviation Safety Agency (EASA) partnership. This is built on the first webinar offered in 2020.

The PASO/EASA partnership delivers practical capacity building for Pacific aviation personnel on international carbon offsets and reduction initiatives to address climate change.

EASA's Strategy and Safety Management Director, Mr. Luc Tygat, told participants that EASA stands in full readiness to support the Pacific States to achieve carbon-neutral growth.



Air Rarotonga pilot James Herman with PASO's flight examiner Inspector Graeme Young

Case Study

Getting Off the Ground - Aviation Recovery in the Cook Islands

When the COVID-19 pandemic appeared in March 2020, many Pacific governments suddenly enacted proactive 'state of emergencies' and put in place stringent international border and travel restrictions to prevent the spread of the deadly virus.

As public health measures swung into action, behind the scenes Pacific civil aviation agencies were grappling with big questions. With border closures, how would they continue to manage their aviation compliance to ensure their airports, planes and pilots were fit for flying for critical domestic services, and ready for safe and secure international travel when their borders reopened?

Challenges to Achieving Aviation Compliance

Being small island nations, often spread over large geographic regions, aviation is vital for domestic and international connectivity and a critical economic enabler. Many Pacific States face challenges to independently deliver their own internationally compliant aviation oversight and resolve safety deficiencies due to insufficient financial, technical, and/or qualified human resources. These challenges provided the impetus for the creation of the Pacific Aviation Safety Office (PASO) with the signing of the Pacific Island Civil Aviation Safety and Security Treaty (PICASST) in 2005 to provide a collective approach to regional aviation safety oversight.

For Member States of PASO, aviation compliance is supported by PASO's audits and inspections program, which, when requested, deploys internationally recognised technical oversight experts to support States with their civil aviation surveillance activities. PASO delivers expert advice from a team of Inspectors in the areas of aerodromes and ground aids (AGA), air navigation services (ANSI-T, ANS-ATS, ANS-MET), airworthiness (AWI), aviation security (ASA), and flight operations (FOI). PASO quickly pivoted in 2020 from a "boots on the ground" approach to remotely supporting Member's civil aviation personnel to carry out Off-Site Certification Audits (OSCA) in the COVID era.

Traditionally, PASO's support is provided on a fee for service basis but with the cessation of international travel, disruption of domestic economies with sudden 'lockdowns', and increased public health costs, many Pacific governments were struggling financially with unexpected COVID-19 costs. The Australian Government generously stepped in to support Pacific regional aviation recovery with the AUD 2 million COVID-19 PASO Support Package. This strategic funding enabled PASO to provide services to support Members with their annual aviation safety and security compliance workplans at no additional cost.

The Cook Islands Experience

The Cook Islands have been described as "a taste of tropical perfection". With world famous beaches and crystal-clear lagoons, set against the backdrop of majestic volcanic mountains, and a laid back friendly Polynesian culture it's no wonder that Lonely Planet declared it the number one country to visit in 2022.

It's a far-flung destination, located in the Pacific Ocean between French Polynesia and American Samoa and halfway between New Zealand and Hawaii. With 15 islands spread across 2,500,000km of ocean (an area the size of Europe) and a local population of 17,000, it relies on aviation to connect remote island communities and international visitors.



Rarotonga International Airport, Cook Islands

Pre COVID-19, the Cook Islands had a thriving year-round tourism industry that accounted for almost 70% of the national economy. A favourite holiday destination with visitors from New Zealand and Australia, and high-value tourists from the United States, Canada and Europe, the Cook Islands had around 170,000 visitors arriving annually, with most arriving via Rarotonga International Airport. Pre COVID-19, it was linked by daily direct flights from Auckland, twice weekly flights from Tahiti, and weekly non-stop flights from Los Angeles and Sydney served by four passenger airlines.

Domestically, the islands are connected via a critical network of nine airports and airfields by Air Rarotonga linking nine outer island communities with medevac, cargo, and passenger flights. The locally owned airline has operated for over 40 years and is the sole domestic airline and code shares with Air New Zealand between Rarotonga International Airport and Aitutaki Airport, a key tourism destination.

As the Cook Islands geared-up to reopen its borders to two-way quarantine-free travel with New Zealand in May 2021, behind the scenes Dennis Hoskin, the (former) Director of the Cook Islands Civil Aviation Authority (CI CAA) was putting a plan into motion to get PASO Inspectors on the ground to conduct on-site inspections with his team.

Set Up for Success

Dennis is an aviation veteran. Over a career spanning 53 years, he has witnessed improvements to the way aviation safety is approached and has broad experience as a pilot, aerodromes inspector, held key management positions within the New Zealand CAA, and as an international consultant for the International Civil Aviation Organization (ICAO). From 2017, he was appointed Director of the Cook Islands Civil Aviation Authority (CICAA) and has held key positions on the PASO Council on behalf of the Cook Islands. In 2021 he was due to retire from CI CAA and return to consultancy work, and he was keen to ensure they were set up for success before he finished up.

As the Director, Dennis was ultimately responsible for ensuring that all aspects of the Cook Islands aviation system was safe and ready for an international restart. Like most Pacific States in 2020/21, time was running out for an impressive list of certifications and renewals he needed to sign off on.

Dennis had a few problems though. For a start, he had been stuck in New Zealand with border closures since February 2020. A quarantine free travel bubble between New Zealand and the Cook Islands for essential workers from February 2021 meant he had "a travel window" to return and get critically needed Inspectors on the ground with PASO's help.

"From my point of view, the buck stops with me as Director. I needed to do due diligence and have very detailed



Rarotonga Rescue Fire Service's Manager George Nicholls, PASO's AGA Inspector Mike Haines with Cook Islands CAA Aviation Technical Inspector Makea Pauka.



PASO's Senior Operations Coordinator, Jessica Fred

audits and safety check done to show we were still operating safely," says Dennis.

"All our pilots' licences are issued by New Zealand CAA and three pilots were due in April 2021 for their flight examiner rating renewals under Rule Part 61. These pilots check the rest of our pilots – they become the examiners once they have been certified every two years – so it was critical to get Graeme Young, PASO's flight examiner Inspector in quickly in March to oversee the three renewals. It was a very narrow window with only two flights per week making it difficult to coordinate."

PASO's Senior Operations Coordinator, Jessica Fred, took up the challenge.

"This time was much more complicated than usual to get our team on the ground. It took about two weeks to organise, especially with travel agent arrangements and ticketing changes, COVID-19 travel insurance challenges, and liaising with the Cook Islands and Inspectors about immigration entry requirements," explains Jessica.

"Ultimately ensuring our Inspectors were (COVID-19) safe and quality services were delivered were our main goals. We started with Graeme in March for the three flight examiner renewals and the re-certification of the Air Rarotonga Part 119 air operating certificate, and then another Inspectors' trip in May. It was a good trial for when our Members' borders open-up and we can return to our normal face-to-face auditing service delivery."

Boots on the Ground

In early May 2021, the largest contingent of PASO Inspectors arrived in the Cook Islands with Dennis to work with their CI CAA counterparts, the Ministry of Transport, the Airport Authority of Cook Island (AACI), and aviation industry operators to carry out the required safety oversight and capacity building. The five PASO Inspectors were tasked with a long of audits to complete over eight days.

"In 2020, we were due to do a five-year air operator recertification (Part 119 AOC & Part 119 Maintenance) audit of the local airline, Air Rarotonga. With borders closed, we had to get PASO Inspectors to do a desk-top review of the documentation and use our local inspectors to make sure we were closing-up findings. So, it was quite critical for 2021 to get PASO Inspectors on the ground. I wasn't keen about stretching out two-years without any close inspections especially with recertifications required," explains Dennis.

PASO's airworthiness Inspector and a specialist in safety management systems, Austin Healey, was especially

busy completing airworthiness inspections for six small aircraft, completing Air Rarotonga's aircraft maintenance organisation's annual compliance audit (Part 145) and air operator recertification (Part 119 – maintenance aspects).

Plus, Rarotonga International Airport and Aitutaki Airport were due to be certified under Part 139 as well as for security (Part 140 and Part 109)), air traffic services (Part 172), and telecommunications (Part 171). The Airport Authority of Cook Island (AACI) was also replacing cracking runway pavement at Rarotonga International Airport and Dennis was keen for Mike Haines, PASO's aerodromes and ground aids (AGA) Inspector, to review the works with local CI CAA counterpart, Makea Pauka.

"The Airport Authority were able to take the opportunity to start renewing the pavement and put the investment in which should last 30 to 40 years because there was the pause on flights, apart from for essential services air travel. Renewing pavement doesn't happen very often and requires specific oversight to ensure it is done right," says Dennis.

Learning on the Job

Building Members' aviation inspection capacity and transferring skills is part of the brief for PASO Inspectors. With so much onsite audit activity, it was a great environment for on-the-job mentoring and training for key CCAA personnel.



The Cook Islands CAA's Aviation Technical Inspector Makea Pauka, Aviation Security Inspector Simiona Teiotu, and Aviation Officer Te Anau Rani working remotely with PASO Inspectors using OSCA.

"The initial brief was to do the two regular aerodrome audits for Rarotonga and Aitutaki as well as provide some onsite training to Makea who was shadowing me. So it was a straightforward audit but having the security, air traffic control and aeronautical telecoms inspections team there as well, allowed us to assess some areas where the technical areas overlap. It was good to provide an independent look at the runway works as well." say PASO's aerodromes and ground aids (AGA) Inspector, Mike Haines.

Together they completed Rarotonga aerodromes audit using the PASO aerodrome checklist to logically sequence the inspection of the airfield, the maintenance program, and reviewing and validating the rescue fire manual, emergency plan, and the overarching quality management system. On the strength of this one-on-one mentoring, Makea was able to do the on the ground audit for Aitutaki Airport independently with remote oversight from Mike.

The trip was rounded off with a runway condition reporting workshop with 25 personnel attending from the CCAA, the Ministry of Transport, and the Airport Authority.

Flying with confidence

For Dennis the whole exercise was very positive, and it was a high note to finish on before handing over the CICA Director reigns to Donald Guinea.

“It was great to get from March to the end of May and have all our inspections up to date with all reports completed within a few days of their return. It showed PASO had the capability to quickly respond and capitalise on this narrow travel window to get the task done.”

“The other great thing is it was funded by the Australian Government, which was fantastic and very much appreciated. Their support significantly helped our operators because the small islands are really struggling due to COVID-19 and the operators particularly,” said Dennis.

