

PACIFIC AVIATION SAFETY OFFICE ANNUAL BUSINESS PLAN 2018



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Introduction

I am proud to present the Pacific Aviation Safety Office (PASO) 2018 Business Plan. This is the first year of the 2018-2022 Strategic Plan and therefore the commencement of the first phrase; to strengthen and stabilise PASO. This document is a high level outline of what is required to implement the Strategic Priorities for 2018 and should be read in conjunction with the 2018-2022 Strategic Plan.

Two key priorities for 2018 are to build a training program to develop local inspectors and make significant progress in developing the financial model for PASO. Other areas of particular focus are to continue to stabilise the key strategic relationships PASO enjoys and to improve the office processes and functions.

Alongside delivery of identified priorities, PASO is committed to its core functions of continuing to provide excellent high quality regulatory aviation oversight services that meet the needs of Member States. Its pleasing to see that the budgeted work plan days for 2018 is 352, an increase of 63 days compared to 2017. Looking back further, Annex 2 shows that since 2014 there has been a steady increase in the budgeted number of work plan days each year. This is very encouraging and a healthy sign of the growing confidence in PASO.

Whilst PASO is still under reform, the support shown by the Council, observers, and key partners (such as the Government of Vanuatu as the Host State) are all essential to PASO's performance. As the priorities are delivered throughout 2018 the PASO office wishes to recognise it is vital to have strong relationships with all parties to enable the goals listed in this document to be realised.

On behalf of the PASO Council, the PASO office and I look forward to delivering on the priorities listed in this document for 2018 Business Plan.

Yours Sincerely,



Andrew Valentine
General Manager
Pacific Aviation Safety Office

PASO STRATEGIC PLAN 2018 – 2022

Vision: An international organisation providing quality aviation safety and security service for Member States in the Pacific

Mission: To provide for continuous improvement in the quality of aviation safety and security oversight services to comply with international standards, required under PICASST and the ICAO convention

STRATEGIC AREAS

Service Delivery Excellence:

to provide relevant and excellent services to our Members and high quality advice and recommendations

Organisational Strengthening:

to be a strong, stable, efficient, transparent and dynamic organisation, that is responsive to the needs of its Members

Respected Partnerships:

to ensure strong partnerships with governments, civil aviation authorities, operators, and other partners with whom PASO works to achieve its vision

STRATEGIC PRIORITIES

Priority 1: PASO has strong programs and support services for its Members

Priority 2: A well-developed pool of inspectors

Priority 3: PASO maintains robust Safety Management Systems

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

Priority 5: PASO is reformed

Priority 6: PASO has excellent internal and external relationships

Priority 7: PASO maintains an equitable and supportive Host Agreement

OUR VALUES

Transparency:

PASO's decisions and actions will be communicated to Member States, Associate Member States and relevant Observer Organisations

Fairness:

PASO will act impartially and treat each Member State equally. Services will be provided on the basis of risk and need

Diligence:

PASO's services will be provided in an effective and efficient manner and in accordance with agreed annual work plans

Integrity:

PASO will act with the highest ethical standard and place the safety and security of aviation in the Pacific above all other considerations

Accountability:

PASO will agree and publish a Strategic Plan and an annual Business Plan and will report on achievement of those plans through an Annual Report

OUR PEOPLE

Strategic Priority 1:

PASO has strong programs and support services for its Members

Strategic Area: Service Delivery Excellence

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022, PASO operations will be efficient, effective, and responsive to Members needs	Service Level Agreements are updated and relevant for the delivery of services	Review of SLAs with States and PASO and establish a frequency of review			x	
	PASO is proactive in having State work programs in place and is delivering a high quality service	Annual business planning complete with work programs agreed and resourcing in place through inspectors and the pool of inspectors				x
	Work Plan commitment from States	Annual work plans are received from States in a timely manner				x
	State training requirements are supported	Supporting state needs analysis by providing training/ guidance to States in the delivery of their oversight, audit, and regulatory requirements		x		
	Universal Safety Oversight Aviation Program Activities are delivered in collaboration with CAANZ and MFAT	Develop a work plan with the Civil Aviation Authority of New Zealand and the New Zealand Ministry of Foreign Affairs and Trade for the provision of activities to improve States effective implementation scores under the Universal Safety Oversight Aviation Program	x			
	PASO has development projects in place to keep up-to-date with current trends and requirements to support States	Explore projects with other Development Partners focused on continued enhancement and development (i.e. Safety Management Systems, Drones, or the Universal Security Aviation Program)	x	x	x	x

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	Operations Manager, Operations Coordinator, Inspectors
Stakeholders	Member States, Inspectors, CAA NZ, MFAT, WB, Government of Vanuatu
Funding	The Operations Manager is funded by MFAT until June 30, 2018 The Operations Coordinator is funded by the Hosting Agreement The Audit and Inspection Program is funded from payments by CAA's and operators The CAA Strengthening Program is funded through WB The USOAP work is funded by MFAT
Risks	Continued funding of the Operations Manager may not occur from 1st July 2018 Further funding of the USOAP work may not be forthcoming
Indicators	# of Member States using PASO services # times that these services are used by each Member State # requests of non-core services or advice from Member States
Indicators - Legal authority	# SLAs with each of the Member States
Indicators - Audit and Inspection program	# work days requested and completed from Member States % of unscheduled work requests # work plans produced in a timely manner
Indicators - CAA Strengthening program	# State Training plans supported # CAA staff trained # USOAP and USAP days completed

Strategic Priority 2: A well-developed pool of inspectors

Strategic Area: Service Delivery Excellence

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022 PASO will have a responsive, experienced, qualified pool of inspectors with a majority of inspectors originating from the Pacific Islands	Establishment of a Regional Pool of Inspectors (POI) to be used by PASO to oversee aviation safety and security, build state capacity through support of PASO and inspectorates	Develop manuals, code of conduct, qualifications, and a contracting mechanism to engage the Pool Of Inspectors; Review annually			x	
		Maintain a Memorandum of Understanding with the CAA of New Zealand to provide inspector services	x	x	x	x
	POI have a good cultural fit, are experienced, and have currency of qualification	Register of POI reviewed annually and updated to deliver PASO services for Member States. Inspectors performance is managed by the Operations Manager				x
	Pacific Islands citizens are in the POI	Mentoring and training plans are undertaken to identify and source pacific islands expertise that require a small (1-2 courses) amount of training and/or experience to enable access on to the inspectorate pool		x		

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	Operations Manager
Stakeholders	Member States, Inspectors, CAA NZ, MFAT, WB
Funding	<p>The Operations Manager is funded by MFAT until June 30, 2018</p> <p>The Pacific Inspector Program is funded through the PASO Reform Project</p>
Risks	<p>Continued funding of the Operations Manager may not occur from 1st July 2018</p> <p>Additional Financing from the WB needs to be secured for full implementation of this Program</p>
Indicators	<ul style="list-style-type: none"> # potential Pacific inspectors identified # potential Pacific inspectors in training and mentoring program # Pacific Inspectors working as 'Core Inspectors'

Strategic Priority 3: PASO maintains robust Safety Management Systems

Strategic Area: Service Delivery Excellence

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022, PASO will have accurate and robust safety management systems to meet the needs of the PASO office and for Member States	Embed a Quality Management System (QMS) for PASO to ensure that all operations including technical, financial and corporate are appropriate for the organisation, are able to interface with IT system, and are fit for purpose.	Clear policies and delegations developed and approved		x		
		Technical procedures for inspectors documented, reviewed and updated		x		
		Corporate procedures and delegations that support employment, financial and IT delegations/policies are in place		x		
		Practical QA system for PASO based on International Organisation for Standards (ISO) requirements or like system				

