

AIRPORT KIRIBATI AUTHORITY

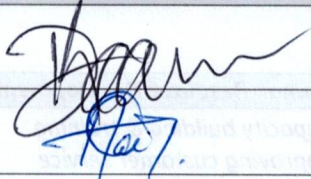


STATEMENT OF INTENT

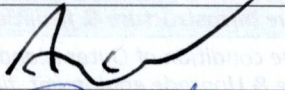
CONFIDENTIAL

For the 3-Year Period FY2026 to FY 2028

AUTHORISATION

DRAFT SOI	NAME	SIGNATURE	DATE
APPROVED BY THE BOARD	Kautoa Tonganibeia		7 th /01/2026
TO SOEMAU	Aako Teikake		7 th /01/26

- Draft SOI to be submitted to SOEMAU
- SOEMAU undertake assessment

DRAFT SOI	NAME	SIGNATURE	DATE
SOEMAU TO RESPONSIBLE MINISTERS	LISA. IGAM. MOANIBA		9/01/2026
REVIEW BY MINISTER	HON. ALEXANDER TEABO		8/1/26
REVIEW BY MINISTER	HON. DR TEUEA TOATU		20/04/26

- SOEMAU assessment and SOI to be reviewed by Responsible Ministers
- Comments from Responsible Ministers to be considered by Board

FINAL SOI	NAME	SIGNATURE	DATE
APPROVED BY THE BOARD	Kautoa Tonganibeia		7 th /01/26.
TO SOEMAU	Aako Teikake		7 th /01/26.

- Final SOI submitted to SOEMAU and Responsible Ministers before commencement of Fiscal Year

1 EXECUTIVE SUMMARY

1.1 THE OBJECTIVES OF SOE

A. Human Resource Development
1. Capacity building & training
2. Improving customer service
3. Engage TA to carry out the recurrent training for Aerodrome flight information Service (AFIS) staffs
4. Recruitment of Qualified Mechanics to sustain workload
B. Mitigate risks
5. Enhance safety and security standards
6. Compliance with OSH Act 2015
7. Strengthen Safety for Bonriki International Airport
8. Assurance for safety compliance
C. Improve Infrastructure & facilities
9. Improve condition of Outer Island Airport (OIA)
10. Acquire & Upgrade equipment, firetrucks & NAVAIDS.
11. Extension of Bonriki Apron
D. Improve compliance & corporate governance
12. Updating and revision of Airport Act 2016
13. Ensure to meet the required ICAO standards
14. Ensure all airports comply with obstacle limitation surface (OLS) objectives
15. Waste Management
E. Business efficiency
16. Upgrade & improve integrated system
17. Engage an Aerodrome TA to assess the extent of NGTA and PLCH aerodromes
18. Controlling of Flight Movements
F. Financial Viability
19. Streamlining Financial operations
20. Improve cash flow management
G. Enhancing Commercial Credibility
21. Strengthen Commercial Transparency & Accountability
22. Improve Commercial Activities
23. Enhance Public Private Partnership (PPP)

2. THE NATURE AND SCOPE OF THE ACTIVITY TO BE UNDERTAKEN

AKA is committed to implementing the activities and strategic actions outlined in the following sections, which are designed to achieve the stated objectives for the planning period.

The company, AKA, will continue to focus on its core business operations and statutory mandates, strengthening its capacity to operate as a self-reliant and commercially viable enterprise. These efforts aim to enhance revenue generation, operational performance, and overall sustainability in alignment with the principal objective under Section 5 of the SOE Act 2013.

State-Owned Enterprises Act 2013.

3. THE PERFORMANCE TARGETS AND OTHER MEASURES BY WHICH THE PERFORMANCE OF THE SOE MAY BE JUDGED IN RELATION TO ITS OBJECTIVES

Performance Measures	Measures	When
A. Human Resource Development		
1. Capacity Building and Training	Accomplish at least 50% of AKA staff to undergo specialized training.	30.06.2026
2. Improving Customer Service	Request PSO officers to conduct customer service training on site	30.02.2026
	Improve Customer service by 30%	30.02.2027
3. Engage TAs to carry out recurrent training for Aerodrome Flight Information Service (AFIS) Staffs.	Workshop Training	30.01.2026
	Two staff attended a refresher training in FIJI	30.01.2026
4. Recruitment of qualified mechanic to sustain workload	Submission for approval	15.03.2026
	Still pending waiting approval for the proposed structure	
	Position advertised - one temporary staff engage with AKA	25.03.2026
	Acquiring mechanics through the recruitment process	30.03.2026
B. Mitigate Risk		
5. Enhance Safety & Security standards	10 staff will be recruited.	31.01.2026
	Still on-going	

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	Skill improvement by 30% for technical staff	30.06.2026
6.Compliance with OSH Act 2015	Safety tools and PPEs for operational staffs acquired	30.01.2026
7.Strenthgen Safety for Bonriki International Airport	Subject to the consultation outcome, initiate partial gate closures for Bonriki	31.01.2026
	Removal of idled aircrafts - 50% completion	30.06.2026
	Runway 27 erosion actioned by MISE Still on-going	30.06.2026
8.Assurance for Safety Compliance	Specific internal audit training utilizing the software	31.06.2026
	External audit for system assurance	15.12.2026
C. Improve infrastructure & facilities		
9.Improve condition of Outer Island Airport (OIA)	Maintenance funding proposal submitted.	30.01.2026
	Acquisition of funding for immediate remediation.	30.01.2026
	Acquisition of funding for all outer island airport upgrades.	15.02.2026
	Implementation of outer island major airport maintenance - 6 Outer Islands minor maintenance completed - Beru, Onotoa, Kuria, Aranuka, Marakei and Abaiang. - No major maintenance due to unavailability of heavy machinery & operators.	30.01.2026
10.Acquire & upgrade equipment, firetrucks and NAVAIDs.	Acquire new Aeronautical aids and firetrucks. No progress	30.06.2026
11.Extension of Bonriki Apron	Revisit the funding acquisition for feasibility study	25.02.2026

	Feasibility study undertaken	31.11.2026
	PRODOC submission for Apron Extension	31.12.2026
	Funding acquired for Apron Extension	30.06.2026
D. Improve compliance & corporate governance		
12.Updating & revision of Airport Act	Approach the Legal office for the revision of the Airport Act - 100 % Completed.	30.01.2026
13.Ensure to meet the required ICAO standards	Review manuals. 50% completion	30.06.2026
14.Ensure all airports comply with Obstacle Limitation Surface (OLS) objectives.	Airport Type A chart issued every 5 years	30.06.2026
	Obstacles penetrating the OLS, the take-off and approach slopes are removed, compensated and recorded	31.09.2026
15.Waste Management	Establishment of policy regarding waste management at the airport premises including oil spill. - Still on progress	30.12.2026
E. Business Efficiency		
16.Upgrade & improve integrated system	Acquire software for operational records (aircraft movements, passenger manifests, incident report, Fire daily inspection reports). Engagement with leete in providing his training on how to use Microsoft Access for easier collection, updating and reporting of operational records.	30.05.2026
17.Engage an Aerodrome TA to assess the extent of NGTA and PLCH aerodromes	TA report submitted	30.12.2026
	An Internal report by TA is to be assessed and implemented	30.12.2026
18.Controlling of Flight Movements	Number of aircraft landings were recorded systematically	30.03.2026
	Number of departing passengers recorded systematically	30.03.2026

F. Financial Viability		
19. Streamlining Financial operations	MYOB system installed updated to newer version and advance feature to enhance efficiency	30.06.2026
	Provide training to Account staffs for continuity and system effectiveness	30.06.2026
20. Improve Cash Flow Management	Reduce Account receivable delays from external stakeholders - Agreement with Airlines to be circulated for on-time payments.	30.12.2026
	-Improve debtors collection and impose penalties for delayed payments.	
	Optimize revenue collection with the current fees and charges	30.03.2026
G. Enhancing Commercial Credibility		
21. Strengthen Commercial Transparency & Accountability	Recruit marketing officer - On progress still awaiting approval of Airport Structure.	15. 02. 2026
	Implementation of increased fees & charges for non- aeronautical activities - The new fees and charges are now implemented to support the improvement of AKA cashflow.	31. 01. 2026
22. Improve Commercial Initiatives	Introduce airspace fees below 10,00feet to all Bonriki Traffic & below 5,000feet to all Cassidy (Kiritimati) traffic. The new airspace fee is now implemented.	30. 09. 2026
	Introduce a chargeable lounge & restaurant for both international airports An interested company to undertake this exercise will be awarded the bid for the installation of a new chargeable lounge and restaurant at both international and domestic airports. Still in progress.	31.12.2026
	Erect information booths for stakeholders on a rental basis	30.03.2027

	Extension of arrival and departure lounges	30.09. 2027
	The Memorandum of Understanding has been signed, and work is expected to commence once all materials are ready.	
23. Enhance Public Private Partnership	Encourage private business engagement & infrastructure development initiatives for both Bonriki & Cassidy	30.06.2026

4. A STATEMENT OF FINANCIAL PERFORMANCE

Airport Kiribati Authority 2025 Operation Budget							
	Audited Annual financial Account	Unaudited Annual financial Account	Unaudited Annual Financial Account		Projected estimate for next 3 years		
	2022	2023	2024	2025	2026	2027	2028
Income							
Aircraft service charges & fees	\$ 734,349.00	\$ 1,974,819.08	\$ 3,425,462.41	\$ 4,079,251.06	\$ 4,972,787.96	\$ 6,161,646.26	\$ 6,469,728.58
Terminal services charges & fees	\$ 42,216.00	\$ 40,133.94	\$ 64,579.43	\$ 336,049.66	\$ 352,083.52	\$ 353,636.55	\$ 355,215.20
Total Income	\$ 776,565.00	\$ 2,014,953.02	\$ 3,490,041.84	\$ 4,415,300.72	\$ 5,324,871.48	\$ 6,515,282.81	\$ 6,824,943.77
Total Other Income	\$ 649,831.00	\$ 897,341.46	28,743.90	2,141.98	-	-	-
Total income	\$ 1,426,396.00	\$ 2,912,294.48	\$ 3,518,785.74	\$ 4,417,442.70	\$ 5,324,871.48	\$ 6,515,282.81	\$ 6,824,943.77
Expenses							
Operation costs	\$ 467,523.00	\$ 584,810.41	\$ 730,642.60	\$ 1,148,941.49	\$ 1,186,683.98	\$ 1,304,771.33	1,435,248.46
Administration costs	\$ 41,917.00	\$ 270,672.29	\$ 206,052.12	\$ 448,102.90	\$ 364,486.04	\$ 364,559.57	401,015.52
OIA Project Expenses	\$ 11,559.00	\$ 133,721.07	\$ 50,172.21	-	-	-	-
STAFF costs	\$ 499,827.00	\$ 1,366,244.91	\$ 786,867.39	\$ 976,904.25	\$ 1,965,507.18	\$ 2,753,030.08	\$ 3,028,333.09
Total expenditures	\$ 1,020,826.00	\$ 2,355,448.68	\$ 1,773,734.32	\$ 2,573,948.65	\$ 3,516,677.19	\$ 4,422,360.97	4,864,597.07
Earning before PPiS	\$ 405,570.00	\$ 556,845.80	\$ 1,745,051.42	\$ 1,843,494.05	\$ 1,808,194.29	\$ 2,092,921.84	\$ 1,960,346.70
Prior Period Items	-\$ 1,570.00	\$ 185,232.78	\$ 497.72	497.72	497.72	497.72	497.72
Earning before ITDA	\$ 407,140.00	\$ 371,613.02	\$ 1,744,553.70	\$ 1,842,996.33	\$ 1,807,696.57	\$ 2,092,424.12	\$ 1,959,848.98
Total depreciation	\$ 1,114,731.00	\$ 1,117,053.72	\$ 940,452.24	\$ 940,452.24	\$ 1,002,950.51	\$ 1,070,277.35	1,123,791.21
Earning before Tax	-\$ 707,591.00	\$ 745,440.70	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	1,073,254.11
Income tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit/-loss after tax	-\$ 707,591.00	\$ 745,440.70	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	1,073,254.11

The above figures are based on a straight line basis at rates calculated to spread the cost over the useful life of the assets. The depreciation rates are based on the useful life of the assets as determined by the Department of Lands and Survey.

The above figures are based on the latest available information and are subject to change. The figures are not audited and are for information only.

