PACIFIC TOURISM
ORGANISATION

ANNUAL REPORT

2023

VISION

OUR PACIFIC ISLANDS EMPOWERED AND
BENEFITTING FROM SUSTAINABLE TOURISM

MISSION

SUSTAINABLE TOURISM DEVELOPMENT
THROUGH INNOVATIVE PARTNERSHIPS

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Executive Summary

Established in 1983 as the Tourism Council of the South Pacific, the Pacific Tourism Organisation (SPTO) serves as the mandated regional tourism representative. Comprising of 21 government members American Samoa, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, Marshall Islands, New Caledonia, Niue, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis & Futuna, Rapa Nui and the People's Republic of China. In addition to government members, the Pacific Tourism Organisation also has private sector entities.

SPTO has evolved to prioritize sustainable tourism development alongside regional marketing. Guided by its "Sustainable tourism development through innovative partnerships" mission, SPTO has transitioned from solely a marketing entity to a leader in regional tourism policy and development. Recognising the challenges posed by mass tourism growth and climate change impacts, sustainability has become central to its role.

In collaboration with partners, SPTO aims to guide a resilient tourism recovery that benefits Pacific Island economies, cultures, and environments. This Annual Report covers January to December 2023, detailing SPTO's progress, activities, and financial performance in advancing its strategic priorities.

Key highlights include:

- Successful management and implementation of the SPTO Pacific Tourism Digital Transformation Project funded by NZMFAT.
- Signing of MOUs with 3 key partners, PATA, SPREP and Fiji Airways.
- Successfully coordinated and conducted 2 Board of Directors Meetings and 1 Council of Tourism Ministers Meeting.
- Successfully secured the take over of the Pacific Tourism Data Initiative (PTDI) from AUT to SPTO, worth an additional NZD$2.16 million of donor funding.
- Receiving the Commonwealth Secretariat Innovation Award for "Partnerships for Sustainable Development."
- Launching the Pacific Sustainable Tourism Standard for Destinations.
- Successfully organising the 2023 South Pacific Tourism Exchange in Christchurch, New Zealand.
- Hosting the inaugural Pacific Youth Forum on Sustainable Tourism with over 100 participants.
- Successfully hosting the 2nd Pacific Sustainable Tourism Leadership Summit.
- Establishing the Pacific Tourism Statistics Reference Group.

Financially, the report provides details of funds received and expenditures. Total income available to SPTO for this reporting year were FJD $2,919,727, with total expenditure amounting to FJD $2,886,341.

Chairperson's Message

Mauri!

DEAR SPTO MEMBERS, PARTNERS & STAKEHOLDERS

As we approach the end of another remarkable year for the Pacific Tourism Organisation (SPTO), I find myself compelled to reflect on our journey and the milestones we achieved in 2023. These are a testament to the Secretariat's dedication, resilience, and innovative spirit.

The successful coordination of the 2023 South Pacific Tourism Exchange in Christchurch New Zealand, after a four-year hiatus brought together regional tourism industry partners to promote the Pacific to the world. This flagship event has always been one of our premier events and with the world now opening up for travel and tourism again, this was an opportune time to remind buyers and other stakeholders of why the Pacific is unique and exciting. The resounding success of SPTE 2023 is a testament to the dedication and efficiency of our team, as well as the unwavering support of our partners and sponsors.

Amidst unprecedented challenges and growth opportunities, we have demonstrated SPTO's ability to adapt and innovate. Leveraging modern technologies, methodologies, and collaborative approaches, we have emerged as leaders and pioneers in our field. On October 1st, 2023, the Pacific Tourism Data Initiative (PTDI) transitioned from the New Zealand Tourism Research Institute (NZTRI) at Auckland University of Technology (AUT), New Zealand, to SPTO. PTDI, a pivotal research project, provides invaluable insights into tourism trends and their impacts on communities, businesses, and visitors across the Pacific region. Spanning 10 Pacific nations (Federated States of Micronesia (Yap), Timor Leste, Kiribati, Niue, Solomon Islands, Cook Islands, Vanuatu, Papua New Guinea, Tonga, Samoa), the project is funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT). In the face of evolving global dynamics, the imperative for such innovation and adaptability has never been more pronounced.

Our commitment to advocating sustainable tourism practices and standards has propelled us to new heights. The ongoing Pacific Sustainable Tourism Framework Policy and the Pacific Tourism Sustainable Standards are pivotal in guiding us towards a more sustainable and resilient future. To top it off in 2023, SPTO was honoured with the prestigious "Promote PARTNERSHIPS for Development in the Commonwealth" award.

The past year tested our mettle, strengthened our resolve, and laid the foundation for a more sustainable and resilient tourism sector in the Pacific. We have emerged with a renewed sense of purpose and direction through collaborative efforts. Our vision is clear and inspiring: “Our Pacific Islands are empowered by and benefit from sustainable tourism.”

As the global tourism market continues to evolve, we will be guided by our mission to achieve sustainable tourism development through innovative partnerships, and the SPTO will remain dedicated to fostering collaborations and promoting sustainable tourism practices.

In conclusion, let us continue to work hand in hand, fostering partnerships and embracing innovation as we strive towards a sustainable and resilient future for the Pacific tourism sector. Thank you for your unwavering support and commitment to the vision of a thriving and sustainable Pacific tourism industry.

Kam bati n rabusa

PETERO MANUFOLAU
Chairperson
SPTO Board of Directors

Chief Executive Officer's Message

Warm Pacific Greetings!

DEAR SPTO MEMBERS, PARTNERS & STAKEHOLDERS

In the aftermath of unparalleled challenges triggered by the global pandemic, this year has served as a testament to the Pacific Tourism Organisation's (SPTO) resilience and determination in navigating the uncertainties prompted by the pandemic.

SPTO stands at the forefront of a post-COVID recovery strategy that emphasizes resetting, rethinking, and rebuilding the Pacific. Our vision is clear and inspiring: "*Our Pacific Islands are empowered by and benefit from sustainable tourism*", guided by our mission to achieve sustainable tourism development through innovative partnerships with our three core areas of focus: Marketing, Research and Statistics, and Sustainable Tourism Planning and Development.

In response to the evolving landscape, SPTO not merely considering a digital transformation journey but recognised it as an absolute necessity for the Pacific tourism sector. This paradigm shift acknowledges the need for innovation and adaptability in the face of changing global dynamics. As we navigate this transformative journey, we are committed to leveraging digital tools and strategies to enhance the resilience and competitiveness of Pacific tourism.

Looking back on the past year, we express genuine appreciation for the collective achievements and milestones that have laid the groundwork for our future endeavours. The challenges we faced have strengthened our resolve and forged a path towards a more sustainable and resilient tourism sector in the Pacific. Through collaborative efforts, we have not only weathered the storm but have emerged with a renewed sense of purpose and direction.

SPTO remains dedicated to fostering innovative partnerships and promoting sustainable tourism practices. The reset, rethink, and rebuild approach encapsulates our commitment to shaping a future where our Pacific Islands thrive through tourism that is not only economically viable but also environmentally and socially responsible. Together, we are charting a course that ensures the Pacific's tourism sector emerges stronger, more inclusive, and better prepared for the challenges and opportunities that lie ahead.

Now, more than ever, the significance of leveraging digital technologies to revitalize and sustain our tourism industry cannot be overstated. Initiating the SPTO Pacific Tourism Digital Transformation Project, funded by the New Zealand Government, SPTO acknowledged the digital divide and diligently worked to bridge the gap. The rapidly evolving global tourism landscape demands our ability to embrace digital innovation for competitiveness, visitor attraction, and the sustainability of the tourism sector. However, SPTO is keenly aware of the challenges our Pacific Island countries face in implementing this project, grappling with limited resources and connectivity issues.

In February, we extended our commitment to collaboration with a courtesy visit to Fiji's newly elected Tourism and Civil Aviation Minister, Hon. Viliame Gavoka, and his Permanent Secretary Ms. Salaseini Daunabuna, laying the groundwork for Fiji to host SPTO's inaugural South Pacific Tourism Exchange in 2024. The month of March witnessed our participation in Seatrade in Fort Lauderdale, USA, followed by a significant milestone in April with signing a Memorandum of Understanding (MOU) with the Pacific Asia Travel Association (PATA).

May marked a pivotal moment as the organisation underwent a Strategic Review, reinforcing our determination to drive positive change. The appointment of SPTO Deputy Chairperson Ms. Adela Issachar Aru at its Board meeting in Christchurch and the successful hosting of the 2023 South Pacific Tourism Exchange (SPTE) exemplified our commitment to collaboration alongside the rollout of the SPTO Pacific Tourism Digital Transformation Project.

June witnessed the culmination of SPTO's efforts with the Regional Stakeholders Consultation workshop, emphasizing inclusivity and consultation in our decision-making processes. The

full recognition of the Pacific Sustainable Tourism Destination Standard (PSTS) by the Global Sustainable Tourism Council (GSTC) in June underscored our commitment to excellence and sustainability in the digital era.