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	Operations Manager
Stakeholders	Member States, Inspectors,
Funding	<ul style="list-style-type: none"> The Operations Manager is funded by MFAT until June 30, 2018 The IT component is funded through the PASO Reform Project
Risks	Continued funding of the Operations Manager may not occur from 1st July 2018 Additional Financing from the WB needs to be secured for IT implementation of the QMS
Indicators	# processes automated with the new IT platform

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

Strategic Area: Organisational Strengthening

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4	
By 2022 PASO will have a proactive and respected office providing accurate and timely advice to States and to the Council	Financial management and administration systems are in place with functioning accurate policies and procedures; PASO has a stable funding model	PASO to work with the Member States to agree to a new funding model		x	x	x	
		Financial policy and procedures, financial delegations, annual budgets, and monthly and quarterly reporting are in place. Systems are reviewed annually			x		
		Implement new organisational policies and procedures (the Drysdale report)			x		
	PASO is abreast of current aviation issues across the region	Obtain accurate passenger information and forecasts, review annually				x	
		Open dialogue with relevant bodies to identify how PASO can influence aviation issues across the region	x	x	x	x	
	The PASO Office has well trained personnel	Training Needs Analysis (TNA) developed for PASO personnel		x			
	Governance training for Council members to support better management of PASO	Governance Training Session to be implemented and delivered to improve Financial and Corporate Activities for the PASO Council	x	x	x	x	
	Organisational risks are actively managed	Develop a risk strategy & register for PASO, review annually	x				
	PASO has an up-to-date Business Plan and Annual Report	Produce an Annual Business Plan and Annual Report	x			x	



Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	Corporate Services Manager, General Manager, PASO Council
Stakeholders	PASO Staff, Member States, Donor Partners
Funding	The Corporate Services Manager is funded by MFAT until June 30, 2018
Risks	Continued funding of the Corporate Services Manager may not occur from 1st July 2018 Additional Financing from the WB needs to be secured for IT implementation of the QMS
Indicators	% improvement in financial processing times % improvement in customer satisfaction # staff training plans completed # countries that support the financial sustainability of PASO % of expected Member contributions received on a regular basis \$ of organisational cash balances % liquidity ratio % of operating in cash reserves policy \$ of Annual subscription fees received



Strategic Priority 5: PASO is reformed

Strategic Area: Organisational Strengthening

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022, PASO will have successfully completed and implemented the PASO Reform project	Deliver and complete all activities under the PASO Reform Project	Establish a Management “quality assurance” system for PASO to ensure that all operations meet an appropriate standard				x
		implement the outcomes of the PASONet IT Strategy				x
	Implement and integrate Reform Projects outcomes into PASO	Marketing and communications plan and strategy				x
		Implement the recommendations of the Drysdale reports	x	x	x	x
		Implement the recommendations from the Legal Advisor	x	x	x	x
	Seek additional financing to support future reform PASO activities which may be identified	Complete financing plans to 2018, Identify priorities (and required investment) for the basis of extending the reform project	x			

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	Project Manager
Stakeholders	Technical and Fiduciary Services Unit (TFSU), Consultants
Funding	The PASO Reform Project is fully funded by the World Bank
Risks	Additional Financing from the WB is unable to be secured
Indicators	See Results Management Framework (page 14)

Strategic Priority 6: PASO has excellent internal and external relationships

Strategic Area: Respected Partnerships

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022 PASO will have strong, reliable, and timely engagement and working relationship with all PASO Members, Staff, Inspectors and Stakeholders	PASO has a reliable and fit for purpose communication platform that consists of a functioning website and portal, and PASO has regular engagement with members and stakeholders	Regular communications, updates and information to a range of internal and external stakeholders	x	x	x	x
	Strengthening relationships across internal (PASO Council, Inspectors, Staff, and Stakeholders) and externally (e.g. ICAO, CROP)	PASO management to meet annually with the Host State and at least once with all PASO Members and Associate members every three years	x	x	x	x