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5. A STATEMENT OF FINANCIAL POSITION

Statement of financial position							
	Audited Annual financial account	Unaudited Annual financial account	Unaudited Annual financial account	Projected estimated for next 3 years			
	2022	2023	2024	2025	2026	2027	2028
Assets							
Cash & Cash Equivalents	\$ 260,620.00	\$ 432,087.97	759,346.50	2,937,962.80	\$ 2,952,652.61	\$ 3,672,453.50	\$ 3,690,815.77
Account Receivable	\$ 369,461.00	\$ 459,572.41	908,521.53	1,145,198.61	\$ 343,559.58	\$ 572,599.31	\$ 171,779.79
Accruals & Prepayment	\$ -	\$ 350.00			\$ -	\$ -	\$ -
Allowance for Doubtful Depts	\$ -	\$ -			\$ -	\$ -	\$ -
Total Current Assets	\$ 630,081.00	\$ 892,010.38	1,667,868.03	4,083,161.41	\$ 3,296,212.20	\$ 4,245,052.81	\$ 3,862,595.56
Current Liabilities							
Trade Creditors	\$ 91,122.00	\$ 82,254.47	79,326.99	138,969.38	\$ 111,175.50	\$ 104,227.04	\$ 83,381.63
Payroll Liabilities	\$ -	\$ -	(3,865.06)	6,911.09	\$ 5,528.87	\$ 8,293.31	\$ 6,634.65
Accrual expenses	\$ -	\$ 86,244.54		-	\$ -	\$ -	
Deferred Income - Current	\$ -	\$ 117,042.08	88,461.18	-	\$ -	\$ -	
Total Current Liabilities	\$ 91,122.00	\$ 285,541.09	163,923.11	173,457.49	\$ 116,704.38	\$ 112,520.34	\$ 90,016.27
Working Capital	\$ 538,959.00	\$ 606,469.29	1,503,944.92	3,909,703.92	\$ 3,179,507.82	\$ 4,132,532.46	\$ 3,772,579.28
Non- Current Assets	\$ 15,871,605.00	\$ 14,822,045.17	13,946,790.18	13,625,077.31	\$ 14,671,586.47	\$ 14,740,708.60	\$ 16,173,915.89
Net Assets	\$ 16,410,564.00	\$ 15,428,514.46	15,450,735.10	17,534,781.23	\$ 17,851,094.29	\$ 18,873,241.06	\$ 19,946,495.17
Equity							
Retained Earnings	-\$ 3,768,202.00	-\$ 4,712,401.77	(6,250,873.29)	(4,742,552.79)	-\$ 3,840,008.70	-\$ 3,035,262.64	-\$ 2,013,115.87
Current Year Earnings	-\$ 707,591.00	-\$ 745,440.70	815,251.46	902,544.09	804,746.06	1,022,146.77	1,073,254.11
Accumulated Capital	\$ 20,886,357.00	\$ 20,886,356.93	20,886,356.93	20,886,356.93	\$ 20,886,356.93	\$ 20,886,356.93	\$ 20,886,356.93
Total Equity	\$ 16,410,564.00	\$ 15,428,514.46	15,450,735.10	17,534,781.23	17,851,094.29	18,873,241.06	19,946,495.17

6. A STATEMENT OF ANTICIPATED BORROWING

There is no borrowing being undertaken by AKA given that it is not yet approved to do so.

AKA maintains a modest financial capacity, primarily supported through government allocations and internally generated revenue. While operational obligations are met through careful budgeting and prioritization, the organization continues to face constraints in funding capital upgrades and strategic initiatives without external assistance.

7. THE ACCOUNTING POLICIES

Historical cost Accounting is adopted in accordance with GAAP in Kiribati together with accrual accounting.

Fixed Assets are depreciated on a straight-line basis at rates calculated to write off each asset over its estimated useful life, revision of depreciation rates was revised in 2021 to expand life of some assets namely Plants & Machinery, Computer Equipment and Furniture & Fittings.

Donated Assets before the existence of AKA have not been incorporated into AKA financial reports unless assets handed over are properly made with AKA for these donated assets before AKA.

Liabilities for the trade creditors and the other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity.

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the AKA and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. AKA is exempt from income tax under the AKA Act sec 29.

Receivables are recognized at original invoice amount (inclusive of VAT where applicable) less any provision for uncollectible debts. Allowances for doubtful debts are raised when probable some debts are unrecoverable and write off when confirmed.

8. WHETHER SOE ANTICIPATES THAT IT WILL GENERATE A RETURN THAT COVERS THE COST OF CAPITAL, AND IF NOT, WHY NOT

	2022	2023	2024	2025	2026	2027	2028
ROE	-4%	-5%	5%	5%	5%	6%	6%
ROA	-4%	-5%	5%	5%	5%	5%	5%
Net Profit Margin	-50%	-26%	23%	20%	15%	16%	16%

The first time AKA compiled a budget that is inclusive of all divisions' needs: takes into account capital needs, compliance matters and outstanding tasks rolled on to 2024 hence the 2024 ROE & ROA and Net Profit Margin are all positive. Staff expenses are all taken into account which includes leave grant and passage as per leave roster, the cost of relievers (temporary) or charge allowances is also included.

9. A STATEMENT OF THE PRINCIPLES TO BE ADOPTED IN DETERMINING ANY ANNUAL DIVIDEND

Profitability and Financial Performance

Dividends shall be declared only from the net profits of the enterprise after all legitimate expenses, provisions, and taxation obligations have been accounted for, based on audited financial statements approved by the Board.

Maintenance of Financial Stability

The enterprise shall ensure that sufficient funds are retained to maintain sound financial health, including adequate working capital, debt servicing capacity, and reserves for contingencies or unforeseen events.

Reinvestment and Future Growth

Priority shall be given to reinvestment in critical infrastructure, asset replacement, safety compliance, and other capital projects that enhance the enterprise's long-term operational sustainability and service delivery to the public.

Cash Flow and Liquidity Considerations

Dividend payments shall only be made where sufficient cash resources are available, and where such payments will not adversely affect the enterprise's ability to meet its short-term and long-term financial obligations.

Government Policy and Public Interest

Dividend decisions shall be aligned with the broader government fiscal policies and objectives, recognizing the enterprise's dual role in generating financial returns and supporting national development priorities.

Sustainability and Predictability

The enterprise shall strive for a consistent and sustainable dividend policy over time, balancing the need to provide regular returns to the Government with the enterprise's long-term investment and service obligations.

Compliance with Legal and Regulatory Requirements

All dividend declarations and payments shall comply fully with the governing legislation of the enterprise, relevant financial regulations, and any directives issued by the responsible Minister or Cabinet.

Board Discretion and Accountability

The final determination of any dividend shall rest with the Board of Directors, who shall exercise their discretion prudently and in good faith, ensuring that the decision serves the best interests of both the enterprise and the Government as shareholder

10. ANY ACTIVITY WHICH AKA REQUESTS OR HAS AGREED TO BE TREATED AS A CSO

- Charges or rental fees are raised to other Ministries using the airport for the conduct of their services; such as immigration, customs, and local government agents.

As part of our ongoing commitment to community engagement and national development, AKA has continued to deliver a range of community service initiatives aligned with our strategic objectives and this includes organizing inclusive events featuring, career talks, and interactive demonstrations to engage youth, families, and stakeholders in understanding the value of airport services through MICT Days and World Aviation Days. These services are designed to enhance public awareness, build capacity, and foster inclusive participation in aviation and related sectors.

11. ANY OTHER MATTER AS AGREED BY THE RESPONSIBLE MINISTERS AND THE BOARD

Include summary of statement from section 7.6;

- Outer Island Airports upgrading programme to coincide with the Road upgrading,
- Expansion of arrival lounge at Bonriki airport,
- Beautification of Bonriki airport environment to look neat and attractive to tourists and the public.
- Building of small booth for small businesses, such as rental cars, accommodation and others,
- Building of a lounge with drinks and food for those who wish to wait for their flight in it;

Corresponding information is required for each Subsidiary, under each section.

2 MANDATE AND POLICIES GOVERNING THE DEVELOPMENT OF THE STATEMENT OF INTENT

2.1 Ownership Guidelines

Airport Kiribati Authority is a State-Owned Enterprises established under the Airport Authority Act 2019 and operates under the supervision and direction of the Board of Directors. The ACT provides AKA the authority to execute its mandatory responsibilities especially for the Airport continuous development, implementation and maintenance of its facilities and equipment. This will allow AKA to increase its revenue collections from both Aeronautical and Non-Aeronautical sources to provide a successful and long term commercially viable operation. Furthermore, AKA ensures that airfield safety includes but is not limited to identifying, preventing, responding to and/or removing all hazards to aviation including Foreign Objects Damage (FOD), wildlife, runway incursions, unauthorized vehicles and pedestrian entry, and disabled aircraft.

2.2 Obligations under the Kiribati Development Plan/KDV or similar

For AKA to maintain its plans in support of its future development plans for the enhancement of its activities shall ensure to collaborate and align its objectives with the Kiribati Development Plans. AKA is working hard to improve its areas of operation and governing mandates as well as related ACTs for the conduct of its responsibilities under the ICAO SARPs.

The KPIs in the KDP reflect international and regional conventions, and government policies. It also includes a set of indicators to enable progress in AKA objectives and to be monitored and evaluated. Under the KV20 pillars, AKA's principal functions fall under Pillar 3, aiming for Infrastructure Development. The Key National Focus Area emphasizes on the sustainability of infrastructure development. Considering this important development area, AKA perceived an important role for the necessary upgrade, continuous maintenance, and improvement of all airports within Kiribati. This requires AKA to undertake a pragmatic approach through partnerships to secure the necessary fiscal and technical support to upgrade and maintain the Airport infrastructure, equipment, and systems in accordance with the requirements of the Aviation Regulations.

2.3 Mandate

AKA's activities are governed under the Airport Act 2019. The SOE Act, 2013 governs its commercial principles.

2.4 Purpose of the State-Owned Enterprise

AKA continues to explore ways to maintain sustainable and commercially viable operations to successfully achieve its development objectives and its core functions and purpose. As a regulated entity under the ICAO SARPs, capacity development for AKA at all levels is one of the crucial areas to determine the successful future of AKA.

In regard of the inherent importance and underpinning purpose of AKA in fulfilling its obligations under the ICAO SARPs as an airport operator, lacking the necessary capacity and full mandate to manage all national airports and runways, and lacking the management of national air space by AKA, thus will prevent AKA to achieve its purpose. Therefore, warranting such capacities and control to AKA will grant successful pathways to achieve the following vision, mission, and values.

Vision

"To be a Regional leader in a sustainable airport and outstanding customer service connecting Kiribati to the world and fostering economic growth while preserving the comforts and safety of customers".

Mission

"Our mission is to provide outstanding airport facilities through the ongoing maintenance and high quality infrastructures for all airports in Kiribati to meet both national and international safety and legal requirements to achieve customers' satisfaction".

Values

1. Cleanliness
2. Professionalism
3. Efficiency & Effectiveness
4. Integrity and accountability
5. Coordination and collaboration

2.5 CORE business

As stipulated under the Airport Kiribati Authority Act, AKA has a principal function of establishing, improving, maintaining, operating and managing airports, including providing services and facilities which relate to the successful operation of all airports.

Core Business	Purposes
Air Traffic Services (ATS)	Provide advice & information useful for the safe and efficient conduct of flights. Notify appropriate organizations regarding aircraft in need of search & rescue.
Rescue and Fire Fighting Services (RFFS)	Deliver efficient rescue & firefighting services at the airport in case of aircraft emergencies.
Navigational Aid Services (NAVAIDs)	To assist pilots in the safe and efficient movement of aircraft during landing, take-off, and taxing manoeuvre.
Maintenance Services	Efficient maintenance of all airports equipment & facilities to ensure continuous operation.
A Specialized Aviation security service (AVSEC)	To safeguard civil aviation against acts of unlawful interference.
Air-side Operations	To maintain the good condition of airports both domestic and international to support the safe and secure air service operation.
Safety Management System/Quality Assurance	Assist airport division to identify safety risks before major deficiencies.