Fast forward to October, SPTO welcomed the Pacific Tourism Data Initiative (PTDI) under our purview, recognising the indispensable role of data in informed decision-making. Despite the challenges faced in the digital transformation project, SPTO's collective resolve was evident during the SPTO Board and Council of Tourism Ministers meeting in French Polynesia and successfully coordinating and hosting the 2nd Pacific Sustainable Summit further showcased its effective leadership and collaboration capacity. The summit served as a platform for stakeholders to exchange ideas, share best practices, and forge partnerships to promote sustainable tourism practices across the Pacific region.

In November, SPTO furthered its commitment to fostering sustainable development in the Pacific as it signed an MOU with the Secretariat of the Pacific Regional Environment Program (SPREP) at the Pacific Island Forum Leaders Meeting in Cook Islands. This symbolised the shared commitment of the two regional organisations to collaborate in advancing sustainable tourism development, prioritising people and the environment in their activities. Additionally, November brought global recognition not only for SPTO but also for the Pacific region, as SPTO was honoured with the prestigious "Promote PARTNERSHIPS for Development in the Commonwealth" award. This accolade emphasises our dedication to sustainable development and highlights the effectiveness of collaboration and partnerships in driving positive change. It reinforces SPTO's commitment to working alongside our 19 member countries, all of whom have pledged their commitment to advancing sustainable tourism across the Pacific by 2030. By harnessing the power of technology, we can create a more resilient, inclusive, and sustainable future for our tourism industry.

Finally, I sincerely thank the SPTO team and our members, partners, donors, and stakeholders for your dedication, resilience, and collaborative spirit. Together, let us continue to navigate challenges, embrace digital innovation, and shape a future where the Pacific tourism sector sustainably thrives in the digital age.

Ofa atu

CHRISTOPHER COCKER
Chief Executive Officer
SPTO

Board of Directors 2023

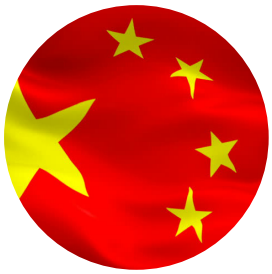
Petero Manufolau
CHAIRPERSON
Kiribati
(resigned December 2023)

Adela Issachar Aru
DEPUTY CHAIRPERSON
Vanuatu

Christopher Cocker
CHIEF EXECUTIVE OFFICER

Minnie Tuia
American Samoa

Karla Eggelton
Cook Islands



Xi Lin
China

Yolinda Chan
Fiji
(until February 2023)

Salaseini Daunabuna
Fiji
(appointed February 2023)

Gina Bunton
French Polynesia

Bermance Aldis
Federated States of Micronesia

Juliana Pitcher
Nauru
(until May 2023)

Cramer Cain
Nauru
(appointed May 2023)

Julie Laronde
New Caledonia

Micah Fuhiniu Viviani
Niue

Eric Mossman Uvovo
Papua New Guinea

Francis Carlos Domnick
Republic of the Marshall Islands

Pativaine Tevita
Samoa

Dagnal Dereveke
Solomon Islands

Jelino Soares
Timor Leste

Mika Perez
Tokelau

Sione Finau Moala
Tonga
(until February 2023)

Viliami Takau
Tonga
(appointed May 2023)

Silaati Filiake
Tuvalu

Marion Kualoa
Wallis & Futuna

Edmund Paoa
Rapa Nui

PRIVATE SECTOR REPRESENTATIVES

Brian Kirsch
Fiji Hotel & Tourism Association
(until November 2023)

James McCann
Fiji Hotel & Tourism Association
(appointed November 2023)

Robert Skews
Turama Pacific

Bud Gilroy
South Pacific Cruise Alliance

Akuila Batiweti
Fiji Airways

Ali Serhan
Warwick Le Lagon Resort & Spa

Acronyms

ADB	Asian Development Bank
APacCHRIE	Asia–Pacific Council on Hotel, Restaurant, and Institutional Education
BOD	Board of Directors
CEO	Chief Executive Officer
COTM	Council of Tourism Ministers
COVID-19	Coronavirus Disease 2019
CROP	Council of Regional Organisations of the Pacific
EDM	Electronic Direct Mail
EOSP	Executive Office & Special Projects
EOI	Expression of Interest
FJ	Fiji
FHTA	Fiji Hotel and Tourism Association
FNPF	Fiji National Provident Fund
FRCS	Fiji Revenue and Customs Services
FTE	Fijian Tourism Expo
GICDG	Global Islands Cultural Diversity Forum
GSTC	Global Sustainable Tourism Criteria
IDEEA	Institute for Development of Environmental-Economic Accounting
IUGS	International Union of Geological Sciences
JICA	Japan International Cooperation Agency
KICO	Kioa Island Community Organisation
LGBTQI	Lesbian, Gay, Bisexual, Trans, Queer and Intersex
MCT	Ministry of Culture and Tourism of China
MEL	Monitoring, Evaluation, and Learning
MOU	Memorandum of Understanding
NGO	Non-governmental Organisation
NSO	National Statistics Office
NTO	National Tourism Organisation
NZ	New Zealand
NZMFAT	New Zealand Ministry of Foreign Affairs and Trade
PACER Plus	Pacific Agreement on Closer Economic Relations Plus
PAYE	Pay As You Earn Tax
PIC	Pacific Island Country
PIFS	Pacific Islands Forum Secretariat
PMS	Performance Management System
PSSP	Pacific Storytelling Specialist Programme
PSTIF	Pacific Sustainable Tourism Idicators Framework
PSTLS	Pacific Sustainable Tourism Leadership Summit
PSTPF	Pacific Sustainable Tourism Policy Framework 2021–2030
PSTS	Pacific Sustainable Tourism Standards
PT	Provisional Tax
PTDI	Pacific Tourism Data Initiative
PTRCF	Pacific Tourism Research Cooperation Framework
PTSS	Pacific Tourism Statistics Strategy
PTWAI	Pacific Tourism Waste Action Initiative
PWC	PricewaterhouseCoopers
SDG	Sustainable Development Goal
SIDS	Small Islands Developing States
SIDS–GBN	Small Islands Developing States Global Business Network
SIS	Small Island State
SME	Small and Medium Enterprise
SPC	The Pacific Community
SPCA	South Pacific Cruise Alliance
SPTE	South Pacific Tourism Exchange
SPTO	Pacific Tourism Organisation
ToSP	Treasures of the South Pacific
TSTP	Tuvalu Sustainable Tourism Policy
TTPP	Trade, Investment and Tourism Promotion Project
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNWTO	United Nations World Tourism Organisation
USA	United States of America

Executive Office & Special Projects Division

The Executive & Special Projects Division (EOSP) serves as the strategic backbone of the Pacific Tourism Organization (SPTO), overseeing the organization's leadership and management functions.

In 2023, EOSP continued its pivotal role in guiding SPTO's initiatives towards achieving sustainable tourism development in our region through innovative partnerships.

MAJOR DIVISIONAL ACHIEVEMENTS FOR 2023

Outcome: Pacific Tourism advocacy and engagement

To effectively advocate for the organization and the Pacific tourism sector, the EOSP spearheaded SPTO's active engagements in around 18 regional and international forums, of which are highlighted below:

Regional

- Miss Pacific Islands Pageant, 1st–4th February (Apia, Samoa)
- Brisbane and Nauru Stakeholder Visit, 13th–21st February
- Special Leaders Retreat and Nadi Stakeholder Meeting, 23rd–24th February (Fiji)
- 8th Regional Meeting of the Pacific Heads of Agriculture and Forestry Services & 3rd Regional Meeting of Pacific Ministers of Agriculture and Forestry, 9th March (Nadi, Fiji)
- Association of the South Pacific Airlines Conference, 30th–31st May (Nadi, Fiji)
- 37th Council of Pacific Arts and Culture and 6th Pacific Culture Ministers Meeting, 27th–30th June (Noumea, New Caledonia)
- CROP Heads Meeting, 13th July (Suva, Fiji)
- Aviation Commercial Industry and Pacific Regional Aviation Action Plan Development Workshop, 31st August (Port Vila, Vanuatu)
- PIFS Forum Foreign Ministers Meeting, 12th–15th September (Suva, Fiji)
- Launch of the Kioa Community Tourism Plan (KCTP), 29thSeptember (Kioa, Fiji)
- Pacific SIDS Regional Preparatory Meeting for the 4th International Conference on SIDS, 16th August (Tonga)
- Asian Development Bank Asian Think Tank Development Forum, 26th September (Suva, Fiji)

International

- 2023 Seatrade Cruise Global, 27th–30th March (Fort Lauderdale, USA)
- 35th Joint meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Commission for South Asia, 15th–17th June (Cambodia)
- 5th Korea Island Forum and Korea Island Development Institute, 7th–9th August (South Korea)
- ADB Regional Cooperation and Integration to Promote Sustainability and Digital Transformation of Tourism Workshop, 6th–7th November (Manila, Philippines)
- Commonwealth Secretary-General's Innovation for Sustainable Development Awards 2023, 27th November (Nairobi, Kenya)

Outcome: Enhanced strategic leadership and management

Under the leadership of the Executive Office, the following core positions were recruited:

- Marketing Manager
- Manager Executive & Special Projects

The appointment of these key positions indicated the Executive Office's confidence in enhancing strategic leadership which is essential for guiding the organization

towards its goals, fostering innovation and facilitation of effective decision-making.