New Director of Cook Islands Civil Aviation, Donald Guinea, explains the impact of PASO's audit and inspections programme:

“The collaborative work between PASO and the Cook Island Civil Aviation department with this logistical nightmare of a situation in 2021 was incredible. Aviation being the safety critical industry that it is functions on these inspections for the purpose of compliance from our service providers but also for public confidence. Our traveling public needs to be reassured that despite the challenges COVID-19 has placed on our industry, we in it, are still up-holding the highest of safety standards.

“The Cook Islands is very fortunate to have PASO working for us and having the means to provide us with some of the most experienced Inspectors in the industry for our region. We are very appreciative to them for assisting us in keeping our traveling public safe. Also it would be remiss of me not to also thank the Australian Government for funding these tasks, this has been very helpful for us all, thank you,” concludes Donald.

Project Delivery

2021 saw a significant ramp-up in project activity. PASO achieved a high level of progress regarding its donor projects and programmes against the intended outcomes and outputs defined in the various programme and project results frameworks/donor agreements. Key highlights are outlined below. A more detailed analysis is detailed later in the report (under Strategic Priority 1).



THE WORLD BANK

World Bank Funded Activities

The World Bank funded PASO Reform Project continued with several consultancies commencing and concluding in 2021. Key highlights included:

- » Engagement of the QMS Specialist to aid PASO in implementing a Quality Management System;
- » Engagement of a Global Aviation Safety Oversight System (GASOS) Adviser to support PASO's journey to ICAO Level 2 Regional Safety Oversight Organisation (RSOO) certification.
- » Securing consultants for the new PASO Strategic Plan and for the Regional Aviation Strategy

COVID-19 made a significant impact on the programme implementation in 2020 and 2021 and this caused underspending to occur. PASO made a request to the World Bank for an extension and this was granted. The new closing date of the project is 31 December 2022.

New Zealand Funded Activities

In September 2021, PASO signed a new funding arrangement with the Government of New Zealand for a new programme of work. This new programme will cover core funding, aviation safety, aviation security, and New PASO capabilities. The programme period is five years and it is worth \$9.1million NZD. PASO thanks New Zealand for its continued support.

In 2021, some key highlights in the New Zealand programme included:

- » MFAT approved funding for Aviation Security Inspector work for the region. This means that New Zealand is providing a comprehensive and holistic approach to aviation security in the region. As well as the Aviation Security Inspector, New Zealand is also providing funding for aviation security capacity building activities through PASO. Externally to PASO, New Zealand is providing funding to new security equipment in some airports.
- » PASO provided ongoing bilateral support to Nauru and Kiribati under the New Zealand grant funding agreement, involving rule development work and drafting organisational policies and procedures.
- » Legislative policy development continued as part of a journey towards harmonised model legislation and tools for Members to utilise.
- » Resources also provided support for preparations for and actions arising from the RAMM.

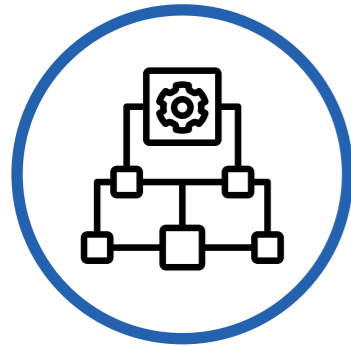


NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatū Aorere



Organisational Strengthening

2021 saw significant advances on major organisational projects, including the Quality Management System (QMS) and Global Aviation Safety Oversight System (GASOS) implementation. The organisation demonstrated strong corporate performance, with a new organisation structure (including new roles) implemented in the second half of the year. The fruits of the new structure will be progressively realised across 2022.



Quality Management System

The Quality Management System project has seen ongoing roll-out and development of PASO's operational and corporate policies and procedures. 2021 has been focussed principally on corporate policies spanning a range of areas, including employment policies, conflicts of interest, risk, and travel. Policies are progressively being supplemented with tools and forms to enhance the organisation's performance and fully implement organisational expectations into business-as-usual activities.

Through the World Bank, a Quality Management Specialist Consultant audited PASO's operational policies and procedures, with an initial 82% compliance assessment against the relevant QMS standard.



Global Aviation Safety Oversight System (GASOS)

Following the pilot audit in 2019, PASO has continued to progress work to resolve those questions marked as unsatisfactory by ICAO (139 questions).

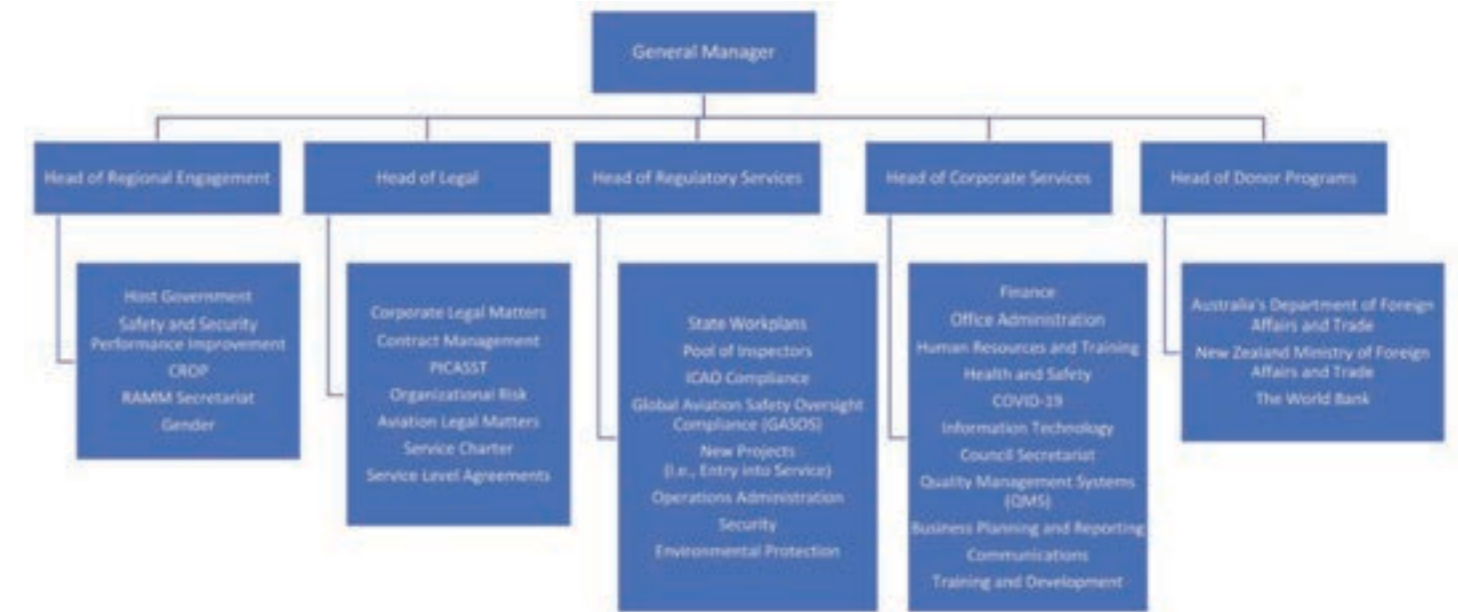
Corrective action plans for the Aerodrome and Ground Airs (AGA), Flight Operations (OPS) and Airworthiness (AIR) areas were completed and uploaded into the GASOS Electronic Management System (GEMS).

The focus of GASOS activity has been the development of systems and procedures in preparation for ICAO accreditation as a Level 2 RSOO. At a practical level, this has involved the development of technical policies, procedures, forms, templates and compliance matrices for Inspector use. This work is being completed by consultants with expertise in technical writing.

PASO will continue to strive towards Level 2 accreditation in 2022 with the recruitment of a Airworthiness Technical Writer, Air Navigation Services Technical Writer, and Personnel Licensing / Flight Operations Technical Writer.

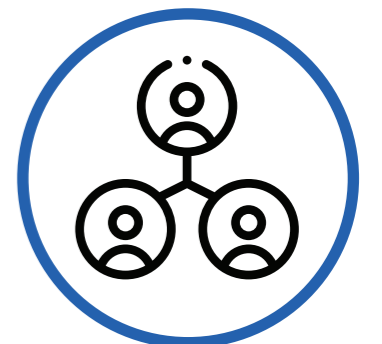
New Organisational Structure

The Council approved a new sustainable organisational structure for PASO at a Special Council Meeting in October. The new structure sees the reorganisation of activities, with new positions created. In addition, the structure will drive a lift in organisational performance through greater clarity around the division of roles and responsibilities.



Corporate Performance

The organisation continued to improve its reporting through enhanced financial management and increased reporting to Members and the Council. PASO has expanded financial forecasting, budgeting and planning to manage its financial risk. Further work has continued around COVID-19's risk planning work as part of implementing a new Risk Policy and framework; further work to revisit all strategic and operational risks will occur in 2022.



Strategic Plan and Our Road Map

PASO engaged Airbiz to provide strategic planning advisory services to develop a new strategic plan for 2023 to 2032. This work is being progressed as part of the PASO Reform Project and through funding from the World Bank.

The first stages of the Airbiz engagement focused on completing an inception report, which involved a study of PASO's current strategic performance. The study involved revisiting PASO's current strategic plan to identify existing strengths and weaknesses, obtain insight and lessons from the last five years and ultimately build an understanding of areas of focus, priority and opportunity ahead of developing a new ten-year strategic plan.

A shaping document was delivered in early 2021. This document outlined the proposed structure and key components for the new strategic plan, focusing on developing a clear vision, core purpose, mission, organisation values, strategic priorities, long-term goals, and the overarching outcomes PASO is working toward. Once approved by the Council, this will enable the detail of the new strategic plan to be finalised.

The Airbiz work will be supplemented by the engagement of a consultant to progress the development of a Regional Aviation Strategy as part of the agreed RAMM workstreams. Funded by the World Bank, this will be an essential stream of work to ensure clarity of purpose for PASO as the regional aviation organisation envisaged by Ministers. The high-level regional strategy will align and better inform the direction of the PASO strategic plan ahead of its finalisation.

Our Performance Against Strategic and Business Plans

The next section of this report provides an overview of our performance against the PASO 2018-2022 Strategic Plan and 2021 Business Plan.

The reporting in this section differs from previous years, as we now:

- » provide an overall assessment of the process toward or achievement of our strategic priorities; and
- » give a summary of how we have tracked against our business planning for the year.