3 PLANNING INPUTS

3.1 Profile / Overview of the Business & Assessment of Recent Results

Core Business	Recent Results
Air Traffic Services (ATS)	- The recurrent Training on Aerodrome Flight Information Services (AFIS) was advertised by the Australian Volunteers Initiative (AVI) but was not successful due to the unavailability of Instructors/technical experts at that time. Currently, two of the ATS officers from Tarawa were sent to Fiji for refresher training. - Obstacle Limitation Surface (OLS) - Tender has been issued in September 2023 for clearing of trees infringing OLS and obstructing views from the Tower. This has been initiated however there is a possibility now that residences have encroached towards the northern and North Eastern side of the runway, more infringement to the OLS will be experienced in the near future. - Pacific Aviation Safety Office (PASO) ATS audit completed October 2022.
Maintenance Department	- Fire truck; Due to its old model, acquiring spare parts is difficult to get. New fire trucks are planned to be purchased and it's in progress by seeking quotes and funding to external and partner donors. There has not been any clear indication for DFAT of Bonriki Fire Tenders. The Authority will consider an application for a Loan from KPF, subject to approval and further collaboration with the MICT. This will cater for the purchase of fire tenders for Bonriki Standby needs. - Navigation Aids (NDB); On-going process to relocate the equipment to a suitable place at the Tower. Seeking quotes and funds is in progress - Airport Ground Lighting (AGL) reaches full life service and maintenance. Single source service provider (ORION) available for supplying the required batteries. The new batteries are expected to be released by the end of 2024 and the work to commence by the beginning of 2025.

		an analysis for whichever lighting system is better suited to allow for continuity of use and minimal maintenance cost.
Air side operations OIA maintenance upgrading plans.	and	1.The major maintenance on Makin airport was completed in 2022 funded by Government 2. Tamana completed in 2023 at the end of October, the work is funded by GoK 3. Aurorae major maintenance has also been completed in August 2024, and it is locally funded 4.The plan for minor maintenance to OIA is now in progress, TabSouth has been completed in September 2024. Also, locally 5. funded by GOK Ongoing maintenance for OIAs is an activity of the airside team, in the current year-minor maintenance have been done for Marakei, Abaiang, Kuria, Aranuka, Beru, Onotoa. Until the surface changes, the minor maintenance will be done continuously as scheduled for operational and emergency needs. 6. The major upgrading for all OIA is now in a planning stage, the survey has begun with Butaritari for assessing the cost and 7. to write CP to seek funding. This is still in the pipeline and needs further assessment especially for funding. 8. Master plan development for Bonriki and Cassidy airport has started early 2024, further work will continue in Q1 2025 until 9. it is completed, this is funded by DFAT
International Airports Development plans		1. Unavailability of X-ray machines and Explosive Trace Detection (ETD) 2. X-Ray machines have been acquired for Bonriki as well as ETDs for both airports. 3. Universal Security Audit Program (USAP) - Completed 2023. 3. Gate Houses renovation and maintenance - urgently needed. Continuous monitoring of gate houses for maintenance. 4. Secured perimeter of the airport 10% in progress to acquire funds and quote placement of RWY09 Low Galvanized Fences has been ongoing from August 2025 and anticipated to be completed before end of the year. 5. Masterplan development for Bonriki and Cassidy airport has started early 2024, further work will continue in Q1 2025. This is funded by DFAT. 6. Upgrading work to Cassidy airport will begin by end of 2024 until May 2031 which is funded by the WB an immediate surface remediation has now been discussed with the PCU being in effect.
Safety/System/Quality Assurance		1.A robust Safety system is needed at the AKA to ensure safety of passengers, staff, and aircraft. These systems encompass a wide range of measures, from physical infrastructure to sophisticated technology, all working in tandem to prevent accidents and mitigate risks. 2. The system will involve training of staff, development of manuals and SOPs in line with ICAO SARPs, this is planned to begin Q1 2025 and expected to complete in 2027. 3. The work will be guided by Aviation TAs who are engaged to work with the aviation sector in Kiribati under DFAT funding.

3.2 Current Situational analysis

Current Situational Analysis	Goal/Objectives	Strategies/Activities	Performance Measures (KPI)	2025	2026	2027
Employees' and Customers' issues						
Inadequate number of AKA personnel to meet ICAO requirements.	To recruit more people for effective performance to meet ICAO requirements.	To advertise existing vacancies for recruitment. To search the market in Kiribati for qualified people in aviation. HR Committee now established to conduct a staffing needs assessment for both airports.	Number of staff recruited.	2 staff recruited.	3 staff recruited.	4 staff recruited.
Inadequate skills and knowledge on certain procedures for the conduct of responsibilities inline with the safety and security requirements	Enhancing AKA staff understanding and knowledge of ICAO standards/SARPs.	To develop a training plan to cater for AKA staff training needs to meet ICAO requirements.	Number of training plans completed	5 initial training plans completed 2 ATS Staff underwent training this year. 4 SMS & SECURITY related training and workshops attended by Tarawa Staff.	5 training plans	2 refresher training
	Capacity building	To attend workshops organised overseas	Number of workshops undertaken overseas.	3 undertaken	3 undertaken	3 undertaken
		To conduct local workshops on ICAO requirements and standards/SARP to AKA staff.	Number of workshops conducted onsite.	2 workshops onsite	2 workshops onsite	2 workshops onsite

			Reviewing the audit report and identifying the critical areas that needs to be prioritized for improvement	Number of critical findings resolved	50% of critical findings Resolved. Major findings have not been resolved especially for the need of Fire Tender for Bonriki and OLS issues.	70% of critical findings resolved	100% of critical findings resolved
			To make available necessary documents and manuals to AKA staff to help them understand their responsibilities	Number of documents read on an annual basis by an individual.	Q1- Manuals Updated from each department and circulated to all staff. Internal Audit conducted this year to check documentation and compliance	Q1 - Manuals updated. Q2- internal audit of staff competency in performing their responsibilities.	Q1 - Manuals updated. Q2- Internal audit conducted.
Lack of understanding in Airport functions or regulations by the stakeholders, general public and the travelling public resulting in conflict during operations.	To nurture the understanding of stakeholders, travelling and general public through the conduct of workshops and roadshows, as well as broadcasting it over 50 programs.	To facilitate training, workshops and skills development for specific curriculum or critical areas.		Number of workshops conducted to stakeholders, travelling and general public	2 workshops to conduct.	2 workshops to conduct.	2 workshops to conduct.
			Conduct Public awareness through roadshows program, 50 programs. Facebook, Vodafone texts.	Number of road shows undertaken Number of advertisement s posted.	Q1 - 1 roadshow conducted Q2 - Public awareness through radio & on AKA Facebook page	Q1 Road show conducted. Q2 - Public awareness through radio & Facebook - AKA	Q2 - Public awareness through radio & Facebook

		Set up sign boards at Bonriki and Cassidy airports as an advertisement or reminder to the public and travellers.	Number of signboards poster	Q1 - AKA billboard developed and displayed. Signboard at Gate Entrance acquired Q2 - signage at checking area, loading and unloading zone in front of the Terminal updated and completed, Q3 - signs at the carpark for new set up to all drivers developed and displayed. These are still pending procurement process from AKA.	Q1 - signs for the perimeter fence printed and displayed, Q2 - signage for AKA office printed and displayed,	Q1 - checking that all signs are in good order Q2 - reprinting damaged signs for replacement Q3 - confirming that all damaged signs have been replaced
Major Operational assets & facilities						
AKA Limited resources and capacity to address poor conditions of runway surface on outer islands. Financial constraints - No Heavy machines & operators	Sustaining a quality and compliance runway surface to support safer air operations.	To conduct regular inspections of Outer Island Airports (OIA) . This has been regularly done on an annual basis with an air	Number of inspections completed	4 OIA inspections completed. 2 OIA at Line & Phoenix.	4 OIA inspections completed. 2 OIA at Line & Phoenix.	4 OIA inspections completed. 2 OIA at Line & Phoenix.
		To develop MOU with Island councils to assist with routine maintenance The usual MOU had been done for the targeted islands for 2025 based on the criticality of the runway surface and surroundings.	Number of MoUs developed and implemented.	6 MoUs developed.	6 MoUs developed.	6 MoUs developed.

			Airport Report Officer to provide reports on runway conditions weekly.	Number of reports provided weekly.	4 reports to be produced monthly from each ARO Assess reports and record findings for remediation.	Continue to process on outstanding tasks on the reports	Continue to process on outstanding tasks on the reports
			To take immediate action on Pilots' incident reports of OIA.	Number reports provided and implemented.			
			To conduct remediation work to the most critical airfields.	Number of OIA undergoes major maintenance.	4 Outer Island airport (OIA) remediation completed.	4 Outer Island airport (OIA) remediation completed	4 Outer Island airport (OIA) remediation completed.
Insufficient number of special tools for maintaining credibility of navigational aids.	To ensure that required testing tools are in stock for effective maintenance to critical equipment needed for safe operations.	To purchase the required tools.	Percentage of tools purchased	30%	60%	100%	
		To seek funding support for procurement of the required equipment.	Number of Funding proposals submitted	Q1 - Proposal submitted for purchasing of tools and equipment. Q2 Follow up on progress Q3 and Q4 - expects to commence purchasing	Q1 - stock taking of the tools Q2 - checking of tools record to ensure no missing tools	Q1 to 4 - continue with record check of all tools	
Absence of approach path for Cassidy NDB and incomplete installation of Bonriki NDB.	To complete the outstanding work for the two NDBs.	To seek funding assistance for the required work. To identify qualified organizations for the work required of the two NDBs.	Progress on the work done for the development of the approach path for Cassidy NDB and the completion of a new NDB for Bonriki airport.	Q1 to check with WB funding for this approach path Q2 to begin necessary processes for the development an approach path Q3 - engagement	Q1 - configuration, Calibration & full service of the NDB Q2 -publishing of the approach path on the AIP for all air service providers.	Q1 - confirming that the NDB works perfectly for continuous operation of air transport into Cassidy airport	

STATEMENT OF INTENT FOR THE 3-YEAR PERIOD FY2026 TO FY2029

Expensive Airport Insurance Liability	To consult with KIC for a cheaper and inclusive Airport insurance.	To consult with KIC seeking clarification on the current Insurance premium, To consult the broker for clarification on the premium, To seek clarification if other Airport assets can be included in this Airport Insurance Liability.	Percentage of works completed.	Consultation has been made with KIC in 2024, Q2 revisit the ongoing premium for review, Further assistance will be sought with Aviation TA to confirm if this premium can be reduced, Q3 - discuss with the broker on possibilities of reducing the premium,	Q1 starting on a new premium or continue the existing amount,	If the premium reached a reasonable amount, this will be closed.
Continuous Power outage/disruption affecting AKA ability in providing safety advice and services to all inbound and outbound traffic.	To improve on a back-up power at the two airports, Bonriki and Cassidy.	To install a back-up generator to supply power during black outs of PUB powerhouse.	Number of failures during blackouts of main PUB power.	Assess performance of a standby generator, Record a failure rate and to analysis the cause for remediation to ensure its continuous operation,	Continue working on the outcomes from 2025 to ensure that the power supply for the two airports is stable.	To ensure continuous power supply at the two airports is sustainable.
	To find alternate power supply for the two airports, Bonriki and Cassidy.	To install a solar grid to improve power supply at Bonriki and Cassidy airport.	To find quotations of solar grid power	Q1 – work with KGES or other businesses on the quotations of the best size of a solar grid suitable for Bonriki and Cassidy airport, Q3 – working on the funding source		
Insufficient Apron Lighting	To improve Apron Lighting	Acquire sets of Apron Lighting	Number of Apron lights installed. Work completed in percentage	Q1 – evaluate the number and types of lights needed at terminal and apron to support night operations, Q2 – seeking quotes for the lights required, Q3 – seeking funding,	Continuous maintenance of all the lights	Continue working on the lightings to ensure they are working well and sufficient to support safer operations at night.

				Q4 – acquiring the lights needed, Installation of all the lights,		
Spare parts required to be in stock for; - Visual Aids - Apron lighting - Navigation Aids - Safety & security equipment - Safety gears for firemen	To acquire essential spare parts for continuous operation of the critical equipment needed during flight operations; To purchase full sets of firefighting suits which are in compliance with international standards for firemen;	To identify and purchase required spare parts and firefighting suits which are in compliance with ICAO standards and recommended practices,	Number of spare parts purchased required for Navigational aids; Number of firefighting suits purchased for firefighters both at Bonriki and Cassidy airports;	Q1 seek quotes on the spare parts and firefighting suits needed, Q2 present the costing to the Board for consideration and approval, Q3 proceed with the purchase, if too expensive seek assistance to the MINISTRY for funding, Q4 proceed with the purchase if funding is available,	Continue working on the purchase if not yet achieved,	Proceed to the next level if purchase has completed, otherwise start the process from the beginning.
Legal governance and environment issues						
Poor enforcement of AKA Act 2019.	Effective enforcement of AKA Act 2019.	To review the ACT to identify deficiencies; To insert provisions that can support empowerment of the authority to enforce the Airport Authority ACT 2019.	Percentage of ACT 2019 reviewed Number of provisions inserted.	Q 1 60% Q2 100% Q3 submission to Parliament Q1 as many as needed Q2 all necessary provisions added Q3 passing of amendments by Parliament Q4 implementation of a revised ACT	Continue working from where it ends from 2025	Continue working with a revised ACT 2019.