To enhance organizational performance, a private consultant was recruited to undertake a Job Evaluation Exercise (JEE) to ensure that SPTO's compensation system remains competitive and aligned with the market.

Following the completion and approval of the Job Evaluation Exercise 2023 (JEE), SPTO engaged a consultant to implement the recommendations for changes to the SPTO Human Resources Policy, as noted in the JEE Report 2023. The revised SPTO Human Resources Policy was approved at the Board of Directors meeting on 16 October, 2023 in Tahiti. The salary increases for the relevant SPTO team members will be implemented on the 1st January, 2024.

Moreover, organizational performance was also enhanced through the Pacific Tourism Data Initiative (PTDI) recruitments. As SPTO assumed management responsibility of the PTDI, the following positions were recruited:

- Manager Research and Statistics
- Senior Research Officer
- Research Officer 1
- Research Officer 2
- Research Officer 3

The following trainings and workshops were conducted to identify areas of opportunity for improvements and provide insights regarding staff capabilities and skills:

- SPTO Pacific Tourism Digital Transformation Project Familiarization Workshop
- Rapid Skills Acquisition Photography & Video for Mobile Device Course for Beginners
- SPTO Comms Campaign – IWD 2023
- Research Survey Design & Platform Workshop
- Donor & Partnership Workshop

Furthermore, the CEO and Board Chairman met, virtually, every week to discuss key strategic issues pertaining to the organization benefits and its membership. The CEO also conducted weekly management meetings whilst the social club committee organized wellness and team bonding activities throughout the year.

A staff retreat was organized in Quarter 4 to facilitate a Donor & Partnership Workshop focused on mapping future activities, donors, and partners. This was followed by the SPTO annual Christmas function to convey the Secretariat's appreciation to the staff and their families.

Outcome: Ongoing public relations and corporate communications

In 2023, SPTO activities and achievements were disseminated to all stakeholders and partners through 62 media releases and a total of 22 public relation events and 7 media interviews were attended by the CEO and/or senior management team.

Outcome: Strengthened governance and reporting

To ensure SPTO governance and reporting requirements are fulfilled, the induction of new Board of Directors was conducted. The session highlighted key roles and responsibilities as a Board Director as well as managing expectations for all meetings.

Induction sessions were provided to the following members:

- Salaseini Daunabuna, Fiji – 12th April
- Viliami Takau, Tonga – 4th May
- Cramer Cain, Nauru – 4th May
- Silaati Timo, Tuvalu – 4th May

As required by the SPTO Constitution, the SPTO Board of Directors and Council of Tourism Ministers, met as follows:

- Board of Directors Meeting, 10th May (Christchurch, New Zealand). Click here for the Directors Resolutions.
- Board of Directors Meeting, 16th October (Papeete, Tahiti). Click here for the Directors Resolutions.
- Council of Tourism Ministers Meeting, 20th October (Papeete, Tahiti). Click here for the Council Communique.

Furthermore, reporting and monitoring of the organization's performance was ensured through the following reporting mechanisms:

- CEO monthly updates to the Board
- Quarterly Divisional Reports
- Quarterly Board Sub Committee Meetings

Outcome: Increased key strategic partnerships

Throughout 2023, the Executive Office spearheaded the enhancement of connections with vital partners, donors, and stakeholders. This responsibility is fundamental to SPTO fulfilling its objectives and aspirations, notably in facilitating support for projects and initiatives aimed at benefiting its members.

In 2023, the following key partnerships were established with donors, development partners, the private sector, and regional organisations.

Existing Partnerships

- Asian Development Bank (ADB) Pacific Subregional Office
- Pacific Islands Forum Secretariat (PIFS)
- United Nations Small Island Developing States (UNSIDS)
- The Pacific Community (SPC)
- The Secretariat of the Pacific Regional Environment Programme (SPREP)
- Pacific Aviation Safety Office (PASO)
- United Nations World Tourism Organisation (UNWTO)
- New Zealand Volunteer Service Abroad (NZ VSA)
- Pacific Asia Travel Association (PATA)
- CROP Agencies
- Fiji Airways
- Association of the South Pacific Airlines (ASPA)
- United Nations Resident Coordinator's Office (UNRCO)

New Partnerships

- Korea Island Development Institute (KIDI)
- Commonwealth Secretariat
- Kioa Community
- International Association of Airlines (IATA)
- Australian and New Zealand Hospitality Associations (THA)
- Australian Department of Foreign Affairs and Trade (DFAT), Aviation
- International Labor Organization (ILO)
- APCO Worldwide

As a result of meetings with the President of Nauru and a visit, Nauru renewed their commitment to SPTO membership and paid their membership fees.

Moreover, the Division successfully negotiated and coordinated the takeover of the management of the Pacific Tourism Data Initiative (PTDI), from the Auckland University of Technology (AUT) which resulted in additional funding to SPTO of NZD$2.16million. SPTO formally signed 3 formal MOUs with the following:

- Pacific Asia Travel Association (PATA)
- Secretariat of the Pacific Regional Environment Programme (SPREP)
- Fiji Airways

Outcome: Innovative partnerships through regional air connectivity

The Division, under the Strategic Plan's innovative partnerships on Improving Air Access and Route Development, is responsible for lobbying and advocating to improve regional air connectivity. This was fulfilled in 2023 by attending and presenting at the annual ASPA conference scheduled from the 30th–31st May, 2023, at the Tanoa International Hotel, Nadi. In addition, the CEO attended the PASO's Pacific Regional Aviation Action Plan Development Workshop, had initial discussions with Mr. David Charlton from DFAT's Pacific Aviation Section, Australia to link the aviation and tourism sectors and in October in French Polynesia organized the Improving Regional Aviation sessions at the Council of Tourism Ministers Open Panel discussions. Lastly, the CEO also had a follow up meeting with Fiji's Chinese Ambassador to seek feedback on the Regional Air Connectivity project, discussions remain ongoing.

Highlights

- SPTO Pacific Tourism Digital Transformation Project

  The SPTO Pacific Tourism Digital Transformation Project Phase 2 represents the continuation of a two-phase initiative funded by the New

Zealand Ministry of Foreign Affairs and Trade (NZMFAT). Phase 2 spans four years, commencing in October 2021 and concluding in September 2025. The project is led and managed by the Executive Office Special Projects team.

Due to SPTO's continual dedication to enhancing relationships with established development partners and donors, the organization successfully accomplished the following initiatives under the NZMFAT Phase 2 Project in 2023:

- Comprehensive Needs Assessment and E-Learning Modules Development

  In Year 2, a comprehensive needs assessment was conducted through surveys, consultations, and observations, resulting in the identification of digital gaps for 16 out of the 21 SPTO member countries.

  Subsequently, a report was developed to highlight these gaps, which led to the creation of 7 e-learning modules which benefited all 20 member countries. These modules include:

  1. Search Engine Optimization (SEO)
  2. Google Analytics 4 (GA4)
  3. Social Media
  4. Email Marketing
  5. Paid Search
  6. Paid Social
  7. Website Strategy

- Digital Champions and Training Sessions

  Three Digital Champions were contracted to enhance digital marketing capacity across the 21 SPTO member countries. Through their efforts, in-person training sessions for 3 modules (social media, SEO, GA4) were conducted, benefiting

"The workshops were a great opportunity for tourism stakeholders to learn about the latest digital marketing trends and how they can use these trends to promote their tourism products and services. We are confident that the knowledge gained from these workshops will help improve our digital visibility."

DANIEL FISHER
General Marketing Manager
Cook Islands Tourism

"Good coverage of digital tools applicable for Tahiti and focused on the tourism sector. The 1.5 days are short enough and avoid being away from the office for too long. Great that wave 1 is face-to-face training and there will be a wave 2 webinar training – a great mix. Thank you SPTO and Tahiti Tourisme."

CHRISTEL BOLE
Air New Zealand Tahiti
Office Director

"I would like to thank the SPTO for initiating the Pacific Digital Champions training program and assisting the PNG Tourism Promotion Authority facilitate the workshop for members of our Papua New Guinea tourism industry. Increased digital transformation of the tourism industry through training is a key goal in Papua New Guinea's Tourism Sector Development Plan (2022-2026). We are encouraged by the positive feedback from the industry members who attended the two-days digital marketing training, and I am confident this opportunity will help enhance their businesses."

ERIC UVOVO
PNG Tourism Promotion Authority
Chief Executive Officer

“In a rapidly changing world, staying ahead in the digital landscape is key for any industry, but especially vital for the travel and tourism sector. I had the privilege of being a part of a 2-day Tourism Fiji / SPTO Digital Marketing Workshop & Training, and it was an eye-opener to the immense importance of digital strategies in promoting Fiji as a global travel destination. The insights gained here are invaluable, not just for my professional growth but also for Fiji’s tourism industry as a whole.”