Strategic Priority 1: PASO has strong programmes and support services for Members

Central to achieving strategic priority 1 is the flagship Audits and Inspection Programme. This programme is the core purpose for PASO's existence and the key value-add for our Members.

Audit and Inspection Programme

The Audit and Inspection Programme suffered significant ongoing disruption due to the COVID-19 pandemic. However, as reported earlier, PASO had a record-breaking year, with more regulatory services provided to Members than at any point in PASO's history.

State work plans for 2021 included a significant focus on providing surveillance activities for Members, with funding from the Government of Australia. Unfortunately, there was limited uptake and delivery of these services due to various factors, including State systems being unprepared for such activity and COVID-19 impacts. Nevertheless, several lessons have been taken from the 2021 experience, which will benefit our delivery of surveillance services in 2022. PASO has already commenced work to prepare the PASO policy on surveillance to define better what and how PASO will provide its services and what it entails.

In the final quarter of 2021, PASO worked with Members to better define the surveillance framework and PASO service offering. PASO had also lifted its engagement with States to better inform State representatives about the opportunities and benefits of embedding surveillance services into State work plans and PASO's annual regulatory service delivery.

PASO continued to assist the Governments of Samoa, Vanuatu, and Tuvalu with major projects involving new aircraft entry into service, including some first of type certification activities. Political influences have had significant impacts on the timing and outcomes of these projects.

New Zealand Funded Safety and Security Enhancement Programme - Universal Safety Oversight Audit Programme (USOAP)

The New Zealand project has the overarching objective of the development of a reliable and safe Pacific aviation sector that supports sustainable economic growth.

The project outcomes are:

1. PASO is equipped and resourced to provide quality safety and security oversight services that meet international standards required under the ICAO Convention and is thus fulfilling its mandate as set out in the Pacific Islands Civil Aviation Safety and Security treaty (PICASST)
2. PASO is increasingly providing aviation safety and security oversight services to Pacific civil aviation regulators in a competent and timely manner
3. The Pacific aviation safety and security enabling environment is supported

The New Zealand project has six output areas, alongside Airworthiness Technical Adviser Support to the Civil Aviation Authority of Vanuatu. The six output areas are:



PASO Strengthening



USOAP Implementation



New PASO Capabilities



Nauru Support



Kiribati Support



Aviation Security

A summary of progress under each output is outlined below:

Item	Description	Status
Output 1	Adoption of the PASO Strategic Plan and progression of the delivery indicators (and their targets)	Ongoing
	Development of a funding model to ensure the ongoing viability of PASO service delivery	Ongoing
	Establishment and increased use of PASO Inspectorate pool	Ongoing
	PASO will conduct Gap Analysis, and Implementation plans to assist Member countries with action plans to improve their regulatory oversight of aviation safety	Completed
Output 2	Resources to PASO to enable commencement of delivery of Universal Safety Oversight Audit Programme (USOAP) implementation plans	Ongoing
Output 3	Initiate development of PASO capability to provide new technical services to PICs and pilots in the Cook Islands.	Ongoing
Output 4	Work with the Government of Nauru to address the four ICAO Significant Security concerns and implement the Corrective Action Plan.	Ongoing
Output 5	Work with the Government of Kiribati to implement the manuals and systems to enable compliance with ICAO audit requirements and provide training in line with the Kiribati Implementation Plan.	Ongoing
Output 6	Aviation security capacity-building support and aviation security Inspectors	Ongoing

Summary of activities

PASO continues to progress work towards model legislation policy tools that will aid in achieving updated and harmonised aviation legislation across the Pacific. 2021 has focussed on the foundational building blocks and State education in preparation for developing policy documents to support the long-term implementation of harmonised primary and secondary legislation. The short-term objective of work completed is to support the production of drafting instructions for Members. The development of model organisational structures has supplemented this work. The exercise has involved a series of workshops with Members focused on various policy areas.

PASO assisted Tuvalu with implementing a much-needed initial legislative framework. As a result, Tuvalu now has a framework to pursue its ambitions around a domestic air service. The work has seen Tuvalu implement fit for purpose rules and unique primary legislation allowing recognition of other certifications (across aircraft and personnel) from competent contracting ICAO States.

PASO provided further support to Nauru and Kiribati around their rule development, systems and functions development, organisational strengthening and the development of State and PASO policies, procedures and resources.

Project resources were also directed to supporting preparation for the RAMM and after the RAMM in drafting and consulting on proposed PICASST amendments.

PASO has continued to provide additional bilateral support to Nauru to address areas identified in its ICAO Universal Security Audit. PASO completed a range of aviation security audit and surveillance activities and additional aviation security capacity development activities in Samoa, Kiribati, Nauru and Vanuatu.

PASO also assisted Kiribati in meeting ICAO audit preparation and progress actions identified in its 2019 Implementation Plan completed by PASO under the USOAP programme.

2021 Actions	Status
Review of service level agreements (SLA's) with States and establish a frequency of review. (Note need to review is driven by legislative changes)	Completed
Annual business planning complete with work programmes agreed and resourcing in place through Inspectors and pool of Inspectors.	Completed
Annual work plans are received from States in a timely manner.	Completed
Supporting state needs analysis by providing training/guidance to States in the delivery of their oversight, audit, and regulatory requirements.	Completed
Develop a work plan with the Civil Aviation Authority of New Zealand (CAANZ) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT) for the provision of activities to improve States effective implementation scores under the Universal Safety Oversight Aviation Program (USOAP).	Completed
Explore projects with other development partners focused on continued enhancement and development (i.e., Safety Management Systems, Drones, or the Universal Security Audit Program (USAP)).	Completed

Strategic Priority 2: A well-developed pool of Inspectors

PASO is continuing to achieve this priority.

PASO has access to a strong pool of aviation professionals and technical resources aligned to our current understanding of Members' service needs.

For 2021, the Government of Australia's funding support to the Audit and Inspection Programme meant that PASO opted to move to a different contracting mechanism for our human resources. To maximise the funding available and create efficiencies, PASO offered fixed-term contracts to Inspectors across the full range of disciplines needed to meet State requirements under their work plans. This was a departure from the previous consultancy-only model for the intended scope of work for 2021.

A pool of fixed contract Inspectors was engaged. These Inspectors were assigned to complete tasks under State work plans. However, PASO was also able to maximise its time and expertise to focus on and further develop PASO's systems, policies and procedures during 'gaps' in state work programmes. As a result, PASO was able to access a range of specialist skills and knowledge to enhance further and develop its internal capability to deliver the long-term framework and tools to provide sustainable and high-quality regulatory services in future.

The fixed contract Inspectors were supplemented by the traditional pool of consultant Inspectors.

PASO has coverage across the following disciplines:

- » Aerodrome and Ground Aids (AGA)
- » Air Navigation Services (ANS)
- » Airworthiness Inspectors (AWI)
- » Aviation Security Inspectors (ASI)
- » Flight Operations Inspectors (FOI)
- » Met and Air Traffic Service (ATS)
- » Personnel Licensing (PEL)

Supplementary Technical Support and Partnership

PASO maintained its arrangements with the Civil Aviation Authorities of Australia, Fiji, New Zealand and Papua New Guinea. These arrangements enable PASO to request access to specialist personnel where PASO does not have those resources on the pool of Inspectors or the necessary pool resources are unavailable.

PASO also now has arrangements with Aspeq and the New Zealand Meteorological Service, enabling PASO to access support and services from these partners where Members seek services.

Ensuring Quality and Consistent Services

PASO continued to focus on further developing its corporate and operational policies and procedures, with the ultimate goal of ensuring high quality and consistent service standards to our Members.

Operational procedures, standards and tools continue to be developed and rolled out to ensure a common operating approach and consistent service experience for Members across all regulatory service disciplines.



Pacific Inspector Development Programme (PIDP) and Civil Aviation Authorities Strengthening Programme (CAASP)

The World Bank-funded PIDP continued. The PIDP supports the training and mentoring of Inspectors from the Member States as part of PASO's long-term objective of increasing Member's capability, increasing the number of Pacific Islands Inspectors, and contributing to succession planning PASO's technical expertise pool.

PASO currently has five participants in the PIDP, three men and two women from Kiribati, Papua New Guinea, Samoa and Vanuatu.

An Aviation Security Risk Management course was attended virtually by participants in June 2021

2021 Actions	Status
Identify those individuals who require long term training plans and put in place a pathway to develop those individuals to build capacity in the region with the intent of providing a succession plan for PASO in the future.	Completed
Develop manual, Code of Conduct, qualifications requirement, and contracting mechanism to engage Inspectors.	Completed
Maintain a Memorandum of Understanding with the Civil Aviation Authority of New Zealand to provide Inspector services.	Completed
Register of POI reviewed annually and updated to deliver PASO services for Member States, Inspectors' performance is managed by the Operations Manager.	Completed
Mentoring and training plans are undertaken to identify and source Pacific Islands expertise that require a small (one to two courses) amount of training and/or experience to enable access on to the Inspectorate pool.	Completed

Strategic Priority 3: PASO maintains a robust QMS

2021 saw the continuation of the work that commenced in 2020 to further develop PASO's organisational management systems as a prerequisite to implementing a quality management system.

Specialist resources are engaged to implement the quality system as part of PASO's priority to implement a quality management system.

Key policies and resources developed in 2021

(some still subject to approval and implementation steps):

- » Quality Policy
- » Conflict of Interest Policy (Council Members) and related template forms and register
- » Conflict of Interest Policy (PASO Personnel) and related template forms and register
- » Delegations Policy
- » Risk Management Policy
- » Travel Policy
- » Funding Policy
- » Financial Management Policy
- » Communication & Social Media Policy
- » Crisis Communication Policy
- » Health & Safety & Staff Wellbeing Policy
- » Quality Policy Peoples Policy
- » Code of Conduct
- » Records Management Policy
- » IT Acceptable Use Policy
- » Passwords Policy
- » Vehicle Policy

These policies add to the initial tranche of policies introduced in 2020 (as reported in the 2020 Annual Report).

Additional policies and procedures will be developed based on business needs and following a new PASO policy around the development and creation of policies.

Ongoing development of detailed procedures supporting the various policies will continue to be a focus in 2022.