Discrepancy of Tax norms to the legal provisions of Airport Authority Act 2019	AKA to remain tax exempt.	To consult with legal advisors (AG's office) . To consult with the Tax office.	Number of consultations completed.	Consultation with AGs Office & SOE-MAU; Q2	Consultation with Tax Office - Q1	AKA to remain tax exempt
Safety Management System (SMS) in place	To achieve compliance with ICAO requirements and	Reviewing the audit report and identifying the priority areas that need improvement.	Manual update	Identify priority areas - Q1 Review all manuals and update Q2 - update	Review all manuals and update. update - Q1	Review all manuals and update update - Q1
certification of an airport operator by remedying the Findings report.		Development of the action plan that outline tasks, responsibilities, resources and	Completion and Implementation of Action plan; - Drills, - Training, Tabletops exercises undertaken.	100% SMS Action plan completed - Q1	Review of Actions plans - Q1	Review of action plans -
		Communicating the action plan to all relevant stakeholder,		Action Plans shared with relevant stakeholders - Q2	Shared with Relevant stakeholders - Q2	Shared with Relevant stakeholders - Q2
		Executing the action plan and monitoring the progress and performance of each task and outcome		Action Plan implemented - Q2 SMS Training to stakeholders	Q2 Tabletop exercise undertaken	Q2 *Emergency Drill undertaken*
		Reporting the results and feedback of the action plan to the auditors and regulators.		Report the results and feedback to auditors & regulators - Q3		

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No policy regarding penalty cost/fines on oil spills on the apron area. Oil spills overtime can cause catastrophic effects to the apron area resulting in airport closure.	Developing policy on oil spill.	Review procedure manuals and other relevant policies on oil spill.	Policy completion & implementation.	Q1 - Review policy and other relevant manuals on oil policy -		
		Consultation process with legal advisors and other relevant external parties.		Q2 - Consultation with legal advisors and relevant stakeholders		
		Implementation of policy		Q2 - implementation of policy		
Weak Governance and accountability.	Enhancing work processes - administration and human resource policies.	To develop required policies: i) . Standard procedure for the Board. ii) . Procedures for established committee iii) . Human resource policy	Establishment of AKA National condition of service. New structure established for AKA workforce that includes the HRM department.	Review of AKA Act and NCS 2021	70% AKA NCS developed –	100% - AKA NCS Approved and implemented - Q1
				Q1 - Consult PSO for advice Q2 – Approval of AKA new structure Q3 – establishment and implementation	Q1 – review of AKA structure to identify any gaps if necessary.	
	Improving Assets	To evaluate the current situation			Q2 – AKA structure	

Inventory recording system.	of the recording system. To conduct research of available integrated systems.	Assets Inventory and a recording system installed.	40% completion of Asset Inventory system - Q2	75% completion of Inventory system - Q2	100% completion of Inventory system - Q2
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Business system and other resources

Accounting system - the MYOB version 2019 is outdated	Upgrade version of MYOB to newest version	Training of Account staff during transition and use of the new system.	MYOB version is fully updated and Account staff well trained	Q1 - 100% updated. Q2- Training conducted	Q1 - Updated MYOB. Q2- training undertaken	Q1 - Updated MYOB. Q2- 1 training undertaken
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Collection of inaccurate passenger manifest causes inaccurate collection of data for billing as revenue	Enhance data retrieval systems from airlines	Conduct consultation with airline agencies and customs	Number of consultations conducted.	Q1 - Consultation with Airlines and Customs. Q2 - Consultation review.	Q1- implementation of data retrieval system	Q1- Review the data retrieval system for any inputs required.
		Timely collection of General Declaration (GENDEC) Manifest report. Comparison of data retrieval with ATS records for passengers onboard. Acquire boarding pass from Airline.	Accuracy of Data PAX collection.	Q1 consultation with ground handler and agent for the provision of final Genders Copy of GENDEC received after every international flight departs Bonriki	Q1 - 50% of accuracy of data PAX collection	Q1 - 100% accuracy Data PAX collection.
	To implement a standardised and automated system for collecting and	Investigate & conduct research for the required new system from other airports that	Installed a standardised and automated system for data collection.	100% research conducted - Q1 and Q2 Q3 - 50% implementation of automated system	Q3 - 70% implementation of automated system	Q2 - 100% implementation of automated system

	transmitting related information from the airline to the border control in accordance with standard and guidelines.	already use the system.				
Network connectivity is unstable	Upgrade & improve internet connectivity	To acquire a new internet service provider that is cheaper with best connectivity (Starlink)	Achieved			
Communication between stations is not effective due to Insufficient number of portable VHF radios available.	Acquire the required number of VHF portable radios as per ICAO SARPs.	To purchase 22 radios for Bonriki. To purchase 7 radios for Cassidy.	Achieved			
Lack of ICT skilled personnel and software	Acquire skilled or train current personnel and purchase up to date software	The ICT personnel are trained and up-skilled, The software and developing programs to up-skill staff in ICT Purchase of Microsoft Office	ICT personnel gained the required skills, and the new software are installed	50%	80%	100%

[illegible][illegible]

Financial obligations.		To review and revise fees and charges based on the current regulations	Increase 30% Airport Fees & charges	50% increase on collection progress		from previous years.
		Drafting and final proposal agreed by the Board and Management and submitted to the responsible Minister.				
		First Draft submitted.	Final approval of Airport fees & charges submission for endorsement			90% achievement of cash inflows to compared with previous years
		Final draft endorsed by Cabinet. New fees and charges implemented				
		Introduction of penalty fees for late payment and returns.	Percentage completion for establishing Penalty fees for late payment.	40% completed.	100% completed and implemented.	Increase penalty fees for non-compliance airlines
		Cease of credit sales to unscheduled flights	Percentage progress of consultation undertaken with Foreign Affairs	100% completed	Implemented	Implemented
		Recovery of account and debtors advance	Number of Consultation (workshop and awareness) completed.	consultations undertaken.	Workshop undertaken	Workshop undertaken
No Financial gain from Kiribati airspace	To obtain Income from airspace	Provision for doubtful debts.	First Draft submitted	Final draft endorsed	Implemented	Implemented
		Revise Airport Authority Act 2019 regarding provision of 30% remittance.	Final draft endorsed by Cabinet.	Q1 - New Fees & Charges implemented	40% possible increase on the income AKA	Possible review of new Fees & Charges
		Seek the Ministry for advice and guidance	Number of consultations completed	Q3 - 10% improvement	Q1- 40% improvement	Review progress from past years
		Seek funding	Number of Prodod submissions.			

		Upgrading equipment And ATS staff capacity	Acquire/upgrade of new ATS equipment with advance coverage			
		This is still an ongoing effort with the Ministry and CAAK.	Number of Training to staff undertaken			
Lack of required procedures of Accounts & Budget administrati on	Improving quality of financial report	Streamlining of financial operations & development of AKA condition of service	Percentage of condition of service completed	35%	70%	100%
		Financial viability is still an ongoing effort whilst CS development is still under draft.	First draft produced. Final draft endorsed.			
		Conduct surveys of inventories and fixed assets stock.	Surveys completed.	50%	75%	100%
		A sufficient number of employees is needed for the account team to allow this to be executed.				
		Timely submission of inventory records.	Inventory record completed.	Q1 - 50%	75%	100%
		Through financial reporting on a monthly basis, there is still need for emphasis of compliance to inventory records.				
		Setup savings account for authority's foreseeable needs	Setup a savings Account. Deposit 5% from monthly Revenue collection to the authority savings account	Q2 - 100% Completion of Savings Account Q3 - Implemented	Implemented	Implemented

3.2.1. Employees' and Customers' issues

Inadequate number of AKA personnel to meet ICAO requirements.

The shortage of Airport Kiribati Authority (AKA) personnel continues to present a critical challenge in meeting ICAO requirements. Human resource constraints have contributed to several operational deficiencies, including reduced performance levels and customer dissatisfaction. When staffing levels fall short, tasks are delayed or left incomplete, creating an imbalance in workload distribution. This often results in employee fatigue, stress, and diminished efficiency.

In accordance with ICAO Standards and Recommended Practices (SARPs), the presence of sufficient and qualified personnel is crucial to sustaining safe and efficient operations. Overworked employees are more prone to errors, which can jeopardize safety — the core of aviation operations. Therefore, ensuring the right staffing levels remains a top priority to mitigate risks associated with fatigue and unsafe practices.

Inadequate skills and knowledge on certain procedures for the conduct of responsibilities in line with the safety and security requirements.

In aviation, competency directly impacts safety and efficiency. Employees must possess the right skills and knowledge to execute their assigned duties correctly. Lack of technical proficiency or inadequate understanding of standard procedures can lead to errors, incidents, or even accidents — situations that the Authority cannot afford. Non-compliance with ICAO requirements due to insufficient skills may also result in audit findings, leading to financial and reputational implications for the organization.

3.2.2. Major operational Assets & Facilities

AKA Limited resources and capacity to address poor conditions of runway surface on outer islands.

The Airport Kiribati Authority (AKA) continues to face significant challenges in maintaining and improving the runway surfaces of outer island airports (OIA). Limited financial resources, the absence of heavy machinery and skilled operators, and logistical difficulties remain the primary constraints. These limitations hinder the Authority's ability to conduct regular maintenance and rehabilitation works in a timely and efficient manner.

The lack of dedicated heavy equipment—such as rollers, graders, and excavators—has forced AKA to rely heavily on the Ministry of Infrastructure and Sustainable Energy (MISE) for support. However, given MISE's own operational demands, their equipment is often unavailable when urgently needed for outer island maintenance. This dependence results in delays in resurfacing and repair works, thereby increasing safety risks and limiting operational capacity.

In aviation, safety is paramount, and the condition of runways is a critical factor influencing both aircraft performance and passenger safety. Runways in poor condition can lead to flight cancellations, delays, or even operational incidents. Regular maintenance is not only a compliance requirement under ICAO standards but also a necessity for maintaining connectivity across the islands—ensuring access to essential medical, education, and emergency services.

A well-maintained airport infrastructure also plays a key role in reducing aircraft maintenance costs, ensuring service reliability, and promoting tourism by supporting frequent and safe air services to the outer islands. Therefore, it is crucial that AKA is equipped with the necessary machinery, technical capacity, and sustainable funding to carry out ongoing maintenance and improvement programs.

Insufficient number of special tools for maintaining credibility of navigational aids.

The limited availability of specialized tools has resulted in poor operation and maintenance of the aging Non-Directional Beacons (NDBs) and other navigational aids. Outdated configurations and irregular calibration have led to non-compliance with ICAO requirements, reducing the accuracy and reliability of information provided to aircraft pilots. This issue compromises flight safety and operational integrity, highlighting the urgent need for upgraded tools and modernized systems.

Absence of Heavy plant tools and special tools for fire truck's repair and maintenance.

The absence of appropriate tools for maintaining fire trucks and heavy equipment continues to pose serious challenges to operational safety and efficiency. This constraint results in:

- Extended equipment downtime due to delayed repairs.
- Increased maintenance costs through reliance on external service providers.
- Reduced equipment lifespan from inadequate preventive maintenance.

- Potential non-compliance with ICAO maintenance and safety standards.

Absence of approach path for Cassidy NDB and incomplete installation of Bonriki NDB

Both Cassidy and Bonriki Airports face deficiencies in their navigational aid infrastructure. Cassidy's NDB lacks an established approach path, rendering it ineffective for safe aircraft guidance. Although a temporary GPS approach has been approved, a permanent solution is urgently needed. Meanwhile, Bonriki's new NDB installation remains incomplete and uncalibrated, while the existing beacon is nearing the end of its operational life. Both require immediate attention to achieve certification and ensure compliance with ICAO standards.

The need for fire truck replacement of old ones to continuously satisfy the ICAO requirements.

Under ICAO regulations, both Bonriki and Cassidy Airports must maintain Category 6 fire cover to support continuous operations. The current fire trucks are aging, with obsolete parts and frames that are no longer supported by manufacturers. Without timely replacement, the airports risk operational disruptions and potential non-compliance with international safety standards. Acquiring new fire trucks is therefore critical to maintaining uninterrupted and safe airport operations.

All safety equipment and assets (such as firetrucks, communication equipment, navigational aids, fence, patrol vehicles etc) used at Bonriki and Cassidy airports are not insured under the Airport Liability Insurance Policy.

Currently, major operational assets—including fire trucks, patrol vehicles, perimeter fencing, communication systems, and navigational aids—are not insured under AKA's existing Airport Liability Insurance Policy. The policy only covers third-party damages and injuries, leaving vital assets exposed to financial loss in the event of damage or disaster. There is an urgent need to expand the insurance policy or establish a separate coverage plan to protect these high-value assets and ensure operational resilience.

Continuous Power outage/disruption affecting AKA ability in providing safety advice and essential services to all inbound and outbound traffic.