PAUL SAVEA
Creative and Design Officer
Fijian Drua

16 member countries with a total of 499 participants. These countries were Vanuatu, Solomon Islands, Papua New Guinea, Cook Islands, Tonga, Samoa, American Samoa, Timor Leste, Nauru, Niue, Wallis & Futuna, French Polynesia, New Caledonia, Republic of the Marshall Islands, Federated States of Micronesia, and Fiji.

- Availability of E-Learning Modules
  The seven-marketing e-modules are now accessible on the SPTO Digital Training Portal, an acquired Learning Management System. This portal will also host all other e-learning modules designed for Research & Statistics as well as Sustainable Tourism.

- Communications Trainings
  In Year 2, SPTO conducted five communications training courses for member countries seeking capacity building in public relations, crisis communications, and communications strategy. These countries included Tuvalu, Kiribati, American Samoa, Fiji as well as a communication training facilitated for the Board of Directors meeting in May, in Christchurch, New Zealand.

- Pacific Storytelling Specialist Program
  The PSSP was launched in July at the Treasures of the South Pacific (ToSP) event in Australia. It involved the development of 13 country courses and 7 niche courses. In 2023, there were 88 participant registrations for the program from various sectors including travel agents, NTOs, private organisations and independent consultants.

- Pacific Sustainable Tourism Standards
  The PSTS gained recognition from the Global Sustainable Tourism Council in June 2023. It was launched in Tahiti in October 2023 at the Pacific Sustainable Tourism Leadership Summit (PSTLS).

- Adoption of Digital Stack Recommendations

  By December 2023, 10 out of 21 SPTO member countries adopted the Digital Stack recommendations. These recommendations, developed after comprehensive consultations with 16 member countries, included software solutions aimed at enhancing the efficiency of national tourism offices despite limited resources. It is envisaged that SPTO will cover the full license costs for the first year and shared costs thereafter demonstrating SPTO's commitment to digital capacity building, collaborative projects, and sustainable tourism development across the Pacific region.

Overall, the Executive & Special Projects Division (EOSP) played a critical role in driving the Pacific Tourism Organization (SPTO) towards its goals of sustainable tourism development in 2023. Through active engagement in regional and international forums, EOSP effectively advocated for the organization and the Pacific tourism sector. Key achievements included the successful appointment of core positions, enhancement of organizational performance through various initiatives, ongoing public relations efforts, project management, strengthened governance, and increased strategic partnerships with key stakeholders. These efforts underscore the EOSP's commitment to advancing the interests of SPTO and its members, setting a solid foundation for future endeavors.

Marketing Division

The main responsibility of the Marketing Division is to advocate the Pacific region as the top tourist destination. The division handles various essential marketing tasks, including planning, brand management, project management, coordinating trade shows, digital marketing and promoting the cruise sector.

The Marketing division also oversees SPTO's Industry Membership Programme (IMP) and the Pacific Storytelling Specialist Programme (PSSP) as part of its commitment to the Pacific region.

The Division continued to work closely with donor agencies, development partners, government agencies and ministries, non-governmental organisations (NGOs), industry associations and trade groups, academic institutions and researchers, media outlets and other key partners to achieve the following priorities:

- Develop planning systems that effectively meet the marketing needs of member countries and Industry Members.
- Strengthen the connection between the Pacific region and key long haul, short haul, and emerging markets.
- Increase awareness and promote the Unique Selling Points of the Pacific Islands to potential customers.
- Manage the Pacific Storytelling Specialist Programme to effectively communicate the unique aspects of the region.
- Manage the digital marketing activities of the SPTO Pacific Tourism Digital Transformation Project to enhance digital marketing capabilities of SPTO's partners in the Pacific.
- Manage the Industry Membership Programme to build and maintain relationships with key stakeholders and partners.
- Conduct market research and analysis to identify new opportunities and trends.
- Develop and implement marketing campaigns to attract visitors to the region.
- Collaborate with local businesses and organisations to develop and promote tourism experiences and products.
- Measure and evaluate the effectiveness of marketing initiatives and adjust strategies accordingly.

MAJOR DIVISIONAL ACHIEVEMENTS FOR 2023

Outcome: Strengthened existing partnerships and establishment of new opportunities

Strengthening the "*Ours is Yours*" Brand

The "*Ours is Yours*" brand was prominently featured on SPTO's social media channels and its consumer site homepage. The promotional video associated with the "*Ours is Yours*" brand continued to perform well on SPTO's YouTube channel which gained over 70,000 views.

To further solidify the "*Ours Is Yours*" brand, a targeted marketing campaign named "*Discover the Pacific*" ran from July to September. It focused on key markets, including the USA, Korea, Japan, Australia, and New Zealand; successfully gaining 754 new followers. With 2,439,833 impressions and a cost of $0.95 per follow, the campaign significantly contributed to reinforcing the brand's strength in targeted markets.

Managed by the Marketing Division, the hashtag #OurIsYours took on a prominent role, significantly amplifying its impact across SPTO's primary social media platforms – Facebook, Twitter, and LinkedIn. It featured prominently in 1,525 instances, strategically boosting visibility of tourism-related news shared across SPTO platforms.

This played a pivotal role in highlighting crucial updates about SPTO, including key events such as the October board meeting in Tahiti, PTWAI, and various SPTO-coordinated workshops. Moreover, it underscored organisational successes, such

as the prestigious recognition received with SPTO's nomination and subsequent win at the 2023 Commonwealth Secretary-General's Innovation for Sustainable Development Awards in the category, "*Promote Partnerships for Development in the Commonwealth*". These engaging posts collectively garnered a notable number of impressions, significantly reinforcing and advancing the brand's presence across these platforms.

Content Strategy Workshops for NTOs

Under the SPTO Pacific Tourism Digital Transformation Project, Activity 3.2 Digital Content Upgrade, the organisation conducted a Digital Content Upgrade – Quarterly check-in calls with NTOs throughout the year aimed at coaching them on improving the effectiveness of their respective digital content. The contents of these check-in sessions included:

- Review of the specific recommendations given in the Content Strategy workshop
- Giving solutions in challenging areas
- Sharing best practices and case studies to inspire and motivate the team
- Question and Answer session

28 Content Upgrade training sessions were conducted with member countries in 2023, with the Pacific Islands Digital Content Strategy shared for the first time with Tokelau, Timor Leste and Nauru who were unable to attend training in November 2022.

Outcome: Ongoing presence and awareness in key short-haul, long-haul and emerging markets

South Pacific Tourism Exchange

The South Pacific Tourism Exchange (SPTE) serves as a pivotal travel trade event facilitated by SPTO, bringing together member countries, industry stakeholders, and international partners. Held annually, it aims to streamline business interactions between global travel partners and tourism operators from the Pacific region, fostering mutually beneficial relationships and promoting the diverse offerings of Pacific Island destinations. Continuing its tradition, SPTE 2023 was held from 12th–13th May in Christchurch, New Zealand, offering a platform for participants to engage in meaningful discussions, exchange innovative tourism products, and explore avenues for sustainable growth in the industry. The aggregate value of the sponsorships for the event was FJ$283,487.80, surpassing the target of FJ$150,000. SPTE 2023 attracted 15 NTOs and 47 private sector totaling 62 sellers, whilst we registered 40 buyers who originated from our major source markets of Australia and New Zealand, Fiji and Solomon Islands while also attracting long-haul buyers from USA, Germany, Singapore, Korea and Switzerland. There were notable absences from both European and Asian markets which left a slight impact on the event.

Treasures of the South Pacific

The Treasures of the South Pacific (ToSP) 2023 roadshow was attended by SPTO and SPTO's participation served as a pivotal strategy in fulfilling the objective of improving market awareness in short haul markets by showcasing the diverse attractions of the Pacific region. Through compelling presentations and engagement with around 600 top stakeholders, including travel agents and representatives from the Australian tourism industry, SPTO successfully highlighted the distinctiveness of the short-haul Pacific destinations.

Comprehensive information shared during ToSP 2023 educated attendees about lesser-known Pacific offerings (Small Island States), encouraging potential travellers to explore these destinations. Active participation and positive reception from attendees underscored the effectiveness of the event in enhancing market awareness and generating interest among short-haul travellers.

Moreover, collaboration with key industry players and consistent acknowledgment of SPTO as a sponsor throughout the roadshow reinforced the organisation's presence, contributing significantly to improved market awareness in these short haul markets.

Long-haul Markets

In 2023, SPTO created and published 11 Instagram reels and 53 Instagram posts to promote Pacific Island destinations to key long-haul markets. To maximize visibility and engagement, trending hashtags and popular music were strategically incorporated into Instagram reels, enhancing content discoverability and viewer appeal. This deliberate approach ensured each post's optimization for engagement and visibility across the platform. These posts explored diverse niche markets, such as adventure tourism, weddings, and culinary experiences. To optimize engagement, the social media post formula outlined in the 3.2 Digital Content Upgrade Strategy was implemented with each post diligently tagged to the relevant NTO of the featured destination, encouraging SPTO Instagram followers to further explore these destinations on the respective NTO's Instagram pages.