2021 Actions	Status
Clear policies and delegations developed and approved.	Deferred to 2022
Technical procedures for Inspectors documented, reviewed, and updated.	Completed
Corporate procedures and delegations that support employment, financial and IT delegations/policies are in place.	Deferred to 2022
Practical QA System for PASO based on International Organisation for Standards (ISO) requirements or like system.	Deferred to 2022
Conduct an annual review and make changes as required.	N/A

Strategic Priority 4: PASO exhibits strong corporate, organisational and financial governance



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Council Governance

As outlined earlier in this report, PASO governance was boosted by refreshing the Sub Committee approach. Sub Committee meetings were held separately from ordinary Council meetings, a departure from previous years. The new approach has promoted enhanced engagement and focus. The ability of Members to interrogate proposals and test concepts and ideas has provided significant benefits ahead of Council meetings.



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Financial Management

Implementation of enhanced financial forecasting, reporting and planning has contributed positively to the transparency and accountability of PASO's financial status and outlook. Key focus by both PASO and Members on debt management in 2021 has seen significant improvement in PASO's financial position. While PASO continues to experience challenges due to long-term debt, the position is improving thanks to a concerted effort by Members to address long-standing debt.



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Policy Implementation

As referenced earlier in this report, a core focus of 2021 for PASO was on the continued development of a comprehensive suite of operational and corporate policies. These policies include a tranche of governance policies that set the fundamental framework for PASO's governance and corporate performance.

2021 Actions	Status
Review and reset the value of the subscription fees based on an agreed methodology that explains what the purpose and function of the Membership subscription fee is for.	Completed
Financial policy and procedures, financial delegations, annual budgets, and monthly and quarterly reporting are in place. Systems are reviewed annually.	Deferred to 2022
Implement new organisational policies and procedures (the Drysdale Report).	Completed
Obtain accurate passenger information and forecasts, review annually.	N/A
Open dialogue with relevant bodies to identify how PASO can influence aviation issues across the region.	Completed
TNA for personnel to be developed and actioned for PASO personnel.	Deferred to 2022
Governance Training Session to be implemented and delivered to improve Financial and Corporate Activities for the PASO Council.	Deferred to 2022
Develop a risk strategy & register for PASO, review annually.	Completed
Produce Annual Business Plans and Annual Reports.	Completed
Review progress of the current Strategic Plan and commence planning for the next Strategic Plan, 2022 – 2026.	Completed

Strategic Priority 5: PASO is reformed

Earlier aspects of the report have already addressed a number of PASO highlights, which have contributed to PASO's ongoing reform and strengthening journey. One of the key deliverables for 2021 was to commence the review and drafting of a new Strategic Plan. As reported earlier in the document, the review and plan development process has started and will work with the Regional Strategy work committed to as part of the RAMM.

IT developments

PASO continued to explore options for a new IT platform and will secure a Business Analyst in 2022 to support with this process. The IT Adviser continued to support PASO with guidance with purchasing laptops and IT equipment, and advice on cybersecurity.



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Communications Framework

PASO communications branding and editorial guidelines were established for enhanced organisational presentation and communication. In addition, 2021 saw further development of the PASO website and a range of media and communication releases to support PASO engagement and visibility.



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2021 Actions	Status
Continue and strengthen support provided by three IDC consultants providing advisory services to Operations, Finance, and IT until project end (31 Dec 2021).	Completed
Complete assistance provided by USOAP Advisor to PASO States on USOAP Online Framework.	Completed
Undertake Review of 2018-2022 Strategic Plan and draft new 5-year plan reflecting COVID-19 impact.	Completed
Embed the technical manuals provided by Regulatory Advisor in Operations Team wider QMS effort.	Completed
Embed the media and communications procedures developed by Marketing & Comms Advisor.	Deferred to 2022
Enable PASO to leverage the full potential of new IT equipment and file management system procured under the Reform project.	Completed
Restructure project to reflect impact of COVID-19 travel restrictions and projected underspend.	Completed

Strategic Priority 6: PASO has excellent internal and external relationships

Developing and maintaining positive working relationships continued to be a focus for PASO in 2021. The focal points for PASO relationships were the RAMM and delivery of the Australian funded (no cost) regulatory services to Members.

As reported earlier in this report, PASO participated in regional forums, including CROP. PASO was also active at the international level, participating in a range of ICAO meetings, training, and other forums.

PASO did not achieve its plan to meet with each State at least once, owing primarily to the inability to travel to States. Instead, PASO has engaged with Members virtually and through the platform of Council and Sub Committee meetings held by video-conferencing.

PASO will work toward finalising a clear value proposition as part of the ten-year Strategic Plan under development for PASO.

Regional Aviation Ministers Meeting

The most significant relationship-building activity in 2021 was in the context of the RAMM. PASO has worked with 18 Pacific Island States in the preparation and execution of the RAMM. PASO was also able to have bilateral meetings with New Caledonia, French Polynesia, Federated States of Micronesia and the Republic of Marshall Islands, and Pacific States that have recently been involved in regional aviation development.



Across the final six months of 2021, as the RAMM Secretariat, PASO progressed key workstreams, including:

- » Recruitment of Consultants for the Regional Aviation Strategy and the Enhanced Aviation Organisation deliverables;
- » Preparation of proposed PICASST amendments for State consideration and feedback ahead of an officials workshop in early 2022;
- » Survey for information gathering on the COVID-19 Impact Assessment for Aviation in the Pacific – in collaboration with Pacific Region Infrastructure Facility (PRIF) and Landrum and Brown Aviation Consultants;
- » Liaison with the Solomon Islands on Air Services Agreement matters; and
- » Liaison with Kiribati on matters relating to upper airspace management.

2021 Actions	Status
Regular communications, updates, and information to a range of internal and external stakeholders.	Completed
PASO management to meet annually with the Host State and at least once with all PASO Members and Associate Members every three years.	Completed
Develop and implement a value proposition, Review Annually.	Completed
New relationships are explored and formalised which strengthens PASO.	Completed

Strategic Priority 7: PASO maintains an equitable and supportive Host Agreement

PASO is generously hosted by the Government of the Republic of Vanuatu. PASO is the sole CROP agency with headquarters in Vanuatu.

The current hosting arrangements are defined in a Hosting Agreement signed in 2018.

Under the current Hosting Agreement, the Government of Vanuatu provides funding to meet the cost of office facilities and part of PASO's annual operating budget, including funding for six Ni-Vanuatu staff to coordinate PASO's regional services and provide administrative support. The annual hosting budget is agreed upon annually.

As part of the ongoing hosting arrangement, PASO enjoys a strong partnership with the Government of Vanuatu. PASO provides ongoing reporting to the Government of Vanuatu to demonstrate performance and promote accountability. 2021 saw no change to hosting arrangements.

As envisaged by the Strategic and Business Plans, PASO completed its annual review and relationship meeting through engagement with the Department of Foreign Affairs and International Cooperation officials. The Government of Vanuatu has expressed interest in updating the current hosting arrangements. Vanuatu has indicated that changes may be required to the Hosting Agreement to reflect changes in domestic law, namely the Diplomatic Privileges and Immunities Act which recognises PASO as an international organisation granted diplomatic privileges, authorities and immunities.

Government and Industry Workshop

In May of 2021, the Vanuatu aviation industry sector, Vanuatu Government Agencies and PASO held a half-day workshop to discuss enhancing collaboration and strategic aviation outcomes.

The aviation workshop was convened by the Civil Aviation Authority of Vanuatu (CAAV) and PASO to build common ground and forge a new strategic pathway for Vanuatu's aviation safety and security services with PASO's support.

The jointly hosted workshop was attended by 40 key representatives from local aviation operators, Airports Vanuatu Ltd., the Vanuatu Department of Foreign Affairs and Trade, the Department of Finance, the Australian and New Zealand High Commissions, and CAAV and PASO.

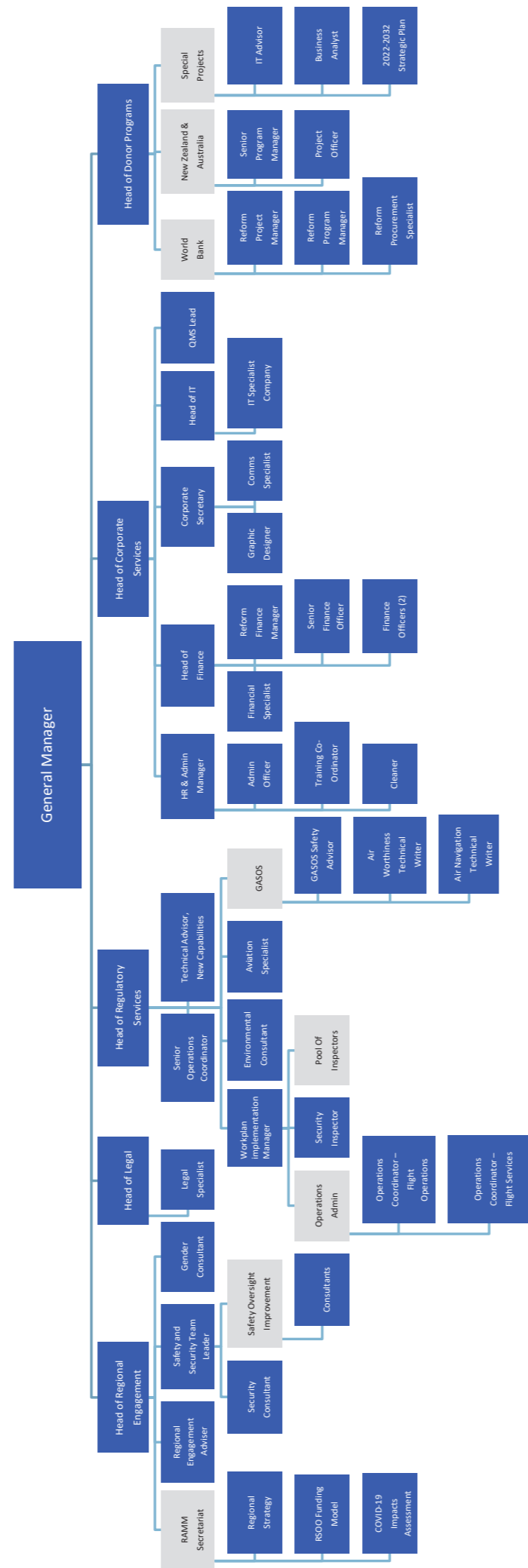
Participants discussed the challenges facing the Vanuatu aviation industry, identified priority areas for development to strengthen the industry, and looked at how PASO could provide more strategic support to the sector to benefit the Vanuatu aviation industry and its end-users and, ultimately, Vanuatu's economy. The workshop provided an opportunity for all stakeholders to understand the responsibilities, roles and capacity of PASO.