The continuous outage of PUB power can impair AKA ability in providing the required services to inbound and outbound air operations to Bonriki and Cassidy airport. In many cases, the power outage has been identified as one issue in the quality performance of AKA as most of its equipment is dependent on electricity. It has been confirmed that during power outages the essential services required for the safe and secure conduct of air operations is affected very much which can result in the closure of airports. Even Though AKA has purchased its standby generators to power the communications and navigational aids, other supporting services will still be out of service. Given the importance of AKA function in ensuring that air transportation is operating safely and securely, a new power system is needed. For AKA to resolve this problem, it is recommended that a solar power grid is purchased and installed at Cassidy and Bonriki airports.

Insufficient of Apron lighting

The purpose of apron floodlighting is to facilitate safe operations on an apron, however in our current situation, the apron lighting is not sufficient to support safe night operations. Proper lighting on the apron helps to ensure the safety of aircraft, ground vehicles, and personnel operating on the apron. It helps to clearly mark the boundaries of the apron, taxiways, and other areas, which helps to prevent collisions and other accidents.

The need for essential spare parts required to be in stock for the following: visual aids, apron lighting, Navigational Aids, Firetrucks, standby generators & safety & security equipment.

Under the ICAO regulations, these equipment are needed to be well maintained for continuous air operations at Bonriki and Cassidy airports. It is a requirement under international standards that these equipment are operational at all times for the safety of air transportation, therefore it is one of the requirements to have the necessary spare parts in stock. The acquisition of spare parts is not an easy task given the high requirements in aviation that a supplier should go through before it is given an approval to do so. Secondly, the parts for these equipment have specific guidelines that should be recognized as genuine parts.

Safety gear for firemen is risky to carry out their duties safely.

The protective gear firefighters wear is so important because it helps them do their job to the best of their ability while protecting their well-being. When dealing with massive amounts of heat, flames, and toxic smoke, it's easy to fall victim to injury and develop worse conditions farther down the line. The firemen are always at the frontline during accidents and will be required to wear proper suits to protect them from heat and other toxic substances when dealing with fire accidents, and without these proper suits can expose them to dangers which can harm the firemen. From head to toe, the clothing that firefighters wear helps protect them from the many dangerous conditions associated with their jobs which is fighting fire during accidents.

3.2.3. Legal governance and Environmental issues

Poor enforcement of AKA

Discrepancy of Tax norms & Airport Act 2019 - The conflict between the Tax Income Act and the Airport Authority Act 2019 requires urgent action by the TAX office to observe and accept the fact that AKA is tax exempted under its ACT. It is paramount that the TAX office ceases collection of AKA tax as it is affecting the financial status on an annual basis. It is now realized that the ACT requires updating as some of the Airport Authority activities are not supported in the current version. An updated version will enable the AKA to perform its duties in a more effective manner and more importantly in compliance with ICAO SARPs.

Safety Management System

Bonriki airport is a dynamic environment with many stakeholders required to integrate into a unified SMS process. An effective SMS is about identifying exposure to risk as felt by the entire business. Airport Kiribati Authority managers are required to ensure that they can show compliance with ICAO Standards, Recommendations and Guidance including Quality and Safety and Compliance elements. In its current situation, AKA does not have an effective SMS which can affect AKA performance in identifying and correcting safety problems. This will have a negative effect on the safety of air transportation.

Negative impacts of chemical waste materials (Oil spill) Environmental regulatory issue

The airport generates air pollution from several sources including on-site power and heating, equipment to service aircraft, on-site vehicles, airport-related traffic on surrounding roads (staff, passengers, and freight) and aircraft. The anticipated growth in air travel has heightened the significance and complexity of some environmental regulatory issues. Also, several new requirements are expected to affect airport operations (in terms of procedural changes and potential investment in infrastructure). The most significant issues are the EIA requirement/standards applicable to the water lens preventing further expansion of the runway and airport to the Northern side of the runway to accommodate more traffic.

Apron Congestion

Passenger time loss represents the single most significant economic effect of congestion. In addition to the costs of congestion in terms of lost economic efficiency, there are also negative consequences in terms of social cohesion. Congestion imposes costs on both the users and providers of airline transportation services.

3.2.4. Business system and other resources

The Airport Kiribati Authority (AKA) is facing several business system issues and resource challenges, which could pose significant risks to its operations and efficiency. Here's a brief explanation of each of these issues:

Old Accounting System:

The use of old accounting packages presents several risks, including limited functionality and potential security vulnerabilities. Outdated software may not support modern accounting standards and regulations, making it difficult to maintain accurate financial records. It could also lead to increased susceptibility to errors and fraud. The risk of data loss or corruption is higher with old software that may not be adequately maintained or supported.

Manual Operations Work System:

Relying on a manual system for operations work can result in inefficiencies, errors, and delays. Manual processes are time-consuming, labour-intensive, and prone to human error. They can hinder the timely collection of fees on landing fees and passenger service and security levies. A lack of database system means

that the recordings are not electronically stored and could be easily lost and make it challenging to access accurate and up-to-date information. The absence of databases also hinders data analysis, reporting, and strategic decision-making.

Insufficient number of backup radios:

The absence of backup radios can cripple the operation and incur multiple runway incursions if securities guarding access control points are not equipped with a two-way communication radio. The safety of aircraft and passengers might be at risk given communication between tower and ground staff is dilapidated. A number of radios have been ordered to remedy this communication issues between ground stations for the safety of aircrafts and other ground vehicles operating on the airside.

Lack of ICT resources:

Without skilled personnel and resources in Information and Communication Technology (ICT), the Airport Authority may struggle to implement modern systems and technologies. This skills or resources gap can lead to a reliance on outdated methods and a lack of innovation. Acquiring new resources such as (Server)and Training and upskilling of staff in ICT is crucial for the authority to harness the benefits of technology and improve operational efficiency.

3.2.5. Financial Issues

AKA has long been operating at a loss and so far, operations have been conducted depending on funds available from time to time.

Economically incapable of meeting financial obligations

The company has always been incapable of meeting its major commitments for sometimes in a year as can be evidenced in a lack of funds which has become a routine cash flow issue from time to time. Funds do not stay long in a bank account of AKA; it comes and goes, and future remittances are always expected to meet either next or pending commitments. Even staff benefits have not been able to be disbursed on a timelier manner and are often deferred to dates most suitable to cash flow of AKA. Likewise, to other major commitments such as Airport Insurance 2022, OIA remediation & lastly Navigational Aids improvements.

The following objectives have been identified to ensure AKA is financially capable:

- **Revised Fees & Charges:** Revising fees & charges regulation would definitely address the issue of this financial incapability of AKA to meet its commitments. Revenue is likely to be more than doubled on the aeronautical revenues hence AKA can meet more of its commitments.
- **Revised Collection Period and Return Submission from Airlines:** Cash collection would be assisted in this remedy as Airlines are no longer able to defer their remittances to AKA Bank Account. AKL's return on domestic manifest would definitely be submitted to AKA on the 7th of every month instead of the 15th which has given us a lot of waiting time both for billing and collection.
- **Recovery of Receivables & Advance Accounts:** This would help inflate cash flow from Receivables still unsettled, similarly to Advance Accounts who have been with the records for over the years. If these Advance Account cannot be retired properly, recovery of them would also improve cash flow.

No Financial gain from Kiribati Airspace

AKA plans to obtain Income from airspace as part of forecast revenue for the benefit of the company of cash flow which can meet all its major commitments in the future. The income will be achievable by completing the upgrade of the Air Traffic Service level of airspace control, required navigation aids and staff capacity. Consulting with the ministry planned to achieve the target.

Lack of required procedures of Accounts & Budget administration

Without a Financial Regulation in place specific for AKA has made it hard to exercise control on budget against norm of AKA in their spending. Budget control and management is quite hard in this scenario when the staff members have long been adopting financial regulations the improper ways after a long time. Perhaps enhancing finance literacy is another factor to assist this financial issue through a little and constant awareness to everyone, that could assist in proper management of budget to be aligned with standard financial regulations.

Similarly, a lack of procedures in place to stir internal controls is also a key gap in this area. Currently no proper procedures are in place in the handling and control of fixed assets, property damages assessment is also not in place to identify whether they are tear and wear or negligence of a staff for possible remedy to a problem and lastly proper disposal of fixed assets has never been exercised before hence this might have contributed to poor grading of financial reports. AKA really needs someone to only look after stores and fixed assets to improve the problem.

Dependence on the Government's condition of service which does not best fit with the context of AKA is another factor that also encourages uncertainties in the finance work processes due that AKA recently was established without such crucial documents.

The following strategies are applied in improving quality of financial reports on Account & Budget administration of AKA;

- Streamlining of financial operations & developing AKA conditions of service.
Conduct regular counting of inventories, fixed assets stock & office supplies.

3.3 Summary, Business Risks and SWOT analysis

STRENGTHS	WEAKNESSES
- Sole airport operator (monopoly) for all national and international airports. - Strong Government support and policy backing. - Possession of essential equipment to support basic operations. - Demonstrated ability to respond to emergencies and crisis situations. - Cohesive workforce with strong teamwork and collaborative spirit. - Potential for active engagement with communities (e.g., school visits and awareness programs). - Recognized importance of safety culture and compliance with ICAO standards.	- Inadequate skills and technical knowledge among key personnel. - Shortage of human resources, resulting in work overload and fatigue. - Outdated equipment, tools, and navigational aids (e.g., NDBs). - Long lead time for acquisition of spare parts and machinery. - Limited financial resources affecting timely maintenance and project implementation. - Inadequate monitoring and maintenance of outer island airports (OIA). - Lack of heavy machinery, tools, and facilities for fire trucks and runway repairs. - Land space limitations restricting future expansion. - High customer complaints due to service delays and infrastructure constraints.

OPPORTUNITIES	THREATS
- Revision and implementation of updated airport fees and charges to improve revenue generation. - Airport expansion and modernization projects to support increasing air traffic. - Collaboration with Outer Island Councils for runway maintenance and grass-cutting programs. - Acquisition of specialized software and digital tools to improve operational efficiency. - Technical training support and capacity-building programs from regional and international aviation institutions. - Workforce upskilling and professional development through overseas attachments and ICAO-endorsed training. - Upgrading of ICT and internet infrastructure for better coordination and data management. - Integration of systems to streamline operations and reporting. - Potential partnerships with donors (e.g., DFAT, ADB) for outer island airport improvements.	- High cost of compliance with ICAO and regulatory requirements. - Continued impact of COVID-19 on passenger numbers and revenue streams. - Heavy dependence on external funding for capital projects and new initiatives. - Political, environmental, and climate-related challenges (e.g., apron flooding at times during storm surges, erosion). - Possible sudden cessation or disruption of international flights. - Apron congestion due to grounded or long-term parked aircraft. - Aging infrastructure and delayed replacement of critical assets such as fire trucks and navigational aids. - Rising maintenance and operational costs due to inflation and logistical constraints. - Increased safety and operational risks due to delayed maintenance and insufficient insurance coverage of key assets.

3.4 Leading to Specific Challenges and Focus of Planning Period

The Airport Kiribati Authority (AKA) will continue to align its efforts with the Government's KV20 Manifesto for infrastructure development while ensuring that all initiatives are directed toward sustainable service and outcome delivery. During this planning period, the primary focus will be on maintaining and enhancing key airport infrastructure to support efficient and safe operational performance. In other words, the Authority will continue to focus on compliance and revenue generation.

Recognizing the importance of ongoing development, AKA aims to strengthen its digital and capital foundations to improve service delivery standards and operational resilience. The following priority areas will guide the Authority's focus:

- **Upgrade Accounting Software:** Invest in a modern accounting system to ensure compliance with financial regulations, enhance data accuracy, and strengthen financial security.
- **Digitize Operations:** Introduce digital platforms to manage cargo, flight scheduling, and logistics, reducing reliance on manual processes and improving operational efficiency.

Enhance Internet Connectivity: Establish reliable and high-speed internet connections to facilitate better communication, data sharing, and access to online tools and resources.

Implement Centralized Database Systems: Develop and maintain integrated databases to centralize critical operational data, enabling more efficient data management, analysis, and reporting.

ICT Capacity Building: Provide ongoing ICT training and development programs to upskill staff, empowering them to utilize technology effectively and contribute to the digital transformation of airport operations.