To further align with SPTO's objective to fortify our market presence in key long-haul markets, a specialized marketing campaign was initiated in Quarter 3 titled "*Discover the Pacific*". It strategically targeted pivotal long-haul markets such as the USA, Korea, and Japan which contributed to the increased awareness of the Pacific's diverse attractions.

Emerging Market - Korea

As part of the Enhancing E-Commerce Opportunities for Pacific MSMEs Project, SPTO Korea shared 53 posts in Quarter 1 of 2023 with images and stories of Pacific destinations reaching over 20,000 followers and subscribers of key social media channels and newsletters. In other coordinated promotional activities with SPTO Korea, SPTO published a total of 67 blogs and 68 social media posts covering a range of topics relevant to the Pacific. SPTO Korea also assisted the Republic of Korea's Ministry of Foreign Affairs as well as the Korea Foundation with promotion of the ROK-Pacific Summit held from 29th–30th May. Overall, these efforts helped increase market awareness in South Korea and promote some of the Pacific Islands as a sustainable and luxury tourism destination.

Emerging Market - Japan

Managed by Pacific Island Centre in Tokyo and having partnered with SPTO, Kaihatsu Management Consulting, Inc. spearheaded an ambitious initiative in the "*Economic Recovery Project in Pacific Islands (Tourism Sector)*", aimed at revitalizing economies of Pacific countries through targeted tourism activities. It was also designed to engage Japanese tourists through key activities such as the Japan-Pacific Island Regional Sustainable Global Tourism Network; brochure creation developed highlighting 16 Pacific destinations unique attractions and an online business platform update to establish business networking.

Outcome: Development of Pacific segment products

Consumer-focused blogs published on the official SPTO consumer website served as the cornerstone of this initiative. These blogs were tailored to showcase unique offerings of the region featuring 2 to 3 destinations each month and diving deep into the specifics of niche market products. Each blog post was hyperlinked redirecting readers to respective NTO websites facilitating direct engagement and interaction.

SPTO's Instagram platform was also utilized showcasing Pacific niche markets via reels. These blogs were further amplified for maximum reach and impact being shared on SPTO's social media channels with Call to Action (CTAs) to prompt readers to explore specific blog contents and utilization of relevant hashtags strategically incorporated into these posts to enhance visibility. In Quarter 4, SPTO delved deeper into the unique niche of Astro-tourism with a blog titled "*Stargazing in Niue*" urging tourists to explore Niue - the world's first Dark Sky Nation.

Outcome: Innovative Partnerships – Cruising and Yachting

In March, the CEO and Marketing Officer attended the Seatrade Cruise Global Trade Show and Conference in Fort Lauderdale, USA. This was made possible with the support from South Pacific Cruise Alliance (SPCA) who coordinated the event on behalf of its members which include SPTO, Fiji, Tonga, Samoa, Tahiti, Pitcairn Islands, American Samoa and Cook Islands.

Seatrade as a popular trade show for SPTO and its member countries, is the only event that exclusively covers the cruise industry. The overall objective of participating in the world's largest cruise travel show is to be

educated on the latest trends in the global cruise industry, identify opportunities and challenges for cruise development in the Pacific and promote the Pacific to the world.

As stipulated in SPTO's Strategic Plan 2020–2024, part of the Marketing Division's innovative partnership priority area is to develop the Cruising and Yachting sector in the Pacific. Hence, SPTO's participation in the four-day event which offered a selection of live events, conferences, marketing services, digital and print advertising. This platform of 500 exhibitors offered an opportunity to promote one's brand and products to stakeholders in the cruise industry.

At the event, SPTO was able to establish contacts with 2 cruise media personnel to write on cruising in the Pacific and 9 expedition cruise executives who are earmarked to package the Pacific in 2024 and be invited to attend the SPTE 2024.

Outcome: Pacific Storytelling Specialist Programme

The Pacific Storytelling Specialist Programme (PSSP) is an accreditation programme that aims to train and educate travel agents around the world on how to sell the Pacific region with confidence and passion. It was continually promoted in the weekly Pulse e-newsletter which helped create awareness about the programme, and subsequently led to travel agents enrolling in the programme.

A new Learning Management System (LMS) called Tovuti was purchased in February and launched on 31st July, 2023. It provided new and updated educational content, offering better learning experiences for participants.

Advertisements for the PSSP were also published on SPTO's LinkedIn along with eDMs sent to SPTO's database to promote and create awareness of the PSSP platform with reminders sent to existing registrants to complete the learning modules. These activities helped create a structured plan to increase enrollment and certification in the programme. As a result, 105 new PSSP agents registered for the programme in 2023.

To effectively execute the programme, the Marketing team managed enrolments, completion, and other administrative tasks related to the programme. Moreover, the PSSP programme is also an important component of the SPTO Pacific Digital Tourism Transformation Project, funded by the New Zealand Government's Ministry of Foreign Affairs and Trade (NZMFAT).

Outcome: SPTO website as the lead referral site for tourism in the Pacific

In 2023, the SPTO website experienced a fluctuating pattern, commencing the year robustly with 55,960 pageviews in Quarter 1 but faced decline in engagement across subsequent quarters. This contrasted with the more consistent upward trend observed in 2022, indicating a changing digital landscape and evolving user behaviour that necessitated a reassessment of content and engagement strategies.

On the other hand, the SPTO JobsLink website saw remarkable and continuous growth in 2023, especially with a notable peak of 170,971 pageviews in Quarter 4. This performance marked significant improvement from 2022, reflecting the platform's

increasing prominence as a central resource for employment opportunities within the Pacific's tourism sector, aligning well with the growing market demand.

Outcome: Optimizing destination exposure through EDM

The Marketing Division sent a total of 102 electronic direct mail (EDM) campaigns in 2023, this included newsletters, webinar invitations, event invitations, and digital toolkits. The mailing list for SPTO grew by 516 new subscribers over the year totaling 13,943 email contacts by the end of Quarter 4.

Quarter 1 saw the addition of 72 new subscribers to the SPTO mailing list, and 16 campaigns were created. In Quarter 2, 67 new subscribers were added and a total of 16 campaigns were created. Quarter 3 had 374 new subscribers and 38 campaigns created. Finally, in Quarter 4, 3 new subscribers were added, and 32 campaigns were created.

In comparison to 2022, the increase to 13,943 email contacts and the creation of 102 EDM campaigns in 2023 demonstrated significant growth in SPTO's marketing outreach. This expansion, particularly the remarkable addition of 374 new subscribers in Quarter 3, reflects a successful year over enhancement in audience engagement and the effective dissemination of Pacific tourism information.

Outcome: Optimizing destination exposure through social media networks

Throughout 2023, SPTO saw slight growth on most of its social media channels. Facebook remained the most popular platform with a total of 104,000 followers, followed by YouTube with 27,817 subscribers, LinkedIn with 13,000 followers, Twitter with 7,293 followers and Instagram with 2,077 followers.

Facebook experienced a 6% decrease in followers from the previous year, while YouTube had no growth in subscriber base compared to 2022. However, LinkedIn grew by 33%, Twitter experienced a 17% growth while Instagram had an 11% growth compared to the previous year.

Despite Facebook and YouTube experiencing slower growth, SPTO planned to re-look at their strategies for those platforms to boost engagement and increase targeted followers such as paid promotions.

Outcome: Industry Membership Programme

The Industry Membership Programme (IMP) was consistently promoted in the weekly Pulse e-newsletter. The 50% discount on membership drive that was introduced in 2022 was further extended to January 2023 to help entice registration.

The Marketing Manager promoted the IMP to industry members during his bi-annual stakeholder meetings with industry partners along the Suva-Nadi corridor. The Marketing Officer responsible for the IMP sent email follow-ups to interested partners. The IMP was also promoted at the SPTE 2023 event, with sellers indicating their interest in registering for the programme in 2024.

A membership software demo was also pursued with Computing Solutions Ltd (CSL) with a demo session organized, showcasing features for MYOB integration, billing & payment automation, email marketing & automation capabilities, reporting and payment gateway options. The IMP membership drive campaign was conducted in various member countries dovetailing with the Digital Training program in Papua New Guinea, Vanuatu, Samoa, Cook Islands, Kiribati, Solomon Islands, Federated States of Micronesia, Republic of the Marshall Islands, Tonga, Wallis & Futuna, French Polynesia, and Fiji.

At the end of 2023, SPTO had a total of 12 paid industry members along with 13 registrations for the basic free membership category, which was a decline compared to the 22 paid industry members and 23 basic free membership compared to 2022. The Marketing team remains steadfast in the commitment to ongoing efforts focused on facilitating both membership renewals and acquisition of new IMP members. As SPTE 2024 registrations commenced in December 2023, early bird discounts were offered to both existing and new member sign-ups which was a strategic initiative anticipated to increase growth in IMP numbers.