2021 Actions	Status
Updated Hosting Agreement executed with the Government of Vanuatu.	Completed
Annual review and relationship meeting between PASO and the Government of Vanuatu.	Completed

Our People

Our new structure is about driving increased performance. As a result, the new structure has seen some key personnel changes.



PASO team at Port Vila headquarters, December 2021

Key Comings and Goings

New Head of Corporate Services

Following an open recruitment process across the Pacific region, Mrs. Sal Ernest was appointed as Head of Corporate at the end of 2021. The new role picks up most of the areas of responsibility falling under the previous Corporate Services Manager role.

Acting Head of Regulatory Services

Former Vanuatu Director of Civil Aviation and current PASO Operations Advisor Mr. Joseph Niel is currently filling the Head of Regulatory Services role on an interim basis. Mr. Niel is supported by Mr. Waqa and will continue in the position until it can be advertised regionally in 2022.

(Please note that since preparation of this report and following an open competitive process, Mr. Niel has now been appointed to the role for a fixed term.)

New Head of Regional Engagement

Following an open recruitment process across the Pacific region, Ms. Annie Kwan-Sing was appointed to the newly created role of Head of Regional Engagement. The role will be targeted at strengthening PASO's external and national diplomatic relationships, implementing PASO's responsibilities as a CROP agency, leading the RAMM Secretariat, and delivering USAP and USOAP engagements with the Pacific and PASO Members.

Change of Role - Operations Manager

Netava Waqa, who served in the Operations Manager role since 2018, decided not to renew his contract for 2022, instead opting to change roles to move away from a management role to a specialist advisor role. His service as Operations Manager is valued and acknowledged, especially given his significant contribution during a period of growth and strengthening. Mr. Waqa will continue to provide a mentoring role to the incoming Head of Regulatory Services (a role that replaces the previous Operational Manager role).

Financial Reports

Financial Report

Overall Position

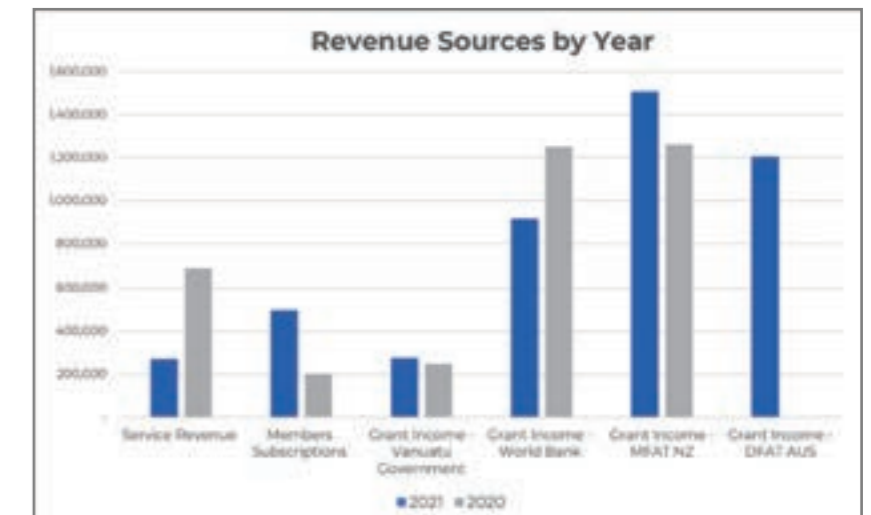
PASO received initial funding from an ADB Loan on commencement of the organisation, meaning the net position has always been negative. Payment of debt principal and consistent generation of small surpluses has consistently improved the net position. This trend continued in 2021 with a small surplus being achieved and all debt repayment obligations being met.



Revenue

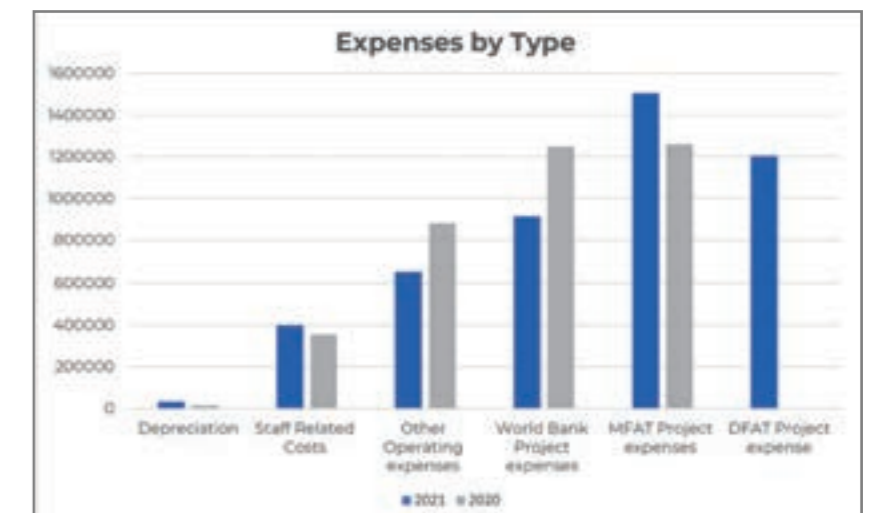
PASO recorded an operating surplus of \$12k in 2021, compared to a \$25k profit in 2020. Given the organisation operates on a cost-recovery basis where any surplus is reinvested in to services for Members or used to offset future costs, these results are typical of the annual expectations.

Revenue increased to \$4.7m in 2021, up from \$3.6m in 2020. This increase is predominantly due to support from the Government of Australia for COVID-related recovery.



Expenses

Expenses increased to \$4.7 million in 2021, up from \$3.7 million in 2020. Again, this was predominantly due to the investment from the Government of Australia for COVID-related recovery.



Cash Flow

Due to the commitment from our Members and donors, PASO experienced a strong cash flow position for 2021. Debtor levels have continued to decline year on year, with Member States paying their accounts promptly, which greatly eased the burden of cash flow management. One State had not paid their 2021 account at the time of finalising the Financial Statements, resulting in the increased provision for doubtful debts. However, this amount has recently been paid, bringing all States back into good standing.

Asian Development Bank Loan

The Asian Development Bank (ADB) provided PASO with SDR 1,033,000 debt financing in 2005 and payments continued in 2021. PASO remains committed to its loan repayment and foresees no issues with continued servicing of this debt.

Financial Outlook

Towards the end of 2021, a new five-year agreement was signed with the Government of New Zealand, allowing considerable strengthening and longer term planning for PASO. The funding allows for stability, particularly into 2023 with the World Bank and Government of Australian projects coming to an end.

General Manager's Report to the Council of Directors for the Year Ended 31 December 2021

The General Manager presents this report on the financial statements of the Organisation for the year ended 31 December 2021. The following States and delegates held office in the Council of Directors during the financial year and at the date of this report:

State	Delegate	Position	Appointed	Resigned/ Retired
Samoa	Magele Hoe Viali	Chairperson	2019	
Cook Islands	John Hosking	Deputy Chairperson	2018	
Niue	Bill MacGregor	Deputy Chairperson	2006	
PASO	Andrew Valentine	General Manager	2016	
Australia	Jim Wolfe	Member	2019	
Australia	Nisha Lad	Alternate Member	2010	2021
Australia	Jeff Street	Alternate Member	2021	
Cook Islands	Dennis Hoskins	Alternate Member	2017	
Fiji	Jan Sherani	Member	2017	
Fiji	Alumita Lagicere	Alternate Member	2018	
Kiribati	Taratakke Teannaki	Member	2019	2021
Kiribati	Mitateti Mote	Alternate Member / Member	2018	
Kiribati	Aako Teikake	Alternate Member	2016	
Nauru	Nodel Neneiya	Member	2019	
Nauru	Dominic Tabuna	Alternate Member	2019	
New Zealand	David Weinstein	Member	2018	
New Zealand	Daniel Toga	Alternate Member	2021	
Niue	Andre Siohane	Member	2015	
Niue	Sonya Talagi	Alternate Member	2015	
Papua New Guinea	Wilson Sagati	Member	2003	2021
Papua New Guinea	Benedict Oraka	Member	2021	
Papua New Guinea	Michael Terim	Alternate Member	2016	
Samoa	Yvonne Mariner-Viliamu	Alternate Member	2019	
Solomon Islands	Moses Virivolomo	Member	2015	
Solomon Islands	Brian Halisanau	Alternate Member	2017	
Tonga	Lopeti Heimuli	Member	2020	
Tonga	John Wycliffe Havea	Alternate Member	2018	
Tuvalu	Avafoa Irata	Member	2019	2021
Tuvalu	Vavau Fatuuga	Member	2021	
Tuvalu	Uinga Paelate	Alternate Member	2011	
Vanuatu	Henry Worek	Member	2020	2021
Vanuatu	Johnson Binaru lauma	Member	2021	
Vanuatu	Jackie T Langati	Alternate Member	2019	

State of Affairs

The result of the Organisation's operations for the financial year is a surplus of AUD 11,913 (2020: surplus AUD 25,313).

Activities

The principal and continuing activity of the Organisation is the conduct of aviation oversight and safety in the Pacific Region.

Property, Plant and Equipment

During the financial year, World Bank Reform Project did not transfer assets to PASO (2020:AUD 48,887).

Events Subsequent to Balance Date

At the date of this report, the Organisation has no other contingent liabilities or any charge on its assets securing the liability of any other parties since 31 December 2021. No contingent or other liability has become enforceable on or before the date of this report which, in the General Manager's opinion, will or may substantially affect the ability of the Organisation to meet its obligations as and when they fall due (2020: Nil).

Loan and Grant Covenants

The following have been produced in accordance with:

- (i) Section 4.02 of the ADB Loan Agreement
- (ii) Section 3II .B. 3 of the WB Financing Agreement IDA-H883
- (iii) Article 24 of the Government Hosting Agreement
- (iv) Dedicated Bank accounts
 - (a) In USD Dollars for WB Grant funds
- (v) Audited financial statements have been furnished to World Bank no later than six months following the end of the financial year; and
- (vi) Furnish ADB such other information concerning such accounts and financial statements and the audit thereof.

Other Circumstances

At the date of this report, the General Manager is not aware of any circumstances that would render any amount stated in the accounts misleading.

Place of Business

The Pacific Aviation Safety Office is a non-profit International Organisation set up under the Pacific Islands Civil Aviation Safety and Security Treaty and operated for the benefit of Member States. PASO is currently headquartered in Port Vila, Vanuatu.