4 PLANNING PERIOD OBJECTIVES

4.1 Statement to reconcile the key challenges from section 3.4 to identify planning period Objectives

4.2 Clear Statement of Objectives to accomplish by the end of the Planning Period

Main Objectives	Key Challenges	Comments
A. Human Resource Development	1.Capacity building & training To improve the skills and capabilities of staff by supporting overseas training and seeking available online courses specific for airport operations.	Capacity building & training To improve the skills and capabilities of staff by supporting overseas training and seeking available online courses specific for airport operations.
	2. Improving customer services	To satisfy customers with the excellence services provided.
	3. Engage TAs to carryout recurrent training for Aerodrome Flight information service (AFIS) staffs	Finding a TA for this specific technique is challenging.
	4. Recruitment of qualified mechanics to sustain workloads	Difficulties in finding a certified mechanic in the labour market specialized for vehicles such as fire trucks.
B. Mitigate risks.	5. Enhance safety and security standards.	Similar to the above strategy, however, ensuring the safety and security at the airport is a top priority. Awareness training to staff was conducted frequently to ensure the safety of passengers, personnel and aircraft. Security procedures during flight operations are implemented and strictly monitored.
	6.Compliance with OSH Act 2015	Although the OSH ACT has not yet been implemented, there is a Safety Management System and Officers at the Airport.
	7.Strenthgen Safety for Bonriki International Airport	Strengthening safety measures will protect passengers, staff, and operations; However, prioritizing key areas is essential to ensure efficient resource allocation.
	8.Assurance for Safety Compliance	Ensuring safety compliance at the airport will enhance its credibility and continuous funding, proper training, and effective management to meet ICAO Standards.
C. Improve Infrastructure & facilities.	9. Improve condition of Outer Island Airport (OIA)	To improve regular maintenance and monitoring of outer island airports is one of the top priorities of the AKA work plan to continuously promote safety for domestic flights operations.
	10. Acquire & Upgrade equipment, fire trucks & NAVAIDS.	In compliance with ICAO regulations, AKA is required to acquire new fire trucks, NAVAIDS and upgrade of equipment essential for the continuous operation of international flight.

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	11.Extension of Bonriki Apron	Extending the apron at Bonriki will improve operational capacity, allowing more aircraft to park as currently only 2 jet aircraft can be accommodated at one time (e.g., B737 & Airbus A320). A proper planning, extensive funding and relocation plans for current tenures is required.
D. Improve compliance & corporate governance.	12.Updating and revision of Airport Act 2016	The airport rule and regulation need to be reviewed and revised annually in accordance with the Airport Act 2016 to ensure compliance with the Government KV 20.
	13.Ensure to meet the required ICAO standards.	This is the basis of Airport operation hence it is crucial to maintain requirement and standards to avoid reputational damage with external partners and international airlines. Continuous monitoring from advisory notices, updating procedures and staff training is a demand that is mandatory to be met.
	14.Ensure all airports comply with Obstacle limitation surface (OLS) objectives	Meeting OLS Objectives ensures flight safety however; it requires close coordination with landowners and clear enforcement of any known zoning regulations nationally.
	15.Waste Management	It is essential for the AKA to develop new procedures to mitigate waste pollution, such as oil spills by aircraft, gas emission and wreckage of equipment and aircraft.
E. Business efficiency	16.Upgrade & improve integrated systems.	Meeting the requirements to upgrade & improve integrated systems is a core function for AKA to improve accuracy and enhance security in terms of financial processing. Also, implementation of digital systems to manage cargo, vessel scheduling, and logistics, reducing manual processes and improving operational efficiency.
	17.Engage an Aerodrome TA to assess the extent of NGTA and PLCH aerodromes	Engaging a TA will provide valuable insights into the aerodromes' status, enabling better planning, although timely recruitment and funding is critical.
	18.Controlling of Flight Movements	Implementing advanced flight tracking systems will enhance operational control and efficiency, but requires funding and staff training.
F. Financial Viability	19.Streamlining Financial operations	AKA financial status heavily depends on international flight operations to generate income. However, the expenses outweigh the income which may pose a threat to AKA operations.
	20.Improve cash flow management	Effective cash flow management will enhance business sustainability.
G. Enhancing Commercial Credibility	21. Strengthen Commercial Transparency & Accountability	Given the absence of commercial elements, this measure will serve to elevate commercial standards.
	22.Improve Commercial Initiatives	Some of the unrecognized charges are incorporated to align with newly introduced commercial initiatives.
	23.Enhance Public Private Partnership	AKA acknowledges the valuable contribution of the private business sector, thus prompting the establishment of a collaborative partnership with private entities.

5 STRATEGIC ACTIONS TO SATISFY OBJECTIVES

5.1 Identify 1 – 5 key strategies that aim to meet each Objective and that are specific actions and tasks, clearly stating who is responsible and what resources are allocated to the tasks.

Strategic Actions	Who	Resources
A. Human Resource Development		
1. Capacity building & Training	HR/HODs/	External/AKA Financing
2. Improving Customer Service	HR/HODs	AKA Financing
3. Engage TAs to carry out recurrent training for Aerodrome Flight Information Service (AFIS) staff.	MATS/HR	External/AKA Financing
4. Recruitment of qualified mechanics to sustain workload.	EMM/HR	AKA Financing
B. Mitigate Risk		
5. Ensure safety & security	SMS/ASM/HODs	AKA
6. Compliance with OSH Act 2015.	SMS/HODs	AKA
7. Strengthen Safety for Bonriki International Airport.	ASM/SMS	External Funding /AKA
8. Assurance for SMS compliance.	CEO/SMS/HODs	AKA
C. Improve infrastructure & facilities		
9. Improve condition of Outer Island Airport (OIA)	AM/COO/CEO	GoK/AKA
10. Acquire & upgrade equipment, firetrucks and NAVAIDs.	EMM/HODs/CEO	Seek fund from Donors/GoK/AKA
11. Extension of Bonriki Apron	AM/COO/CEO	External Funding / GoK Fund
D. Improve compliance & corporate governance		
12. Updating & revision of Airport Act	CEO & HODs	AKA / External Funding
13. Ensure to meet the required standards	CEO & HODs	AKA /External Funding

14. Ensure all Airports comply with Obstacle Limitation Surfaces (OLS) objectives.	CEO & HODs	AKA/External Funding
E. Business Efficiency		
15. Upgrade & improve integrated system	HODs/EMM/CEO	AKA
16. Engage an Aerodrome TA to assess the extent of NGTA and PLCH Aerodromes	CEO/AM	AKA/Gok Fund
17. Controlling of departing and arrival of flight.	ASM/MAT/AM	AKA
18. Improve Outer Island Airports.	AM/COO	GoK Fund
F. Finance viability		
19. Improve cash flow management	SA	AKA
20. Streamlining Financial operations	SA/COO	AKA

5.2 Support this by a concise statement linking other aspects of the “business as usual” approach identifying the other aspects of the business that contribute to earnings.

In addition to these strategic actions, AKA will continue its *business-as-usual* operations that sustain and enhance overall earnings. Core activities such as aerodrome operations, aircraft landing and parking fees, passenger service charges, and lease of commercial spaces key revenue streams. Routine maintenance, regulatory compliance, and customer service initiatives will further ensure operational reliability and financial stability while complementing new strategic developments.

6. PERFORMANCE MEASURES

6.1 Identify 1 – 5 SMART KPI's that relate specifically to each strategy

Performance Measures	Measures	When
A. Human Resource Development		
1. Capacity Building and Training	Accomplish at least 50% of AKA staff to undergo specialized training.	30.06.2026
2. Improving Customer Service	Request PSO officers to conduct customer service training on site	30.02.2026
	Improve Customer service by 30%	30.02.2027
	Workshop Training	30.01.2026

3.Engage TAs to carry out recurrent training for Aerodrome Flight Information Service (AFIS) Staffs.	Two staff attended a refresher training in FIJI	30.01.2026
4.Recruitment of qualified mechanic to sustain workload	Submission for approval	15.03.2026
	Still pending waiting approval for the proposed structure	
	Position advertised - one temporary staff engage with AKA	25.03.2026
	Acquiring mechanics through the recruitment process	30.03.2026
B. Mitigate Risk		
5.Enhance Safety & Security standards	10 staff will be recruited.	31.01.2026
	Still on-going	
	Skill improvement by 30% for technical staff	30.06.2026
6.Compliance with OSH Act 2015	Safety tools and PPEs for operational staffs acquired	30.01.2026
7.Strenthgen Safety for Bonriki International Airport	Subject to the consultation outcome, initiate partial gate closures for Bonriki	31.01.2026
	Removal of idled aircrafts - 50% completion	30.06.2026
	Runway 27 erosion actioned by MISE	30.06.2026
	Still on-going	
8.Assurance for Safety Compliance	Specific internal audit training utilizing the software	31.06.2026
	External audit for system assurance	15.12.2026
C. Improve infrastructure & facilities		
9.Improve condition of Outer Island Airport (OIA)	Maintenance funding proposal submitted.	30.01.2026
	Acquisition of funding for immediate remediation.	30.01.2026

	Acquisition of funding for all outer island airport upgrades.	15.02.2026
	Implementation of outer island major airport maintenance	30.01.2026
	- 6 Outer Islands minor maintenance completed - Beru, Onotoa, Kuria, Aranuka, Marakei and Abaiang.	
	- No major maintenance due to unavailability of heavy machinery & operators.	
10.Acquire & upgrade equipment, firetrucks and NAVAIDs.	Acquire new Aeronautical aids and firetrucks.	30.06.2026
	No progress	
11.Extension of Bonriki Apron	Revisit the funding acquisition for feasibility study	25.02.2026
	Feasibility study undertaken	31.11.2026
	PRODOC submission for Apron Extension	31.12.2026
	Funding acquired for Apron Extension	30.06.2026
D. Improve compliance & corporate governance		
12.Updating & revision of Airport Act	Approach the Legal office for the revision of the Airport Act - 100 % Completed.	30.01.2026
13.Ensure to meet the required ICAO standards	Review manuals.	30.06.2026
	50% completion	
14.Ensure all airports comply with Obstacle Limitation Surface (OLS) objectives.	Airport Type A chart issued every 5 years	30.06.2026
	Obstacles penetrating the OLS, the take-off and approach slopes are removed, compensated and recorded	31.09.2026
15.Waste Management	Establishment of policy regarding waste management at the airport premises including oil spill. - Still on progress	30.12.2026
E. Business Efficiency		

16. Upgrade & improve integrated system	Acquire software for operational records (aircraft movements, passenger manifests, incident report, Fire daily inspection reports.	30.05.2026
	Engagement with leete in providing his training on how to use Microsoft Access for easier collection, updating and reporting of operational records.	
17. Engage an Aerodrome TA to assess the extent of NGTA and PLCH aerodromes	TA report submitted	30.12.2026
	An Internal report by TA is to be assessed and implemented	30.12.2026
18. Controlling of Flight Movements	Number of aircraft landings were recorded systematically	30.03.2026
	Number of departing passengers recorded systematically	30.03.2026
F. Financial Viability		
19. Streamlining Financial operations	MYOB system installed updated to newer version and advance feature to enhance efficiency	30.06.2026
	Provide training to Account staffs for continuity and system effectiveness	30.06.2026
20. Improve Cash Flow Management	Reduce Account receivable delays from external stakeholders - Agreement with Airlines to be circulated for on-time payments. -Improve debtors collection and impose penalties for delayed payments.	30.12.2026
	Optimize revenue collection with the current fees and charges	30.03.2026
G. Enhancing Commercial Credibility		
21. Strengthen Commercial Transparency & Accountability	Recruit marketing officer - On progress still awaiting approval of Airport Structure.	15. 02. 2026
	Implementation of increased fees & charges for non- aeronautical activities - The new fees and charges are now implemented to support the improvement of AKA cashflow.	31. 01. 2026

22. Improve Commercial Initiatives	Introduce airspace fees below 10,00feet to all Bonriki Traffic & below 5,000feet to all Cassidy (Kiritimati) traffic.	30. 09. 2026
	The new airspace fee is now implemented.	
	Introduce a chargeable lounge & restaurant for both international airports	31.12.2026
	AKA is still working on the suitable company to run this business.	
	Erect information booths for stakeholders on a rental basis	30.03.2026
	Extension of arrival and departure lounges	30.09. 2027
	The work will be starting soon as the materials have arrived in Tarawa on 22nd October 2025.	
23. Enhance Public Private Partnership	Encourage private business engagement & infrastructure development initiatives for both Bonriki & Cassidy	30.06.2026

6.2. Some strategies will take multiple years to achieve and therefore identify progress KPI's for the year ahead and each year of the Plan. Ensure KPI's include financial and non-financial measures and are consistent with the overall KPI's developed for the business

7. SUPPORT FOR GOVERNMENT POLICIES

7.1 Statement of compliance with relevant Government Policies

AKA's compliance with current government policies is dependent on the continuous support of line Government ministries and agencies. Given the congesting nature of the air-side, there needs to be a demarcation of the current apron boundary to allow a proportionate space for the ground support equipment. AKA will continue to seek avenues to allow for an apron extension on South Tarawa. Issues regarding Cassidy Airport are anticipated to be accomplished with the full support of concerned government agencies to allow for a full airfield operation to enable night movement.