In conclusion, the Marketing Division played a critical role in the promotion and marketing of the tourism sector for the benefit of the people in the Pacific. Through active collaboration with our stakeholders, the Division continued its endeavour to develop world-class digital marketing skills across its activities and with SPTO member countries National Tourism Organisations (NTOs) and industry partners. Moreover, the Division continued to drive the implementation of the digital marketing transformation of the region under the SPTO Pacific Tourism Digital Transformation Project funded by the New Zealand government.

Sustainable Tourism Division

The work of the Division of Sustainable Tourism (DST) in 2023 focused on meeting its strategic goal per the SPTO Strategic Plan 2020-2024 and advancing efforts in implementing the Pacific Sustainable Tourism Policy Framework (PSTPF).

MAJOR DIVISIONAL ACHIEVEMENTS FOR 2023

Outcome: Strengthened high level and sector-wide stakeholder engagement in sustainable tourism through targeted regional dialogue

The 2nd Pacific Sustainable Tourism Leadership Summit, held from the 16th–17th October, in Tahiti, witnessed participation from over 200 delegates representing both the Pacific region and national stakeholders from French Polynesia. This event served as a key gathering of the tourism sector, uniting stakeholders from the public and private sectors, civil society, youth, as well as partners and donors. The overarching theme "*Co-creating Resilient Destinations*" shaped discussions of a range of important issues under the four thematic areas of:

1. Economic empowerment of communities through inclusive tourism
2. Culture and people-centered approaches to tourism development
3. Partnering for green investment for community prosperity through tourism
4. Climate financing for enhancing tourism resilience

Functioning as a platform to rejuvenate the annual Council of Tourism Ministers meeting, the PSTLS aimed to elevate high-level engagement and instill a more profound sense of purpose, building on the inaugural Summit in Rarotonga Cook Islands in 2022. Additionally, it played a crucial role in advancing the long-term vision of transforming SPTO into a global leader in sustainable tourism.

The summit attracted delegates from 16 SPTO member countries, including American Samoa, Cook Islands, Fiji, French Polynesia, Kiribati, Republic of Marshall Islands, Nauru, New Caledonia, Niue, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu, and Wallis & Futuna.

The outcomes of the PSTLS were endorsed by the Council of Tourism Ministers at its convening on 20th October and can be accessed via this link. The SPTO recognizes the contribution by the French Polynesia government, the New Zealand government, New Zealand Maori Tourism as well as its member countries and partners for their contribution to the dialogue this past year.

Outcome: Improved sector cohesion through integration of sustainable tourism goals and priorities into national policies and standards

In May, SPTO in collaboration with its member countries and partners achieved a significant milestone, gaining the status of Pacific Sustainable Tourism - Destination Standard, as recognised by the Global Sustainable Tourism Council. This recognition signifies that the standard was reviewed by GSTC technical experts and the GSTC Assurance Panel, and deemed the content as the standard equivalent to the GSTC Criteria for sustainable tourism. The standard is founded on the four pillars of the GSTC Criteria, namely Sustainable Management, Socioeconomic, Cultural, and Environmental principles.

This achievement marks a crucial step forward for SPTO meeting the priorities under Goal 1 of the Pacific Sustainable

Tourism Policy Framework. The Pacific Sustainable Tourism – Industry Standard on the other hand, was developed in alignment with GSTC Industry Criteria, allowing SPTO member countries to utilise or customize it based on their respective industry's developmental stage and readiness.

The official launch of the Pacific Sustainable Tourism Standard took place during the 2nd Pacific Sustainable Tourism Leadership Summit, in Tahiti, and interested stakeholders can access it via this link. SPTO acknowledges funding support from the New Zealand government which made this achievement possible.

Outcome: Global recognition of SPTO's efforts in promoting partnerships for sustainable development via the PSTPF

Last year ended on a high as SPTO received the Commonwealth Secretary General's Innovation Award for "*Promoting Partnerships for Sustainable Development*". The ceremony took place in Nairobi, Kenya, where SPTO's Chief Executive Officer accepted the award on behalf of the organisation.

This marks the first occasion in which SPTO has garnered such notable recognition, which underscores the inclusive approach employed to allow member countries, industry stakeholders, and partners to contribute to the regional framework. The PSTPF was developed in response to SPTO member countries calling for a regional framework to provide strategic direction in pursuit of sustainable tourism. Consultations commenced in 2020, culminating in the official endorsement of the framework by the Council of Tourism Ministers in 2021.

As a regional organisation representing 20 Pacific member countries, the collaborative effort to formulate a shared vision and

strategic goals for the transformation of Pacific tourism is a noteworthy achievement. Moreover, the award serves as inspiration for SPTO to mobilise resources through strategic partnerships necessary for translating the framework into tangible actions.

Outcome: Increased Pacific tourism leaders' commitment to region-wide transformation to sustainable tourism

As of October 2023, 19 member countries have become signatories to the Pacific Sustainable Tourism Leaders' Statement of Commitment. These include American Samoa, Cook Islands, Fiji, Federated States of Micronesia, French Polynesia, Kiribati, Republic of Marshall Islands, Nauru, New Caledonia, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Timor Leste, Tokelau, Tuvalu, Vanuatu, and Wallis & Futuna.

At the heart of this commitment is the promotion of Pacific values and practices which have ensured the sustainability of the region's natural resources for centuries, in the way tourism is planned, developed, and managed.

Commitment to the regional vision of a resilient, prosperous, and inclusive tourism sector signifies a collective effort to support robust and resilient economies, empower communities, enhance the promotion of Pacific culture and heritage, expedite climate action, safeguard ecosystems, and bolster overall resilience.

While the Commitment acknowledges the importance of collaboration at the regional and global level, the highest impact will be driven by country and industry efforts at the national level. Additional details about the Commitment and its signatories can be accessed here.

Outcome: Increased capacity of NTOs and Pacific tourism SMEs to access grants for tourism development

Collaboration between SPTO and Volunteer Services Abroad (VSA), in New Zealand, saw over 100 individuals from SPTO member countries, including representatives from National Tourism Organisations and businesses, gain valuable insight from SPTO's Grant Writing Workshops conducted between September and November.

These workshops aimed to bolster participants' grant writing proficiency by employing strategic approaches to understand challenges, identify solutions, allocate resources effectively, and articulate the anticipated impacts.

The workshops were divided into two key sessions: "*Getting Started*" and "*Writing for Impact*". Attendees were equipped with practical skills to craft compelling proposals while steering clear of common pitfalls inherent in the grant writing process. This initiative marked another stride by SPTO in mitigating the challenges faced by member countries and tourism SMEs seeking funding for tourism development.

Outcome: Improved awareness and understanding of the PSTS by SPTO member countries and resilience building

The Division spearheaded the organisation

of regional consultations held in Nadi, Fiji, that brought together representatives from 16 SPTO member countries to deliberate the Pacific Sustainable Tourism Standard and facilitated the exchange of knowledge and information pertaining to resilience building amongst other key areas of discussion.

In the face of a changing climate and uncertainties stemming from global shocks, the convening of delegates, predominantly comprising National Tourism Organisations alongside various private sector representatives, was a key accomplishment for the Division.

The regional consultations also discussed the Pacific Tourism Research Framework, the Pacific Sustainable Tourism Indicators Framework, and also served as an opportunity for Artificial Intelligence, Photography and Videography trainings. Moreover, these consultations played a pivotal role in identifying regional priorities, thereby assisting NZMFAT in gathering stakeholder feedback to support future initiatives for the tourism sector through donor collaboration.

Outcome: Strengthened capacity of PICs to development culturally ethical tourism and enhance heritage site protection and promotion

After a comprehensive research and stakeholder consultation process, the Pacific Cultural Tourism Guidelines were successfully finalized by December. This endeavor aligns with Goal 3 of the PSTPF, focusing on Visible and Valued Cultures. Completion of this crucial project was made possible through financial support from New Zealand Maori Tourism provided to SPTO.
At the core of this initiative is the acknowledgment of culture as a distinctive differentiating selling point for each Pacific Island country and supporting culturally

ethical tourism in the region. Building upon previous research, highlighting the importance of destination differentiation in Pacific tourism, these guidelines serve as a roadmap for destinations and relevant national stakeholders to formulate plans and programmes that safeguard, revitalize, and celebrate their diverse cultural heritage through tourism.

In tandem with the guidelines, a Sustainable Tourism Assessment was also conducted for Pacific World Heritage Sites. Funded by the UNESCO Office for the Pacific States, the assessment covered the 10 World Heritage Sites located across Fiji, Federated States of Micronesia, French Polynesia, Kiribati, Republic of Marshall Islands, New Caledonia, Palau, Papua New Guinea, Solomon Islands, and Vanuatu.

This assessment provides a snapshot of the status of these sites, challenges, opportunities and resources, and the needs of stakeholders. It also plays a crucial role in shaping strategic partnerships aimed at supporting the development of these sites, fostering sustainable tourism opportunities that benefit local communities and resource owners.

Outcome: Well informed policy directions for promoting sustainable tourism at community level

The two-year community consultation process concluded in September, marking the unveiling of the Kioa Island Community Tourism Development Plan. Kioa Island, a small island community in the north of Fiji, off its second largest island Vanua Levu, is home to descendants from Vaitupu in Tuvalu. As part of the Kioa Island Community Organization Lagitoki Strategic Plan where Tourism and Culture were identified as Priority 5, the partnership with SPTO was established to support the scoping of potential opportunities for community-based tourism.