Distributions

Any surpluses are used in the furtherance of its objectives and no distributions are made to Members.

Signed on behalf of the Council of Representatives,



11 June 2022

Mr. Andrew Valentine
PASO General Manager

Date



Lauano Yvonne T. Tuioti Mariner-Viliamu
PASO Chairperson

11 June 2022

Date

Independent Auditor's Report



Independent Auditor's Report

To the Council Representatives of Pacific Aviation Safety Office

We have audited the accompanying financial statements of Pacific Aviation Safety Office which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 20.

Council of Representatives' responsibility for the financial statements

The Council of Representatives of the Organisation are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS 1). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Organisation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements have been properly prepared in accordance with the provisions of the Charitable Associations (Incorporation) Act [CAP 140] and give a true and fair view of the financial position of the Organisation as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Port Vila,

01 / 06 / 2022



AJC Chartered Professional Accountants

(Qualified auditors under Section 130 of the Companies Act No.25 of 2012 of the Republic of Vanuatu)

PASO Financial Statements

PACIFIC AVIATION SAFETY OFFICE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Audit Findings

In addition to our opinion on the statutory audit, as auditors of Pacific Aviation Safety Office (herein – PASO) we are required to form an opinion for the following items:

(a) Repayment of ADB Loan Funds

In our opinion, PASO fully utilised ADB funds for purposes as indicated in the loan agreement, as at 31 December 2021 and currently conforms to the repayment schedule.

(b) Compliance with Specific and Financial ADB Covenants

In our opinion, PASO has complied with the Particular Covenants set out in Article IV of the loan agreement.

In our opinion, PASO has adhered to the requirements of the Financial Covenants in Schedule 5 paragraphs 13, 15, 17 - 19 of the loan agreement, however attention is drawn to paragraph 21 of the loan agreement which requires PASO to ensure its member countries provide, in a timely manner, all necessary counterpart funds and in-kind contributions for successful project implementation. This remains a challenge to PASO as it continues to strive to ensure that members of PASO meet their financial obligations in the required timeframe, however sometimes delays occur due to factors outside of PASO's control.

(c) Utilisation of Designated Funds under the WB Grant Funds

In our opinion, PASO was compliant with the operation of the Designated Account as indicated in the Finance Agreement.

(d) Statement of Expenditure Procedures

We are unable to form an opinion on the Statement of Expenditure (SOE) Procedures, as they are not currently applicable to PASO.

(e) Conformity with WB Procurement Guidelines

In our opinion, PASO adhered to the WB Procurement Guidelines.

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

2021						
	Note	Operations	World Bank Project	MFAT Project	DFAT Project	Consolidated
Revenue						
Operating revenue		1,043,298	915,067	1,506,188	1,204,235	4,668,788
Interest received		2,763	-	-	-	2,763
Other		48,901	-	-	-	48,901
Total revenue	3	1,094,962	915,067	1,506,188	1,204,235	4,720,452
Expenses						
Operating expenses	3	1,083,049	915,067	1,506,188	1,204,235	4,708,539
Net surplus		11,913	-	-	-	11,913
2020 - Restated						
	Note	Operations	World Bank Project	MFAT Project	DFAT Project	Consolidated
Revenue						
Operating revenue		1,136,048	1,250,360	1,261,332	47	3,647,787
Interest received		3,020	-	-	-	3,020
Other income		139,236	-	-	-	139,236
Total revenue	3	1,278,304	1,250,360	1,261,332	47	3,790,043
Expenses						
Operating expenses	3	1,252,991	1,250,360	1,261,332	47	3,764,730
Net surplus		25,313	-	-	-	25,313

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 12 to 20.

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

2021	Note	Operations	World Bank Project	MFAT Project	DFAT Project	Consolidated
Accumulated deficit at the beginning of the financial year		(710,075)	-	-	-	(710,075)
Net surplus for the financial year		11,913	-	-	-	11,913
Accumulated deficit at the end of the financial year		(698,162)	-	-	-	(698,162)
2020 - Restated						
		Operations	World Bank Project	MFAT Project	World Bank Project	Consolidated
Accumulated deficit at the beginning of the financial year		(735,388)	-	-	-	(735,388)
Net surplus for the financial year		25,313	-	-	-	25,313
Accumulated deficit at the end of the financial year		(710,075)	-	-	-	(710,075)

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 12 to 20.

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Expressed in Australian dollars

2021	Note	Operations	WB Project	MFAT Project	DFAT Project	Consolidated
ASSETS						
Current assets						
Cash and cash equivalents	4	678,017	341,653	1,979,051	795,718	3,794,439
Receivables	5	-	-	-	-	-
Other assets	6	8,974	-	-	-	8,974
		686,991	341,653	1,979,051	795,718	3,803,413
Non-current assets						
Property, plant and equipment	7	128,004	-	-	-	128,004
		128,004	-	-	-	128,004
TOTAL ASSETS		814,995	341,653	1,979,051	795,718	3,931,417
LIABILITIES						
Current liabilities						
Payables	8	5,340	-	-	-	5,340
Prepaid subscriptions		141,940	-	-	-	141,940
Other creditors	9	8,024	-	-	-	8,024
Borrowings	10	83,021	-	-	-	83,021
Provisions	11	31,313	-	-	-	31,313
Deferred revenue	18	364,139	-	-	-	364,139
		633,777	-	-	-	633,777
Non-current liabilities						
Borrowings	10	801,209	-	-	-	801,209

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Expressed in Australian dollars

Provisions	11	78,171	-	-	-	78,171
Revolving fund	17	-	341,653	1,979,051	795,718	3,116,422
		879,380	341,653	1,979,051	795,718	3,995,802
TOTAL LIABILITIES		1,513,157	341,653	1,979,051	795,718	4,629,579
EXCESS OF LIABILITIES OVER ASSETS		(698,162)	-	-	-	(698,162)
Accumulated deficit at the beginning of the financial year		(710,075)	-	-	-	(710,075)
Net surplus for the financial year		11,913	-	-	-	11,913
TOTAL ACCUMULATED DEFICIT		(698,162)	-	-	-	(698,162)



Mr Andrew Valentine
General Manager

11 June 2022

Date



Mr Magale Hoe Jerome Viali
Chairman

11 June 2022

Date



The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 12 to 20.

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Expressed in Australian dollars

2020 - Restated						
	Note	Restated Operations	WB Project	MFAT Project	DFAT Project	Restated Consolidated
ASSETS						
Current assets						
Cash and cash equivalents	4	263,809	369,794	1,877,873	799,953	3,311,429
Receivables	5	460,765	-	-	-	460,765
Other assets	6	5,243	-	-	-	5,243
		729,817	369,794	1,877,873	799,953	3,777,437
Non-current assets						
Property, plant and equipment	7	51,888	-	-	-	51,888
		51,888	-	-	-	51,888
TOTAL ASSETS		781,705	369,794	1,877,873	799,953	3,829,325
LIABILITIES						
Current liabilities						
Payables	8	12,444	-	-	-	12,444
Prepaid subscriptions		63,910	-	-	-	63,910
Other creditors	9	8,024	1,943	54,693	-	64,660
Borrowings	10	79,603	-	-	-	79,603
Provisions	11	15,262	-	-	-	15,262
Deferred revenue	18	363,460	-	-	-	363,460
		542,703	1,943	54,693	-	599,339
Non-current liabilities						
Provisions	10	61,632	-	-	-	61,632

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Expressed in Australian dollars

Borrowings	11	887,445	-	-	-	887,445
Revolving fund	17	-	367,851	1,823,180	799,953	2,990,984
		949,077	367,851	1,823,180	799,953	3,940,061
TOTAL LIABILITIES		1,491,780	369,794	1,877,873	799,953	4,539,400
EXCESS OF LIABILITIES OVER ASSETS		(710,075)	-	-	-	(710,075)
Accumulated deficit at the beginning of the financial year		(735,388)	-	-	-	(735,388)
Net surplus for the financial year		25,313	-	-	-	25,313
TOTAL ACCUMULATED DEFICIT		(710,075)	-	-	-	(710,075)

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

2021		Note	Operations	WB Project	MFAT Project	DFAT Project	Consolidated	
Cash flows from operating activities								
Cash receipts in the course of operations			1,468,202	915,067	1,506,188	1,204,234	5,093,691	
Cash payments in the course of operations			(900,461)	(943,208)	(1,405,010)	(1,208,469)	(4,457,148)	
Interest received			2,763	-	-	-	2,763	
Interest paid			(14,552)	-	-	-	(14,552)	
Net cash provided by/(used in) operating activities			12 (b)	555,952	(28,141)	101,178	(4,235)	624,754
Cash flows from investing activities								
Purchase of property, plant and equipment			(76,116)	-	-	-	(76,116)	
Proceeds on sale from property, plant and equipment			26,338	-	-	-	26,338	
Net cash used in investing activities			(49,778)	-	-	-	(49,778)	
Cash flows from financing activities								
Movement in borrowings			(82,817)	-	-	-	(82,817)	
Net cash used in financing activities			(82,817)	-	-	-	(86,817)	
Effect of foreign exchange rate changes on cash and cash equivalents			(9,149)	-	-	-	(9,149)	
Net increase/(decrease) in cash and cash equivalents			414,208	(28,141)	101,178	(4,235)	483,010	
Cash and cash equivalents at the beginning of the financial year			263,809	369,794	1,877,873	799,953	3,311,429	
Cash and cash equivalents at the end of the financial year 2021			12 (a)	678,017	341,653	1,979,051	795,718	3,794,439

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 12 to 20.

PACIFIC AVIATION SAFETY OFFICE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

Expressed in Australian dollars

2020 - Restated

	Note	Operations & MFAT & DFAT	World Bank Project	Consolidated
Cash flows from operating activities				
Cash receipts in the course of operations		2,555,350	1,250,361	3,805,711
Cash payments in the course of operations		(137,328)	(1,265,371)	(1,402,699)
Interest received		3,020	-	3,020
Interest paid		(13,545)	-	(13,545)
Net cash provided by/(used in) operating activities	12 (b)	<u>2,407,497</u>	<u>(15,010)</u>	<u>2,392,487</u>
Cash flows from investing activities				
Purchase of property, plant and equipment		(47,067)	-	(47,067)
Proceeds on sale from property, plant and equipment		2,265	-	2,265
Net cash used in investing activities		<u>(44,802)</u>	<u>-</u>	<u>(44,802)</u>
Cash flows from financing activities				
Movement in borrowings		24,356	-	24,356
Net cash used in financing activities		<u>24,356</u>	<u>-</u>	<u>24,356</u>
Effect of foreign exchange rate changes on cash and cash equivalents		(74,691)	-	(74,691)
Net decrease in cash and cash equivalents		<u>2,312,360</u>	<u>(15,010)</u>	<u>2,297,350</u>
Cash and cash equivalents at the beginning of the financial year		629,275	384,804	1,014,079
Cash and cash equivalents at the end of the financial year 2020	12 (a)	<u>2,941,635</u>	<u>369,794</u>	<u>3,311,429</u>

PACIFIC AVIATION SAFETY OFFICE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

1. Statement of significant accounting policies

Pacific Aviation Safety Office (herein – the Organisation) is a non-profit International Organisation set up under the Pacific Islands Civil Aviation Safety and Security Treaty and operated for the benefit of member states.