7.2 Statement of Community Services, nature of services and financial claims for CSO support during the planning period

As part of our ongoing commitment to community engagement and national development, AKA has continued to deliver a range of community service initiatives aligned with our strategic objectives and this includes organizing inclusive events featuring, career talks, and interactive demonstrations to engage youth, families, and stakeholders in understanding the value of airport services through MICT Days and World Aviation Days. These services are designed to enhance public awareness, build capacity, and foster inclusive participation in aviation and related sectors.

7.3 Statement of Support from Government and / or Development Partners and details of contracts, obligations and financial impact on business.

On 24 May 2020, in response to AKA's request for COVID-19 contingency support, Cabinet approved a financial assistance package comprising a monthly grant of \$92,000 commencing in April 2020, along with a one-time allocation of \$96,006.15 to cover airport liability insurance costs. This assistance supported continued operation during the pandemic and the following the end of global emergency on May 2023, contributed to a steady recovery result in increased the AKA revenue

7.4 Statements of Financial capacity and details of any external borrowings.

AKA maintains a modest financial capacity, primarily supported through government allocations and internally generated revenue. While operational obligations are met through careful budgeting and prioritization, the organization continues to face constraints in funding capital upgrades and strategic initiatives without external assistance. The company currently required financial assistance to pay full salaries for all staff necessary to operate the airport, continued external funding or alternative revenue source are essential to ensure safe and reliable airport operations

7.5 Statements of Financial capacity in regard to dividends, dividend policy and proposed dividends during the planning period

Over the past five years, AKA has faced significant financial challenges, with limited revenue generation capacity and a consistent reliance on Government support to meet its obligations as an airport operator in accordance with ICAO standards. As a highly regulated entity, AKA is required to comply with stringent safety and security protocols to maintain a safe and secure environment for air transportation.

Given the substantial financial outlay required to uphold these regulatory commitments, AKA anticipates that it may be unable to issue dividends over the next three years. This position will be reassessed once the organization achieves a more stable revenue base and returns to profitability.

7.6 Any other matters as agreed with the Responsible Ministers

While Government funding has been allocated for the remediation of Outer Island Airports, work on the critical airports has not yet commenced due to the unavailability of essential heavy machinery. This delay has impacted the original implementation timeline, and efforts are currently underway to mobilize the required equipment to enable commencement of works. The revised schedule will be confirmed once logistical constraints are resolved.

Upgrading outer island runways was one of the company major activities and was carried out concurrently with the commencement of the road project on the designated Island, ensuring coordinated access and logistics for construction team and material

Kanton airport - the upgrading to Kanton airport is now rested with the Government to find a donor.

8 FINANCIAL FORECASTS

8.1 Prepare Statement of Financial Performance (Profit & Loss statement) in the same format as presented for audit and covering the full year (audited) prior to the planning period (actual), estimates for current year and 3 years forecasts

Airport Kiribati Authority 2025 Operation Budget							
	Audited Annual financial Account	Unaudited Annual financial Account	Unaudited Annual Financial Account		Projected estimate for next 3 years		
	2022	2023	2024	2025	2026	2027	2028
Income							
Aircraft service charges & fees	\$ 734,349.00	\$ 1,974,819.08	\$ 3,425,462.41	\$ 4,079,251.06	\$ 4,972,787.96	\$ 6,161,646.26	\$ 6,469,728.58
Terminal services charges & fees	\$ 42,216.00	\$ 40,133.94	\$ 64,579.43	\$ 336,049.66	\$ 352,083.52	\$ 353,636.55	\$ 355,215.20
Total Income	\$ 776,565.00	\$ 2,014,953.02	\$ 3,490,041.84	\$ 4,415,300.72	\$ 5,324,871.48	\$ 6,515,282.81	\$ 6,824,943.77
Total Other Income	\$ 649,831.00	\$ 897,341.46	28,743.90	2,141.98	-	-	-
Total income	\$ 1,426,396.00	\$ 2,912,294.48	\$ 3,518,785.74	\$ 4,417,442.70	\$ 5,324,871.48	\$ 6,515,282.81	\$ 6,824,943.77
Expenses							
Operation costs	\$ 467,523.00	\$ 584,810.41	\$ 730,642.60	\$ 1,148,941.49	\$ 1,186,683.98	\$ 1,304,771.33	1,435,248.46
Administration costs	\$ 41,917.00	\$ 270,672.29	\$ 206,052.12	\$ 448,102.90	\$ 364,486.04	\$ 364,559.57	401,015.52
OIA Project Expenses	\$ 11,559.00	\$ 133,721.07	\$ 50,172.21		-	-	-
STAFF costs	\$ 499,827.00	\$ 1,366,244.91	\$ 786,867.39	\$ 976,904.25	\$ 1,965,507.18	\$ 2,753,030.08	\$ 3,028,333.09
Total expenditures	\$ 1,020,826.00	\$ 2,355,448.68	\$ 1,773,734.32	\$ 2,573,948.65	\$ 3,516,677.19	\$ 4,422,360.97	4,864,597.07
Earning before PPiS	\$ 405,570.00	\$ 556,845.80	\$ 1,745,051.42	\$ 1,843,494.05	\$ 1,808,194.29	\$ 2,092,921.84	\$ 1,960,346.70
Prior Period Items	-\$ 1,570.00	\$ 185,232.78	\$ 497.72	497.72	497.72	497.72	497.72
Earning before ITDA	\$ 407,140.00	\$ 371,613.02	\$ 1,744,553.70	\$ 1,842,996.33	\$ 1,807,696.57	\$ 2,092,424.12	\$ 1,959,848.98
Total depreciation	\$ 1,114,731.00	\$ 1,117,053.72	\$ 940,452.24	\$ 940,452.24	\$ 1,002,950.51	\$ 1,070,277.35	1,123,791.21
Earning before Tax	-\$ 707,591.00	-\$ 745,440.70	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	1,073,254.11
Income tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit/-loss after tax	-\$ 707,591.00	-\$ 745,440.70	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	1,073,254.11

Notes:

- For FY 2025, staff salary revisions have been implemented to reflect current market rates and operational requirements. Approximately half of AKA's total workforce is now paid directly by the Ministry, which alleviates pressure on AKA's operating budget while ensuring staff compensation remains competitive and sustainable.
- Earnings before interest, tax & depreciation, looks good over the years before depreciation.
- Terminal fees are also to be increased due that stalls outside terminal are to be on rent as well as lease rental on all property usages of Airport both terminal and apron sideways.
- Terminal fees are also increased due that stalls outside terminal are to be on rent as well as lease rental on all property usages of Airport both terminal and apron sideways.
- The projection for next three years' estimates is based on budget forecasts of 10% increase over actual outputs whereas some outputs are actual based on real scenarios such as pax tax and SSL international flights are increased 30% in 2025.

- 8.2 Prepare Statement of Financial Position (Balance Sheet) in the same format as presented for audit and covering the full year (audited) prior to the planning period (actual), estimates for current year and 3 years forecasts

Statement of financial position							
	Audited Annual financial account	Unaudited Annual financial account	Unaudited Annual financial account	Projected estimated for next 3 years			
	2022	2023	2024	2025	2026	2027	2028
Assets							
Cash & Cash Equivalents	\$ 260,620.00	\$ 432,087.97	759,346.50	2,937,962.80	\$ 2,952,652.61	\$ 3,672,453.50	\$ 3,690,815.77
Account Receivable	\$ 369,461.00	\$ 459,572.41	908,521.53	1,145,198.61	\$ 343,559.58	\$ 572,599.31	\$ 171,779.79
Accruals & Prepayment	\$ -	\$ 350.00			\$ -	\$ -	\$ -
Allowance for Doubtful Depts	\$ -	\$ -			\$ -	\$ -	\$ -
Total Current Assets	\$ 630,081.00	\$ 892,010.38	1,667,868.03	4,083,161.41	\$ 3,296,212.20	\$ 4,245,052.81	\$ 3,862,595.56
Current Liabilities							
Trade Creditors	\$ 91,122.00	\$ 82,254.47	79,326.99	138,969.38	\$ 111,175.50	\$ 104,227.04	\$ 83,381.63
Payroll Liabilities	\$ -	\$ -	(3,865.06)	6,911.09	\$ 5,528.87	\$ 8,293.31	\$ 6,634.65
Accrual expenses	\$ -	\$ 86,244.54		-	\$ -	\$ -	
Deferred Income - Current	\$ -	\$ 117,042.08	88,461.18	-	\$ -	\$ -	
Total Current Liabilities	\$ 91,122.00	\$ 285,541.09	163,923.11	173,457.49	\$ 116,704.38	\$ 112,520.34	\$ 90,016.27
Working Capital	\$ 538,959.00	\$ 606,469.29	1,503,944.92	3,909,703.92	\$ 3,179,507.82	\$ 4,132,532.46	\$ 3,772,579.28
Non- Current Assets	\$ 15,871,605.00	\$ 14,822,045.17	13,946,790.18	13,625,077.31	\$ 14,671,586.47	\$ 14,740,708.60	\$ 16,173,915.89
Net Assets	\$ 16,410,564.00	\$ 15,428,514.46	15,450,735.10	17,534,781.23	\$ 17,851,094.29	\$ 18,873,241.06	\$ 19,946,495.17
Equity							
Retained Earnings	-\$ 3,768,202.00	-\$ 4,712,401.77	(6,250,873.29)	(4,742,552.79)	-\$ 3,840,008.70	-\$ 3,035,262.64	-\$ 2,013,115.87
Current Year Earnings	-\$ 707,591.00	-\$ 745,440.70	815,251.46	902,544.09	804,746.06	1,022,146.77	1,073,254.11
Accumulated Capital	\$ 20,886,357.00	\$ 20,886,356.93	20,886,356.93	20,886,356.93	\$ 20,886,356.93	\$ 20,886,356.93	\$ 20,886,356.93
Total Equity	\$ 16,410,564.00	\$ 15,428,514.46	15,450,735.10	17,534,781.23	17,851,094.29	18,873,241.06	19,946,495.17

Notes:

- The Airport Kiribati Authority (AKA) continues to increase its investment in capital assets, with allocations steadily growing over the years. This upward trend reflects a commitment to infrastructure development and operational efficiency. The sustained investment indicates strong financial discipline and confidence in future growth, provided that AKA continues to operate within its approved budget parameters. These capital investments are expected to enhance service delivery, asset reliability, and long-term value creation.

2. Retained Earnings

Projections show that retained earnings will begin to recover from their current negative position, gradually improving through consistent profitability over the forecast period. As operational revenues strengthen and cost control measures remain effective, cumulative profits will help reduce accumulated losses and support a more stable equity position. Over time, this will contribute to a healthier balance sheet and improve the organization's financial sustainability.

3. OIA Grant Utilization

Currently, OIA have been funded through AKA budget, any unspent balance from previous years will be returned to the Ministry in accordance with funding guidelines and government financial regulations.