In response to the request from community representatives, SPTO offered technical assistance facilitating the process with the community itself leading the planning process. Acknowledging the island's remoteness and the community's aspirations for small-scale tourism development, the plan was crafted to address these considerations, ensuring that tourism is fit for purpose and serves the needs of the people of Kioa as well as the protection of its, culture, land and ocean ecosystems.

Outcome: Inclusive leadership in tourism for Pacific youth and women

The first-ever Pacific Sustainable Tourism Youth Forum was held virtually in September and October which gathered over 100 young participants from across the Pacific. This event served as the initial platform to involve young people in dialogue on tourism development, aligning with SPTO's commitment to achieving Goal 2 of the Pacific Sustainable Tourism Policy Framework.

The Outcome Statement derived from this forum was presented at the 2nd Pacific Sustainable Tourism Leadership Summit and subsequently received endorsement during the Council of Tourism Ministers Meeting. This foundational platform established

a trajectory for SPTO and its member countries to pursue a sustainable and inclusive approach to tourism development in the Pacific.

Concurrently, SPTO and the Private Sector Development Initiative (PSDI) jointly hosted an informal gathering for Pacific Women in Tourism Leadership as part of the Pacific Tourism Week in Tahiti. This event brought together 34 women, including the Honorable Prime Minister of Samoa, the Honorable Assistant Minister for Tourism and Civil Aviation in Fiji, the Honorable Minister for Tourism in American Samoa, and the Honorable Assistant Minister for Toruism in Niue.

It not only acknowledged the significant contributions of women to the tourism sector but also laid the groundwork for strategic partnerships and programs aimed at fostering gender equality and equity in the Pacific.

Outcome: Inclusive leadership in tourism for Pacific youth and women

Several partnerships between SPTO and the Secretariat of the Pacific Regional Environment Programme (SPREP) were underway throughout the year, aimed at advancing environmental sustainability in the tourism sector. In support of the accommodation sector's efforts in meeting environmental regulations and policies, a draft of the Good Practice Guide for Environmental Auditing for Tourism Accommodation in the Pacific Islands was developed following an extensive consultation process.

Simultaneously, an initial assessment commenced for the development of the Pacific Marine Tourism Guidelines and Code of Conduct focusing on the protection of marine species upon which tourism depends.

Quarter 4 saw the establishment of a new partnership which set out to research, design and implement a Standards and Certification Programme specifically addressing the phasing out of single use plastics in the Pacific tourism sector as a part of the Pacific Ocean Litter Project. These projects highlight targeted support through joint CROP collaboration aligned to achieving Goal 4 of the PSTPF. SPTO acknowledges with gratitude the donors, including the Australian government, the European Union, and the New Zealand government, amongst others who continue to assist SPTO in progressing these important efforts.

The year 2023 proved to be another fruitful year for the Division, showcasing its commitment to achieving its annual work plan objectives and advancing key priorities outlined in the PSTPF. This dedication is underscored by the significant milestones that were achieved, culminating in SPTO's prestigious recognition being awarded the Commonwealth Secretary General's Innovation Award for Promoting Partnerships for Sustainable Development.

While the Division accomplished a great deal throughout the year, it is crucial to recognise that the outcomes attained were made possible by the collective leadership of SPTO member countries, the tourism industry, donors, and all partners who lent their support to our endeavours. The Division extends its heartfelt appreciation to each and every one of you for your invaluable contributions to our shared journey.

Research & Statistics Division

The Research & Statistics Division provides valuable data and analysis that aid decision-making processes and support research efforts in the tourism sector. The quarterly and annual visitor arrival figures produced by the division serve as crucial information for stakeholders involved in tourism-related activities.

Through collaborative partnerships, the objective is to ensure the availability of timely and high-quality statistics and research which are essential for tourism stakeholders to make informed decisions and policies.

The Pacific Tourism Organization (SPTO) aims to bring clear and concise travel and tourism research and insights to Pacific Island Countries, partner organizations, the private sector, and development partners. From the culmination of pioneering frameworks to the convening of collaborative workshops, the Research & Statistics Division's endeavors aimed to shape a resilient and progressive tourism landscape. As SPTO reflects on the year 2023, it became evident that our collective efforts not only laid foundations but have also illuminated pathways toward a future where tourism thrives harmoniously.

MAJOR DIVISIONAL ACHIEVEMENTS FOR 2023

Outcome: Strengthening regional statistics through development and approval of the PSTIF

The Pacific Sustainable Tourism Indicators Framework (PSTIF), a significant milestone for sustainable tourism in the Pacific, has been successfully finalized and approved by the SPTO Board of Directors. This strategic framework encompasses indicators in several categories, these include economic, environmental, social, and cultural. Serving as a cornerstone for measuring changes essential to sustainable tourism development and management, the PSTIF heralds a new era of accountability and sustainability in the Pacific tourism sector. A virtual implementation workshop was conducted by consultants Mr. Mark Loud and Mr. Carl Obst to raise awareness about PSTIF amongst stakeholders. Moreover, the workshop also provided an opportunity for stakeholders to share valuable insights whilst encouraging collaboration.

Plans are underway to develop a digital benchmarking dashboard with assistance from a consultant in 2024. This dashboard will serve as a vital tool for monitoring and evaluating the sustainability of tourism activities in the region. By harnessing the power of technology, this innovative tool will provide real time insights, enabling stakeholders to make informed, data-driven decisions and adapt strategies to ensure the long-term viability of Pacific tourism.

Outcome: Strengthening regional statistics through development and approval of a regional research cooperation framework

The SPTO Board of Directors endorsed the Pacific Tourism Research Cooperation Framework, underlining a commitment to enhancing research collaboration in the region. This initiative marks a collective effort involving various stakeholders, including National Tourism Organisations and National Statistics Offices, as well as regional development partners from the Pacific region. Together, these collaborators have crafted a framework designed to leverage synergies and address existing gaps in the field.

The Pacific Tourism Research Cooperation Framework is poised to unite stakeholders, ensuring collective ownership and shared benefits from the establishment of a Pacific tourism research governance structure. It delineates the roles and responsibilities of each participant, offering a roadmap for deciding and executing research priorities. The framework encourages collaboration and

resource pooling where applicable, serving as a manual for researchers and providing guidance for navigating bureaucratic processes.

Furthermore, a four-day regional workshop hosted in Nadi served as a crucial platform for tourism practitioners and policymakers from SPTO member countries to reinforce regional cooperation.

Thematic workshops were conducted and centered on key areas:

- Pacific Tourism Research Cooperation Framework;
- Building resilience for future tourism;
- Pacific Sustainable Tourism Standards; and
- Communications and digital training for tourism research and planning.

The endorsement of the Pacific Tourism Research Cooperation Framework is a significant step toward in fortifying regional statistics and fostering collaborative efforts for the betterment of the Pacific tourism landscape.

Outcome: Building regional partnership through establishment of the Pacific Tourism Statistics Reference Group

The establishment of the Pacific Tourism Statistics Reference Group heralded a new era of technical support and assistance for SPTO's Research & Statistics Division and member countries. Comprising esteemed professionals from diverse backgrounds, the Reference Group embodies a wealth of expertise and experience in the field of tourism statistics.

With the collective wisdom and insights of its members, the Reference Group is poised to play a pivotal role in shaping the future of tourism statistics in the Pacific. By fostering collaboration, sharing best practices, and providing technical guidance, this esteemed body will contribute significantly to the advancement of decision-making processes within the tourism sector.

Outcome: Improved access to tourism statistics for planning and decision-making

The Division actively contributes to meeting the information needs of SPTO's member countries by producing Quarterly and Annual Visitor Arrivals Snapshots Reports. These reports serve as an invaluable resource, offering comprehensive insights into regional tourism trends. Moreover, they are indispensable tools for various stakeholders, including government agencies, tourism boards, and private operators, to aid them in making well-informed decisions related to marketing and tourism strategies.

To compile these reports, the Division gathers data from diverse sources, including immigration records, hotel occupancy rates, and transportation statistics. Cooperation with the National Statistics Offices of member countries facilitates this data collection process. The gathered data then undergoes thorough analysis, resulting in a detailed report that covers crucial aspects, such as the total number of visitors, their countries of origin, the purpose of their visits, and their spending patterns.

Beyond these essential metrics, the report delves into emerging trends within the tourism industry. This includes shifts in visitor demographics and the identification of emerging markets. Such insight is vital to stakeholders aiming to stay abreast of industry developments, ensuring they remain competitive and well-positioned to attract visitors to their destinations. The Division's commitment to providing timely and accurate data significantly contributes to enhancing access to tourism statistics for effective planning and decision-making.