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	General Manager
Stakeholders	Members, Associate Members, ICAO, Regional organisations,
Funding	Stakeholder Engagement work is funded through PRIF
Risks	The GM is unable to attend key events
Indicators - Host country	# regular dialogue opportunities with the Vanuatu Government
Indicators - Regional	# regular dialogue opportunities with Pacific organisations
Indicators - International	# regular dialogue opportunities with ICAO

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

Strategic Area: Respected Partnerships

Timelines

GOAL	OUTCOMES	ACTIONS	Q1	Q2	Q3	Q4
By 2022 PASO will have a trusted and respected partnership with the host state	Host agreement in place between PASO and the government of Vanuatu	Updated Hosting Agreement executed with the government of Vanuatu	x			
	A strong working relationship with the government of Vanuatu and key delegates to support the delivery of the Hosting Agreement through regular stakeholder meetings	Annual review and relationship meeting between PASO and the government of Vanuatu		x		

Implementation

IMPLEMENTATION CATEGORY	ITEM
Human resources required	General Manager
Stakeholders	Government of Vanuatu
Funding	No funding required
Risks	The Hosting Agreement cannot be settled
Indicators - Host country	# regular dialogue opportunities with the Vanuatu Government

Monitoring and Evaluation

ICAO has recommended that RSOOs adopt a consistent approach to their evaluation by using the following criteria: Relevance, Effectiveness, Efficiency, Sustainability, and Adaptability. Further information is provided in the 2018-2022 Strategic Plan.

The table below confirms the key measurement indicators to assess PASO's performance. 2018 will be used to establish baseline targets with performance reporting to commence from 2019.

Criteria	Item	Indicators
Relevance	Provision of relevant services to Members	# of member states using PASO services # times that these services are used by each Member State # requests of non-core services or advice from Member States
	Regional	# regular dialogue opportunities with Pacific organisations
	International	# regular dialogue opportunities with ICAO
	Host country	# regular dialogue opportunities with the Vanuatu Government
Effectiveness	Legal authority	# SLAs with each of the Member States
	Audit and Inspection program	# work days requested and completed from Member States % of unscheduled work requests # work plans produced in a timely manner
	CAA Strengthening program	# State Training plans supported # CAA staff trained # USOAP and USAP days completed
	Pacific Inspector Program	# potential Pacific inspectors identified # potential Pacific inspectors in training and mentoring program # Pacific Inspectors working as 'Core Inspectors'
	Organisational strengthening	% improvement in financial processing times % improvement in customer satisfaction # staff training plans completed # website usage # portal access
Efficiency	Processes	# new processes embedded that support a more efficient organisation (outcomes of the Reform Project) # processes automated with the new IT platform
Sustainability	Financial sustainability	# countries that have committed to the new funding model % of expected member contributions received on a regular basis \$ of organisational cash balances % liquidity ratio % of operating in cash reserves policy \$ of Annual subscription fees received
Adaptability	Services	# new services offered based on Member requests
	Additional programs	# new programs that PASO supports (e.g. World Bank Very Small Aperture Terminal (VSAT) installation in the Cook Islands and Niue)