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Statement of compliance

The financial statements of the Organisation are drawn up in accordance with International Public Sector Accounting Standards (IPSAS 1) adopted by the International Public Sector Accounting Standards Board (IPSASB) and the requirements of the Charitable Associations (Incorporation) Act [CAP 140].

(b) Basis of preparation

They are prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements are presented in Australian dollars (AUD).

The accounting policies are consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year. There were no changes in accounting policies during the current financial year.

(c) Revenue recognition

Grant revenue

Grants are recognised in the income statement principally on an accrual basis. Grants that compensate the Organisation for expenses paid are recognised as revenue in the income statement in the same periods in which the expenses are incurred.

Service revenue

Incomes from services are recognised in the income statement upon completion of the service.

(d) Foreign currencies

Transactions in currencies other than the Organisation's functional and presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of

Expressed in Australian dollars

the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Cash and cash equivalents

The Organisation's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition. Term deposits that the Organisation cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

(f) Property, plant and equipment*Acquisitions*

Items of property, plant and equipment are recorded at cost and depreciated as outlined on the next page.

Disposal of assets

The gain or loss on disposal of assets are calculated as the difference between the carrying amount of the assets at the time of disposal and the proceeds on disposal and is included in the result in the year of disposal.

Depreciation

Depreciation is charged on a straight-line basis and the following rates are used:

• Office furniture	20%
• IT and office equipment	20%
• Motor vehicles	20%
• IT and communications equipment	33%

Assets are depreciated from the date of acquisition.

(g) Employee entitlements*Wages, salaries and annual leave*

The provision for employees' entitlements to wages, salaries and annual leave represents the amount that the Organisation has a present obligation to pay resulting from employees' services provided up to balance date.

Expressed in Australian dollars

The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

Severance allowance

Severance allowance is calculated at the rate of a month's salary for each year of service. It is assumed that employees will remain in the Organisation employment for the period necessary to qualify for the respective entitlements.

Vanuatu National Provident Fund

Contributions to the Vanuatu National Provident Fund are recognised as an expense in the income statement in the period in which they are incurred.

(h) Receivables

Receivables are stated at nominal values, less write-downs for any amounts expected to be irrecoverable.

(i) Value Added Tax (VAT)

Under the Host State Agreement between the Government of the Republic of Vanuatu and the Organisation, its assets, income and property, owned or occupied in Vanuatu shall be exempt from all forms of taxation including Customs duties and Value Added Tax.

(j) Impairment

The carrying amounts of the Organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(k) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. When possible, 2020 comparative figures were reclassified to present the same classification as 2021 regarding Operations, DFAT, MFAT and WB transactions.

Expressed in Australian dollars

A restatement was made in 2021 to correct a material misstatement in the prior period financial statements that affect the comparative information as follow:

	2020	Adjustment	2020 Restated
Receivables	748,812	(342,740)	406,072
Prepaid subscriptions	406,650	(342,740)	63,910

2. Going concern

The financial statements of the Organisation have been prepared on a going concern basis, which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of business. The Council representatives consider the going concern principle to be applicable in the preparation of these financial statements given the ongoing financial support provided by the Organisation's aid donors and member nations' utilisation of its services in generating income as well as yearly subscriptions of each member nations.

3. Net surplus

Net surplus has been arrived at after including:

Operating revenue

	2021	2020 Restated
Service revenue	270,118	685,620
Member's subscriptions	497,450	201,600
Grant Income – Vanuatu government hosting	275,730	248,828
Grant Income – World Bank	915,067	1,250,360
Grant Income – MFAT NZ	1,506,188	1,261,332
Grant Income – DFAT	1,204,235	47
	<u>4,668,788</u>	<u>3,647,787</u>
Interest income	2,763	3,020
Other	48,901	139,236
	<u>4,720,452</u>	<u>3,790,043</u>

Expressed in Australian dollars

3. Net surplus (cont'd)	2021	2020 Restated
Operating expenses		
Depreciation	34,090	15,024
Staff related costs	398,762	355,644
Other operating expenses	650,197	882,323
World Bank Project expenses	915,067	1,250,360
MFAT Project expenses	1,506,188	1,261,332
DFAT Project expenses	1,204,235	47
	<u>4,708,539</u>	<u>3,764,730</u>
Net surplus	<u>11,913</u>	<u>25,313</u>

4. Cash and cash equivalents**(a) PASO Operation**

Petty cash	244	237
Cash in bank – AUD Subscriptions account	255	145,945
Cash in bank – AUD Service Fee account	232	5,357
Cash in bank – Vatu account	5,446	112,270
Cash in bank – AUD Operations account (ANZ)	508,057	-
Cash in bank – Vatu account (ANZ)	163,783	-
	<u>678,017</u>	<u>263,809</u>

(b) World Bank Project

PACIFIC AVIATION SAFETY OFFICE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

Cash in bank – USD account	-	369,794
Cash in bank – USD account (ANZ)	341,653	-
	<u>341,653</u>	<u>369,794</u>
(c) MFAT Project		
Cash in bank – NZD account	184	1,877,180
Cash in bank – NZD account (MFAT 1 – ANZ)	455,932	-
Cash in bank – NZD account (MFAT 2 – ANZ)	1,522,935	-
	<u>1,979,051</u>	<u>1,877,873</u>
(d) DFAT Project		
Cash in bank – AUD account	8	799,953
Cash in bank – AUD account (ANZ)	795,710	-
	<u>795,718</u>	<u>799,953</u>
	<u>3,794,439</u>	<u>3,311,429</u>

5. Receivables	2021	2020
		Restated
Government of Cook Islands	-	(472)

IAR 16

PACIFIC AVIATION SAFETY OFFICE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

Government of Kiribati	-	109,125
Government of Papua New Guinea	-	27,794
Government of Tonga	36,360	-
Government of Vanuatu	-	216,895
Government of Samoa	-	52,730
	<u>36,360</u>	<u>406,072</u>
Receivable from MFAT Project	-	54,693
Less: Provision for doubtful debts	(36,360)	-
	<u>-</u>	<u>460,765</u>
6. Other assets		
Bond (rent security deposit)	5,608	5,608
Prepayments	3,365	(365)
	<u>8,974</u>	<u>5,243</u>
7. Property, plant and equipment		
<i>Office furniture</i>		
At cost	28,175	27,759
Less: Accumulated depreciation	(22,041)	(18,931)
	<u>6,134</u>	<u>8,828</u>
<i>IT and office equipment</i>		
At cost	149,984	117,105
Less: Accumulated depreciation	(93,391)	(74,045)

IAR 17

Expressed in Australian dollars

	<u>56,593</u>	<u>43,060</u>
<i>Motor vehicles</i>		
At cost	76,165	48,248
Less: Accumulated depreciation	(10,888)	(48,248)
	<u>65,277</u>	<u>-</u>
Total property, plant and equipment - at net book value	<u>128,004</u>	<u>51,888</u>
<i>Movement in property, plant and equipment</i>		
Opening net book value	51,888	19,845
Additions	110,207	49,332
Disposal	(48,995)	(2,265)
Depreciation	14,904	(15,024)
Closing net book value	<u>128,004</u>	<u>51,888</u>

Expressed in Australian dollars

8. Payables	2021	2020
		Restated
Trade creditors	5,340	12,444
	<u>5,340</u>	<u>12,444</u>
9. Other creditors		
Accrued expenses	8,024	9,967
Payable to PASO Operations	-	54,693
	<u>8,024</u>	<u>64,660</u>
10. Borrowings		
<i>Current</i>		
Loan – Asian Development Bank	83,021	79,603
<i>Non-current</i>		
Loan – Asian Development Bank	801,209	887,445
	<u>884,230</u>	<u>967,048</u>

Bank loan details

The loan from Asian Development Bank is for a Special Project, the objective of which is to ensure that the Pacific Aviation sector meets all international requirements for safety and security regulation and oversight. An interest rate of 1.5% per annum is charged on the outstanding amount on the loan account. In accordance with the updated loan schedule, the date of the final payment is 15 January 2033.

Expressed in Australian dollars

11. Provisions – for Employee’s entitlements*Current*

Employees’ entitlements	31,313	15,262
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Non-current

Employees’ entitlements	78,171	61,632
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12. Notes to the statement of cash flows - Operations**(a) Reconciliation of cash and cash equivalents - Operations**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash in bank and on hand	678,017	2,941,635
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Expressed in Australian dollars

12. Notes to the statement of cash flows – Operations (cont’d)**(b) Reconciliation of net surplus to net cash provided by operating activities - Operations**

	2021	2020
		Restated
Net surplus	11,913	25,313
<i>Non-cash items</i>		
- Depreciation	34,090	15,024
- Gain on disposal of assets	(26,338)	(2,265)
- Unrealised FX (gain)/loss	(20,326)	280,914
Net cash provided by operating activities before change in assets and liabilities	(661)	318,987
<i>Change in assets and liabilities during the financial year</i>		
Decrease/(increase) in receivables	435,825	(227,573)
(Increase)/decrease in other assets	(3,731)	10,410
(Decrease) in payables	(7,104)	(75,648)
Increase in prepaid subscriptions	98,354	11,235
Increase in deferred revenue	679	2,349,473
Increase in other payables	-	8,024
Increase in provisions	32,590	12,589
	556,613	2,088,511
Net cash provided by operating activities	555,952	2,407,497

Expressed in Australian dollars

13. Principal activities

Pacific Aviation Safety Office's primary activity is providing technical services for aviation safety in compliance with international requirements for safety and security regulation and oversight within the 13 member South Pacific nations. The Organisation receives income as follows:

- (a) Annual subscription fees from member nations and income from services rendered to various Civil Aviation Authorities.
- (b) Grants from the Government of Vanuatu, the New Zealand Ministry of Foreign Affairs and the Australia Ministry of Foreign Affairs and Trade and World Bank.