8.3 Prepare Cash Flow statements, in the same format as presented for audit and covering the full year (audited) prior to the planning period (actual), estimates for current year and 3 years forecasts

Airport Kiribati Authority Statement of Cash Flow							
	Audited financial account Jan - Dec 2022	Unaudited financial account Jan - Dec 2023	Actual 2024	Actual and Budgeted 2025	New Proposed 2026	New Proposed 2027	New Proposed 2028
Cash Flow from Operating Activities							
Net Income	-\$ 707,592.00	-\$ 982,049.00	786,507.56	902,544.09	804,746.06	1,022,146.77	1,073,254.11
Add depreciation expenses	\$ 1,114,731.00	\$ 1,117,054.00	940,452.24	940,452.24	1,002,950.51	1,070,277.35	1,123,791.21
Adjustments to reconcile Net Income to net cash provided by operations	\$ 407,139.00	\$ 135,005.00	-	3,191,978.97	(2,303,782.80)	(275,933.80)	(2,288,636.24)
Add Decrease (less Increase) in Current Assets	-\$ 191,742.00	-\$ 90,462.00	(1,052,189.67)	(2,415,293.38)	786,949.21	(948,840.61)	382,457.25
Add Increase (less Decrease) in Current Liabilities	\$ 38,350.00	\$ 194,418.00	(10,119.14)	9,534.38	(29,176.09)	4,184.03	(22,504.07)
Net Cash Flow from Operating Activities	\$ 253,747.00	\$ 238,961.00	664,650.99	2,629,216.30	261,686.89	871,833.74	268,362.26
Cash Flow from Investing Activities							
Payment for Capital assets	-\$ 13,523.00	-\$ 67,493.00	(221,939.29)	(450,000.00)	(246,997.08)	(137,343.04)	(250,000.00)
Proceed from sales of assets	\$ -	\$ -	-	-	-	-	-
Net Cash Flow from Investing Activities	-\$ 13,523.00	-\$ 67,493.00	(221,939.29)	(450,000.00)	(246,997.08)	(137,343.04)	(250,000.00)
Cash Flow from Financing Activities							
Deferred Income- Long term	\$ -	\$ -	(117,042.08)	-	-	-	-
Govt Grant	\$ -	\$ -	-	-	-	-	-
Net Cash Flow from Financing Activities	\$ -	\$ -	(117,042.08)	-	-	-	-
Net Increase/Decrease for the period	\$ 240,224.00	\$ 171,468.00	\$ 327,258.53	\$ 2,179,216.30	\$ 14,689.81	\$ 734,490.70	\$ 18,362.26
Cash at the Beginning of the period	\$ 20,396.00	\$ 260,620.00	\$432,087.97	759,346.50	2,938,562.80	2,938,562.80	3,673,053.50
Cash at the End of the period	\$ 260,620.00	\$ 432,088.00	759,346.50	2,938,562.80	2,953,252.61	3,673,053.50	3,691,415.77
Represented by:							
HQ Cheque account	\$ 260,517.00	\$ 430,790.00	\$ 758,746.50	\$ 2,937,962.80	\$ 2,952,652.61	\$ 3,672,453.50	\$ 3,690,815.77
HQ petty cash	\$ 20.00	\$ 262.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
HQ payroll cheque	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Bank Cheque	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Xmas Petty cash	\$ 83.00	\$ 53.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Xmas Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undeposited funds account	\$ -	\$ 983.00	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Cash equivalent	\$ 260,620.00	\$ 432,088.00	\$ 759,346.50	\$ 2,938,562.80	\$ 2,953,252.61	\$ 3,673,053.50	\$ 3,691,415.77

The cash flow projections indicate that the Airport Kiribati Authority (AKA) will maintain a sufficient liquidity position over the next three years to support its anticipated infrastructure development programs, as illustrated in the table above. This positive outlook reflects prudent financial management and the gradual improvement in operating revenues.

However, it is important to note that several major capital expenditures have not been included in the current budget due to financial constraints. These projects include:

- Acquisition of fire trucks to strengthen airport safety compliance;
- Installation and relocation of NDBs for both Cassidy and Bonriki approach procedures;
- Implementation of the Airport Master Plan projects; and
- Other critical infrastructure and operational upgrades currently under assessment.

The estimated total cost of these initiatives amounts to several million Australian dollars (AUD), a level that currently exceeds AKA's available financial capacity as of FY 2024. These projects remain high priorities but will require additional funding sources, such as government grants, external financing, or phased implementation, to be realized.

8.4 Provide generally agreed financial ratio's showing for each year - RoE%, RoA%, Current Ratio, NPAT% - as a minimum.

8.4.1 Profitability analysis

	2022	2023	2024	2025	2026	2027	2028
ROE	-4%	-5%	5%	5%	5%	6%	6%
ROA	-4%	-5%	5%	5%	5%	5%	5%
Net Profit Margin	-50%	-26%	23%	20%	15%	16%	16%



ROE							
Net income	\$ (707,591.00)	\$ (745,440.70)	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	\$ 1,073,254.11
Average equity	\$ 16,764,360.00	\$ 15,919,539.23	\$ 15,439,624.78	\$ 16,492,758.17	\$ 17,692,937.76	\$ 17,692,937.76	\$ 19,409,868.12
%	-4%	-5%	5%	5%	5%	6%	6%
ROA							
Net income	\$ (707,591.00)	\$ (745,440.70)	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	\$ 1,073,254.11
total assets	\$ 16,410,564.00	\$ 15,428,514.46	\$ 15,450,735.10	\$ 17,534,781.23	\$ 17,851,094.29	\$ 18,873,241.06	\$ 19,946,495.17
%	-4%	-5%	5%	5%	5%	5%	5%
Net Profit Margin							
EBIT	\$ (707,591.00)	\$ (745,440.70)	\$ 804,101.46	\$ 902,544.09	\$ 804,746.06	\$ 1,022,146.77	\$ 1,073,254.11
Total revenue	\$ 1,426,396.00	\$ 2,912,294.48	\$ 3,518,785.74	\$ 4,417,442.70	\$ 5,324,871.48	\$ 6,515,282.81	\$ 6,824,943.77
%	-50%	-26%	23%	20%	15%	16%	16%

The Return on Equity (ROE) serves as a key indicator of the company's financial performance. It is projected to improve gradually over the next three years, maintaining a steady growth rate. Likewise, revenue forecasts for the same period show a positive trend compared to the previous Statement of Intent (SOI).

However, to sustain and further enhance both Return on Investment (ROI) and ROE, the Airport Kiribati Authority (AKA) must continue to focus on improving overall profitability. This can be achieved either through increased revenue generation or by exercising tighter control over operational and administrative expenditures. A balanced approach between cost efficiency and revenue growth will be essential to maintain financial sustainability.

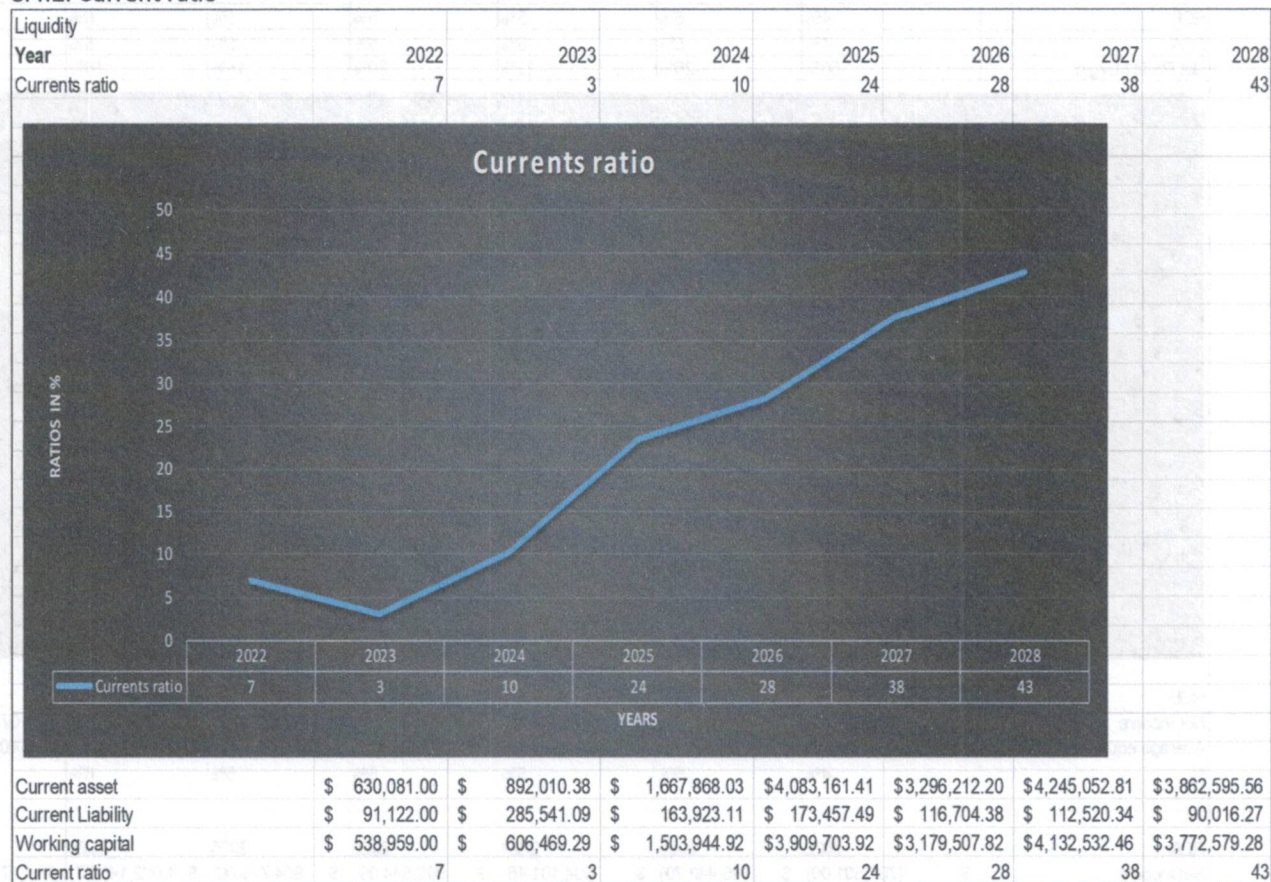
The application of approved tariffs must be consistently implemented and accurately reflected across all billings to ensure that reported revenues align with the revised tariff structure. This measure will enhance transparency, accountability, and the reliability of financial reporting.

In addition, AKA should pursue strategies to diversify and expand its revenue base. Key initiatives may include:

- Expanding the aircraft apron to accommodate more traffic and increase landing fees.
- Upgrading and expanding car parking facilities to enhance customer convenience and generate additional income.
- Installing more public toilets to improve passenger amenities and service quality.
- Increasing lease rental opportunities through better utilization of existing assets.
- Developing and promoting commercial spaces or market stalls outside the terminal to attract vendors and generate rental income.

These strategic investments and operational improvements will position AKA for sustainable long-term growth, improved profitability, and stronger financial performance across the forecast period.

8.4.2. Current ratio



AKA is forecasted to be able to meet its immediate obligations. It is anticipated to be improving over the next three years. The company shall be more proactive in settling debts within timeframes to avoid accumulating of creditors at end of balance days over the three years.

8.5 Provide details of key assumptions that influence the above financial forecasts. Ensure Financial forecasts reflect strategies, resource allocations, revenues, costs, assets and liabilities arising from the planned actions and strategies and provide supporting reference notes and statements of explanation.

The following are the main factors affecting the financial forecasts.

1. Salary of staff
2. Purchase and maintenance of fixed Assets
3. Remediation of findings
4. Insurance
5. Procurement of spare parts
6. Maintenance of OIA
7. Training and workshop necessary for staff capacity building
8. Improving infrastructure to ensure AKA meets the safety and security standards
9. Improving governance and accountability
10. Human resource development.

8.6 Provide a break-down of the Statement of Financial Performance forecasts to show different types of revenues and expenditures suitable for the business, by department or region, for each year and, if appropriate provide this break-down month-by-month for the next 12-month period.

Refer to Appendix A for a detailed breakdown of the Statement of Financial Performance and departmental allocations. Certain divisions have experienced budget reductions, and a revised budget allocation has been incorporated within the Administration Unit. This adjustment is intended to centralize oversight, enabling more effective monitoring, control, and redistribution of funds as needed to ensure that all departmental requirements are adequately supported and overall organizational objectives are met.

8.7 Provide a statement of the accounting policies in use.

Basis of Preparation

The annual financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles (GAAP), relevant accounting standards, and statutory requirements applicable in Kiribati. The principal accounting policies adopted by the Airport Kiribati Authority (AKA) are outlined below.

Fixed Assets

Buildings, plant, and equipment are depreciated using the straight-line method at rates designed to write off each asset over its estimated useful life. The previous depreciation rates applied were as follows:

Asset Category	Depreciation Rate
Plant and Machinery	25%
Computer Equipment	25%
Furniture and Fittings	25%
Motor Vehicles	20%
Buildings and Land	5%

To reflect the current condition and extended useful lives of certain assets, the depreciation rates were revised effective from FY 2021 as follows:

Asset Category	Revised Rate
Plant and Machinery	10%
Computer Equipment	20%
Furniture and Fittings	20%

Depreciation methods and residual values are reviewed annually at each reporting date. Adjustments are made when there is a change in the expected pattern of consumption of future economic benefits or the service potential of the assets.

An item of property, building, plant, or equipment is derecognized upon disposal or when no further economic benefits are expected from its use or disposal. Any resulting gain or loss — calculated as the difference between the disposal proceeds and the carrying amount of the asset — is recognized in profit or loss in the year of derecognition.

Revenue Recognition

Revenue is recognized when it is probable that economic benefits will flow to the AKA and the amount of revenue can be measured reliably. Revenue is recorded at the fair value of the consideration received.

Income Tax

Under Section 29 of the Airport Kiribati Authority Act, AKA is exempt from income tax.

Accounts Payable and Accruals

Liabilities for trade and other payables are measured at cost (inclusive of VAT where applicable), representing the fair value of the consideration payable for goods and services received, whether invoiced or not.

Receivables

Receivables are recognized at their original invoiced amount (inclusive of VAT where applicable), less any allowance for doubtful debts. Provisions are made when collection of the full amount is no longer considered probable. Bad and doubtful debts are written off as soon as they are identified.