Annex 1 – PASO 2018 Annual Budget

2018 COMBINED PASO BUDGET (AUD)									
I.REVENUE	CLASSIFICATION	Q1	Q2	Q3	Q4	TOTAL	ALLOCATIONS		
							Service Fees	Hosting Agreement	Donor Funding
Annual Subscription Fees	Service Fees	335,431	-	-	-	335,431	335,431	-	-
Hosting Agreement	Host Agreement	174,687	-	-	-	174,687	-	174,687	-
Inspector Fees	Service Fees	138,850	138,850	138,850	138,850	555,400	555,400	-	-
Travel Reimbursables	Service Fees	53,909	53,909	53,909	53,909	215,638	215,638	-	-
Ministry of Foreign Affairs of New Zealand (MFAT) Contribution ¹	Donor Funding	124,000	124,000	110,000	110,000	468,000	-	-	468,000
TOTAL REVENUE		826,877	316,759	302,759	302,759	1,749,156	1,106,469	174,687	468,000
II. EXPENDITURES									
1. Staff Cost									
International Staff Wages	Service Fees / Donor Funding	122,381	122,381	122,381	122,381	489,525	186,000	-	303,525
Int. Staff Allowances & Entitlements	Service Fees / Donor Funding	7,875	7,875	7,875	7,875	31,500	31,500	-	-
Staff Recruitment and Relocation Costs	Donor Funding	30,000	-	-	-	30,000	-	-	30,000
Domestic Staff Wages	Host Agreement	20,213	20,213	20,213	30,213	90,850	-	90,850	-
Domestic Staff Severance	Host Agreement	1,684	1,684	1,684	1,684	6,738	6,738	-	-
Dom Staff Allowances & Entitlements (VPNF & Pro Med)	Host Agreement	902	902	902	902	3,609	-	3,609	-
Total Staff Costs		183,055	153,055	153,055	163,055	652,222	224,238	94,459	333,525
2. General Office Administrative Cost									
Audit Fees	Service Fees	-	-	-	11,000	11,000	11,000	-	-
Bank Charges	Service Fees	875	875	875	875	3,500	3,500	-	-

¹ Note the MFAT NZ Funding for Q3 and Q4 is a placeholder only

Postage and Freight	Service Fees	125	125	125	125	500	500	-	-
Printing and Stationery	Service Fees	1,250	1,250	1,250	1,250	5,000	5,000	-	-
Entertainment	Service Fees	1,250	1,250	1,250	1,250	5,000	5,000	-	-
Council expenses (travel & accommodation)	Donor Funding	20,000	-	-	30,000	50,000	50,000	-	-
International travel	Donor Funding	10,000	10,000	10,000	10,000	40,000	-	-	40,000
Office Expenses (petty cash, water, cleaning)	Service Fees	625	625	625	625	2,500	2,500	-	-
Motor Vehicle Expenses	Host Agreement	875	875	875	875	3,500	-	3,500	-
ICT Support (ODC, Finance App and Website support)	Host Agreement	3,143	3,143	3,143	3,143	12,570	-	12,570	-
Electricity (Power and Air Con)	Host Agreement	2,875	2,875	2,875	2,875	11,500	-	11,500	-
Telephone & Communication (Internet)	Host Agreement	3,000	3,000	3,000	3,000	12,000	-	12,000	-
Office Rent	Host Agreement	7,678	7,678	7,678	7,678	30,713	-	30,713	-
Insurance (Motor Vehicle, Public Liability, Travel, Workers Comp)	Host Agreement	2,750	2,750	2,750	2,750	11,000	-	11,000	-
Operations Manager Induction	Donor Funding	10,000	10,000	-	-	20,000			20,000
Implementation of Annual Business Plan	Service Fees	6,250	6,250	12,500	12,500	37,500	37,500	-	-
Production of Annual Report	Service Fees	-	3,000	-	-	3,000	3,000	-	-
Stakeholder Engagement (GM or OM)	Donor Funding	10,000	10,000	10,000	-	30,000	30,000	-	-
Marketing and Promotions (Branding)	Donor Funding	-	2,500	17,500	2,500	22,500	-	-	22,500
Inspector Bi-Annual meeting / QMS Work plan review	Donor Funding	25,000	-	-	25,000	50,000	-	-	50,000