14. Contingent liabilities

The Council of Representatives are aware of no contingent liabilities as at the date of signing the General Manager's report (2020: Nil).

15. Subsequent events

During the year and continuing into 2022, the worldwide coronavirus pandemic impacted the global aviation industry and as a result reduced the scale and scope of the Organisation's regular inspections and other activities.

The Council of Directors and the Organisation's management are closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organisation's financial position is not known.

16. Employees

The number of full-time permanent employees as at 31 December 2021 was 16 (2020: 13).

Expressed in Australian dollars

17. Revolving fund**2021**

<i>Movement in revolving fund</i>	Operation	WB Project	MFAT Project	DFAT Project	Consolidated
Opening balance	-	367,851	1,823,180	799,953	2,990,984
<i>Add: Receipts (increase)</i>	-	888,869	1,662,059	1,200,000	3,750,928
<i>Less: Funds utilised during the year (decrease)</i>	-	(915,067)	(1,506,188)	(1,204,235)	(3,625,490)
	-	341,653	1,979,051	795,718	3,116,422
<i>Less: Accrued audit fee (decrease)</i>	-	-	-	-	-
Closing balance	-	341,653	1,979,051	795,718	3,116,422

2020 - Restated

<i>Movement in revolving fund</i>	Operation	WB Project	MFAT Project	DFAT Project	Consolidated
Opening balance	-	382,861	479,948	-	862,809
<i>Add: Receipts (increase)</i>	-	1,349,168	2,604,564	800,000	4,753,732
<i>Less: Funds utilised during the year (decrease)</i>	-	(1,362,235)	(1,261,332)	(47)	(2,623,614)
	-	369,794	1,823,180	799,953	2,992,927
<i>Less: Accrued audit fee (decrease)</i>	-	(1,943)	-	-	(1,943)
Closing balance	-	367,851	1,823,180	799,953	2,990,984

Expressed in Australian dollars

- a. In 2021, a new funding MFAT PASO Agreement was signed for NZD 9,750,000 over 5 years to support the implementation of the Pacific Regional Aviation Safety and Security project. The first tranche of NZD 1,750,000 has been received in 2021. The unspent portion of the grant is treated as revolving funds in the balance sheet of the Organisation.

17. Revolving fund (cont'd)

- b. DFAT COVID 19 PASO Agreement second tranche of AUD 1,200,000 has been received and the balance of AUD 795,718 has been deferred to 2022.

18. Deferred revenue

	2021	2020
		Restated
a. Work Plan Percentage Model (WPPM)	133,294	182,056
b. Vanuatu Government / Hosting	13,003	8,620
c. Commitments not completed	220,000	40,000
d. Special projects	(2,161)	132,784
Total deferred revenue	364,136	363,460

- a. The WPPM model introduced in 2020 has been affected by the travel restrictions due to the pandemic during the year, the unutilized number of prepaid days has been deferred to 2022.

- b. Hosting AUD 13,003 has been deferred to 2022, the disposal of the vehicles has been delayed due to the impact COVID 19 had in the business.

- c. Commitments not completed correspond to surplus that has been deferred to complete the purchase of a new vehicle for AUD 30,000 . A further AUD 190,000 surplus has been deferred to complete the purchase of uniforms (AUD 5,000), the increase of the contingency fund (AUD 100,000), and the office move (AUD 85,000).

PACIFIC AVIATION SAFETY OFFICE

AUDITOR'S DISCLAIMER

The additional financial data presented on pages 22 to 23 are in accordance with the books and records of the Organisation which have been subjected to the auditing procedures applied in our audit of the Pacific Aviation Safety Office for the year ended 31 December 2021. It will be appreciated that the additional financial data is provided for management information purposes only and does not form part of the audited financial statements presented on pages 6 to 20.

Accordingly, we do not express an opinion on the additional financial data.

Port Vila, 01 / 06 /2022



AJC Chartered Professional Accountants

(Qualified auditors under Section 130 of the
Companies Act No.25 of 2012 of the Republic
of Vanuatu)

PACIFIC AVIATION SAFETY OFFICE

DETAILED INCOME AND EXPENDITURE STATEMENT - OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

	2021	2020 Restated
Income		
Members subscriptions	497,450	201,600
Service revenue	270,118	685,601
Grant Income –Vanuatu Government	275,730	248,828
Grant income – New Zealand	1,506,188	1,145,324
Grant income - World Bank	915,067	1,250,360
USOAP funding	-	116,026
Administration Contributions	69,176	90,183
Grant income Australia	1,204,235	47
Other income	(20,275)	167
Project Asset transfer	-	48,886
Foreign exchange gain	-	-
Interest received	2,763	3,021
Total Income	4,720,452	3,790,043
Expenditures		
Inspection fees	208,579	371,569
Travel operation expenses	61,187	57,097
USOAP service fees and travel expenses	-	115,434
Salaries and wages - Administration	818,663	490,188
Salaries and wages - Operations	362,980	215,147
Severance	16,539	15,747
Council expenses	644	62,478
Rent	63,841	63,141
Staff recruitment and relocation	89,462	-
Interest paid	14,552	13,545
Depreciation	34,090	15,024
Staff entitlements - operations	730	5,284

PACIFIC AVIATION SAFETY OFFICE

DETAILED INCOME AND EXPENDITURE STATEMENT - OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2021

Expressed in Australian dollars

ICT support	50,423	15,445
Light and power	12,472	11,570
Office expenses	18,349	14,981
Auditor's remuneration	8,024	8,024
Telephone and internet expenses	30,025	37,694
Insurance	4,722	9,900
Bank charges	14,377	5,756
Printing and stationery	1,448	2,583
Annual leave	18,513	(3,159)
Motor vehicle expenses	3,560	3,178
Miscellaneous expenses	218,268	-
Net foreign exchange loss/(gain)	(11,509)	268,364
Office improvements	-	194
Entertainment expenses	4,298	1,495
Postage and freight	82	-
Consultancy fees	1,708,818	110,011
World Bank project expenses	915,067	1,250,360
NZ Funds – output 2 -5	-	603,048
Accounting fees	3,975	631
Provision for doubtful debts	36,360	-
Total expenses	4,708,539	3,764,730
Net Surplus	11,913	25,313

Note:

- (a) The variance between USOAP funding and USOAP service fees and travel expenses in 2020 is due to temporary timing differences arising between when income and expenses are expected to be incurred, and when they are actually incurred, and additional charges for the Organisation administration services rendered.

DETAILED INCOME AND EXPENDITURE STATEMENT – REFORM PROJECT
FOR THE YEAR ENDED 31 DECEMBER 2020

Expressed in Australian dollars and United States dollars

- The financial statements present fairly, in all material respects, the actual expenditure incurred, and funds received by the Project for the period 1 January 2021 to 31 December 2021 in conformity with the applicable contractual conditions; and
- The funds provided by the World Bank have, in all material respects, been used in conformity with the applicable contractual conditions.

Port Vila, 01 / 06 /2022



AJC Chartered Professional Accountants

(Qualified auditors under Section 130 of the
Companies Act No.25 of 2012 of the Republic
of Vanuatu)

Independent Auditor's Report

To the Council of Representatives of the Pacific Aviation Safety Office

We have audited the statement of income and expenditures (herein - the financial statements) for the Pacific Aviation Safety Office Reform Project (herein - the Project) as set out on page 25, for the year ended 31 December 2021. These financial statements are the responsibility of the Council of Representatives.

Council of Representatives' responsibility for the financial statements

The Council of Representatives of the Organisation are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS 1). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Organisation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion:

	2021	2020	2021	2020
	AUD	AUD	USD	USD
Income				
Grant income – World Bank	915,067	1,250,360	663,440	966,440
Total Grant Income	915,067	1,250,360	663,440	966,440
Expenditure				
Component A				
A02.1.1b – Marketing and Communication support	-	40,848	-	31,573
A04 – Financial Audits	1,952	1,964	1,415	1,518
A07 – Training	20,289	11,914	14,710	9,209
A08.2 (b) – Project Manager (AF2 extension)	-	69,954	-	54,070
A08.3 – Project IOC	13,299	64,386	9,642	49,766
A08.3.3 – Project IOC – IDA AF	46	-	33	-
A09 – PASO Steering Committee	-	2,056	-	1,589
A10 – Stakeholder Engagement	-	7,778	-	6,012
A11.1 – Legal adviser	-	62,448	-	48,268
A11.3 Strategic Planning	59,877	-	43,412	-
A11.4 – Stakeholder Engagement AF2	5,039	60,646	3,654	46,875
A11.5 – Stakeholder Engagement	-	31,353	-	24,234
A12 – PAIP Program Manager	51,430	13,300	37,287	10,280
A13 – PAIP Finance Manager	22,655	10,713	16,426	8,280
A14 – Procurement Specialist	62,900	32,824	45,604	25,370
A15 – Economist & Financial Specialist	17,688	18,603	12,824	14,379
A16 – Aviation Specialist – Legal	42,645	55,225	30,918	42,685
A17 – IT adviser	163,453	26,084	118,506	20,160
A18 - Communications Advisor	62,770	-	45,509	-
A21 Quality Assurance Specialist	58,480	-	42,400	-
	582,523	510,096	422,340	394,268
Component B				
B01.2 Regulatory Specialist - 3	-	212,171	-	163,993

B03.1 – PIDP Training	-	25,162	-	19,448
B.04 Training PASO Inspectors	5,066	-	3,673	-
B05 – Training for CAAs	6,018	66,968	4,363	51,762
B06 – Training for Council Members	-	7,172	-	5,543
B07 – USOAP/USAP Advisor	78,274	93,284	56,750	72,102
	89,358	404,757	64,786	312,848
Component C				
C03.5 IT Equipment	41,271	-	29,922	-
C04.2 PASO Net Project Manager	-	31,562	-	24,395
	41,271	31,562	29,922	24,395
Component D				
D01 – VSAT Installation of hardware (Phase 2)	-	5,931	-	4,584
D04.2 – RPAS Consultancy	201,915	298,014	146,392	230,345
	201,915	303,945	146,392	234,929
Total Expenses	915,067	1,250,360	663,440	966,440
Net Surplus	-	-	-	-

Note: Transaction



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