Pax Data Information	Service Fees	25,000	4,500	4,500	4,500	38,500	38,500	-	-
Inspector Service Fees	Service Fees	90,075	90,075	90,075	90,075	360,300	360,300	-	-
Inspector Travel Cost (Flights & Per Diems)	Service Fees	53,909	53,909	53,909	53,909	215,638	215,638	-	-
Total General Office Administrative Costs		274,680	214,680	222,930	263,930	976,221	762,438	81,283	132,500
3. Loan Repayment									
Principal Repayment	Services Fees	40,000	-	40,000	-	80,000	80,000	-	-
Interest payment	Services Fees	20,000	-	20,000	-	40,000	40,000	-	-
Total Loan Repayment Costs		60,000	-	60,000	-	120,000	120,000	-	-
	TOTAL EXPENSES	517,736	367,736	435,986	426,986	1,748,442	1,106,675	175,742	466,025
PROJECTED FINANCIAL POSITION		309,142	- 50,976	- 133,226	- 124,226	714	- 207	- 1,055	1,975

Annex 2 – 2018 State Work Plans

The total PASO Budgeted Work Plan days for 2018 are 352 days. The table below highlights the State and month where the resources have been requested.

TOTAL	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
Cook Islands	-	-	-	-	8	4	-	-	-	21	2	-	34
Kiribati	3	3	4	-	12	5	2	3	2	7	1	4	46
Nauru	-	-	-	-	-	-	-	-	-	-	-	6	6
Niue	-	6	-	-	-	-	-	-	-	-	6	-	12
PNG	-	3	7	7	6	9	1	1	3	-	6	-	43
Samoa	-	18	12	7	-	-	2	10	5	-	6	-	60
Solomon Is	-	-	-	-	-	-	-	-	-	-	-	-	-
Tonga	2	4	2	8	3	2	6	15	2	1	6	-	51
Tuvalu	-	3	4	-	-	-	-	-	-	3	-	-	10
Vanuatu	7	20	18	7	12	13	-	4	-	10	-	-	90
DAYS	12	57	47	29	41	33	11	33	12	41	27	10	352

This is broken down across the different regulatory areas:

Area	Budget	Distribution
ASI	112	32%
AWI	115	33%
FOI	81	23%
ANS	44	13%
TOTAL	352	100%

Historically, the budgeted number of work plan days continues to increase, as outlined in the following table:

Member State	2014	2015	2016	2017	2018
Cook Islands	-	-	3	25	34
Kiribati	30	58	37	37	46
Nauru	4	12	5	6	6
Niue	5	15	8	6	12
PNG	-	27	41	12	43
Samoa	26	35	44	41	60
Solomon Islands	44	-	-	-	-
Tonga	34	56	44	60	51
Tuvalu	5	15	6	12	10
Vanuatu	62	-	67	90	90
Total Days	210	218	255	289	352

Annex 3 – Pool of Inspectors

To deliver the work, PASO has 10 Inspectors² that regularly deliver audits and inspectors to PASO member States; the group consists of expertise in the following areas:

Area	# of Inspectors
ASI	5
AWI	3
FOI	3
ANS	3

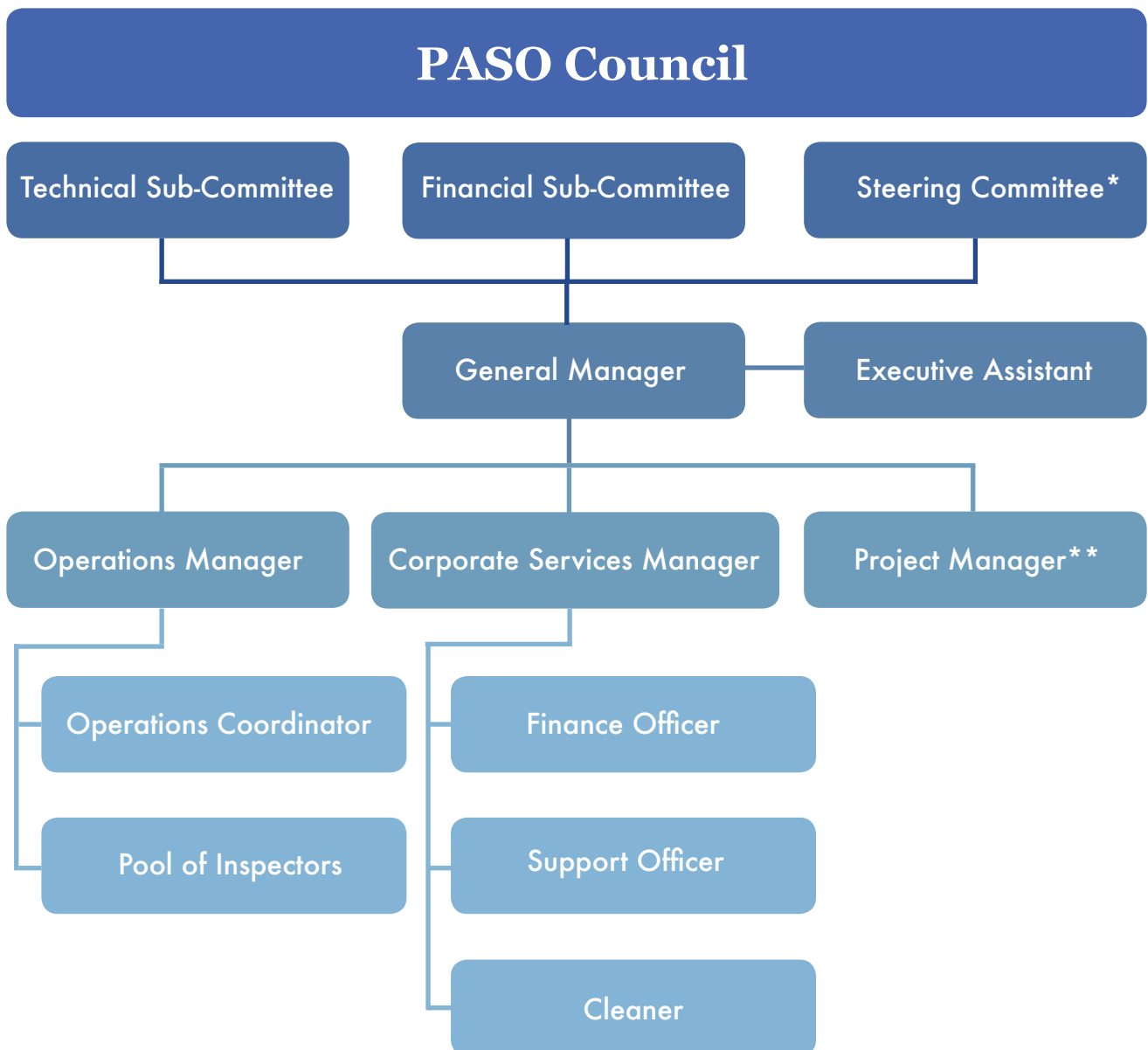
If there are no Inspector's available PASO is able to utilise its strong working relationships with other organisations (for example, the New Zealand Civil Aviation Authority, Aspeq, and Airways New Zealand) to source qualified individuals to meet the needs of the Member State.

As per the combination of State work plans, the following table provides the breakdown of when the Inspectors will be needed and in what areas:

Quarter	1			2			3			4			Total Days
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	
ASI	-	33	19	10	8	3	6	11	-	10	6	6	112
AWI	6	11	14	7	27	8	1	9	2	16	11	3	115
FOI	6	8	14	11	6	7	3	10	3	9	4	1	81
ANS	-	5	-	1	-	15	1	3	7	6	6	-	44
Total	12	57	47	29	41	33	11	33	12	41	27	10	352
% of work	33%			29%			16%			22%			

Annex 4 – Organisational Structure

The Organisational Structure for 2018 is:



* The Steering Committee is a temporary sub-committee specifically established for the PASO Reform Project. The PASO Reform Project is due to be completed on the 31st of December 2018

**The Project Manager has a fixed term contract until 31 December 2018