Outcome: Improved and secured access to tourism information and data through the PTDI

In 2023, a significant milestone was reached as SPTO assumed control of the Pacific Tourism Data Initiative (PTDI), succeeding Auckland University of Technology (AUT), in New Zealand. This strategic transition marked a substantial leap forward, emphasizing SPTO's dedication to optimizing the project's efficiency and impact. Concurrently, a dedicated PTDI team, bolstered by the addition of four new staff members, was established.

The PTDI is a comprehensive research initiative that spans 10 Pacific Island Countries, focused on collecting and reporting tourism information through bi-annual International Visitor Survey (IVS) reports, an annual Business Confidence Index (BCI), and an annual Community Attitude Survey (CAS). This initiative is pivotal to providing indispensable insights that are crucial for evidence-based decision-making within the tourism sector.

Until 30th September, 2023, AUT had managed all PTDI surveys and reported findings pertaining to 7 PTDI member countries, these included, Samoa, Tonga, Niue, Cook Islands, Vanuatu, Papua New

Guinea, and Solomon Islands. However, as of 1st October, 2023, SPTO assumed the responsibility for all aspects, including IVS, BCI, and CAS questionnaire reviews, survey implementations, data collection, analysis, report production, and the planning of capacity-building initiatives for the aforementioned 7 PTDI member countries, in addition to Kiribati, Timor Leste, and the Federated States of Micronesia (Yap Island), which were previously paused under AUT's management. This comprehensive approach solidifies SPTO's commitment to informed decision-making, collaborative efforts, and sustainable tourism development in the Pacific region.

Preceding the official shift of management to SPTO, there was a crucial two-week training program in Auckland, in August, 2023, that aimed to prepare the newly formed SPTO PTDI team. The program focused on Standard Operating Procedures (SOPs) for IVS, BCI, and CAS, survey design, data management, and both quantitative and qualitative data analysis. The meticulous handover of essential training materials, PTDI data, and IT-related materials ensured the team's readiness for a seamless project management transition under SPTO.

This strategic transition, coupled with the establishment of a dedicated PTDI team, reflects SPTO's steadfast commitment to optimizing the project's efficiency and impact. With a comprehensive approach encompassing the management of IVS, BCI, and CAS processes, along with planning for capacity-building initiatives, SPTO is well-positioned to foster informed decision-making, collaborative efforts, and sustainable tourism development in the Pacific region.

A noteworthy milestone under SPTO's management of the PTDI project was the subsequent in-country training for Kiribati, one of the three paused PTDI countries. Held from November 27th to December 4th, 2023, this training not only equipped Kiribati's National Tourism Organization with essential skills in survey execution, analysis, and report writing but also provided a unique opportunity for local stakeholder consultations on the Pacific Sustainable Tourism Indicators Framework (PSTIF). Integrating discussions on PSTIF into the training showcased SPTO's commitment to aligning diverse initiatives seamlessly, emphasizing the organization's dedication to sustainable tourism development in the Pacific.

The Research & Statistics Division of SPTO achieved significant milestones, advancing the goals of sustainability, cooperation, capacity building and informed decision-making in the Pacific tourism sector. These accomplishments laid a solid foundation for continued progress and collaboration in the future.

Finance & Operations Services Division

The Finance and Operations Division oversees support services by providing accurate and timely financial information for effective decision making while also managing the day-to-day operations of the Organization.

MAJOR DIVISIONAL ACHIEVEMENTS FOR 2023

Outcome: Robust financial services

The Finance Division continued to implement effective financial management practices and processes at divisional and organizational levels to achieve transparency and accountability. This included maintaining accurate and up-to-date financial records, conducting regular financial analysis, and reporting, and maintaining internal controls to safeguard assets and prevent fraud. Financial management and reporting was successfully done for core and the donor-funded project – the SPTO Pacific Tourism Digital Transformation Project to meet the organisation's accountability requirements by the New Zealand government.

To achieve financial sustainability for SPTO and to improve the financial position of SPTO, financial resources were efficiently utilized. This resulted in a surplus budget for 2023, further boosting the growth of SPTO's cash reserves. The consecutive savings over the years have provided financial stability, opportunities for future growth, and financial security for the organization.

The organisation's accounts were maintained and independently audited by PricewaterhouseCoopers (PWC) to ensure accuracy, reliability, and transparency in financial reporting. Moreover, the Division developed and implemented an audit and reconciliation plan to ensure SPTO complied with relevant statutory regulations, General Acceptable Accounting Principles, and SPTO Financial policies and procedures.

The audit conducted for the 2023 financial accounts resulted in an unqualified audit opinion for both the core account and NZMFAT project where the auditor concluded that the organisation's financial statements are fairly and appropriately presented without any identified exceptions and in compliance with the accounting standards. Additionally, the audits helped the organization to identify areas for improvement in financial management and internal controls, leading to better decision-making and risk management.

Moreover, the division continued to leverage technology to streamline financial processes and improve efficiency whilst supporting the sustainability goals of the organization. Finance documents were no longer printed but saved electronically. Going paperless led to efficiency- allowing for quick and easy access to documents, cost savings- on paper, printing, storage, accessibility- easily accessed remotely and security of files- encrypted to reduce the risk of physical loss or theft of the documents.

Outcome: Government membership contribution for 2023

The Finance and Operations Division issued SPTO's government members with membership invoices in the first quarter of 2023. 19 countries had fully paid their 2023 membership fees. Additionally, Nauru and New Caledonia cleared their 2022 membership contribution dues in 2023.

At the Finance Sub Committee meeting in August 2023, the Directors recommended that a membership contribution review be carried out to support future increases in

the operational costs for SPTO. A Terms of Reference (TOR) was developed and successfully advertised in 2023 with the hope of recruiting reliable consultants to carry out an independent review of the current government fee structure. The review will be undertaken in 2024.

Outcome: Efficient administrative and procurement support

The Finance Division successfully assisted the Executive Office in carrying out the Job Evaluation Exercise for 2023. Based on the recommendation from the evaluation exercise, the Board of Directors approved to remunerate all staff members between the median and the 60th percentile for all salaries effective from 2024.

The processing of salaries, management allowances, and supplier payments in 2023 are other key services undertaken by the division. Ensuring that the organization was in compliance with the laws and regulations of Fiji Revenue and Customs Services (FRCS) and Fiji National Provident Fund (FNPF), the 12 months lodgments and payments of Pay As You Earn Tax (PAYE), Contractual Provisional Tax (PT) and FNPF deduction were done on a timely basis. Staff welfare, via medical insurance, term life policies, leave entitlements, and other benefits were also maintained by the division.

In addition, the Finance and Operations Division continues to provide sound expertise and advice to all the divisions in relation to Terms of Reference, Procurement matters, Memorandum of Understanding, internal policies, and frameworks. The division promoted consistency and good governance over its procurement function to acquire quality goods and services at competitive prices which reflects 'value for money' benefit for the SPTO. All the divisions were provided support during the evaluation

of Tender and Request for Quotation. Procurement registers were developed and maintained as per the procurement policy for ease of reference and robust contract management.

Outcome: Office renovation and IT upgrades

The SPTO office underwent a successful renovation project to accommodate the expansion of the organization workforce and enhance sustainability efforts. Expanding the workstation area was carried out to accommodate additional staff members for the Pacific Tourism Data Initiative Project. The office layout was redesigned to optimize space utilization and create a more efficient and comfortable working environment for all employees. The expansion of the workstation was completed within the specified timeline and budget, ensuring minimal disruption to daily operations. In addition, new floor carpets were installed due to the wear and tear of the old carpet.

As part of our commitment to sustainability, all office lights were replaced with energy-efficient alternatives during the renovation. The transition to energy-saving lights not only reduces our environmental impact but also results in long-term cost savings on energy bills. The new lighting system provides improved illumination while consuming less energy, contributing to a more eco-friendly and cost-effective office environment.

Significant investments were made to upgrade IT infrastructure in 2023. To enhance productivity, and improve efficiency and security, the office email was upgraded to Microsoft 365. The M365 provides cloud storage and collaboration where users can store files in the cloud using OneDrive, enabling easy access to documents from any device and facilitating seamless collaboration with colleagues. Moreover, the internet bandwidth was increased to ensure that all staff members have access to a reliable and high-speed internet connection, enabling them to work more efficiently and effectively.

For the year 2023, the Finance and Operations division has demonstrated remarkable achievements through robust financial management practices, efficient administrative support as well as strategic investments towards SPTO Assets. The division's commitment to transparency, accountability and innovation has not only ensured the organisation's financial stability and growth but also enhanced operational efficiency and sustainability efforts. With successful audits and strategic initiatives like office renovation and IT upgrades, the division has laid a strong foundation for continued success and advancement in the years ahead.

Financial Statements

PACIFIC TOURISM ORGANISATION
SPECIAL PURPOSE FINANCIAL STATEMENTS
31 DECEMBER 2023

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REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

In accordance with a resolution of the Board of Directors, we herewith submit the balance sheet of the organisation as at 31 December 2023, and the related income statement and cash flow statement for the year then ended and report as follows:

1. Directors

The following were directors of the organisation from all member countries at any time during the financial year and up to the date of this report:

- Cook Islands - Ms. Karla Eggelton
- Samoa - Ms. Pativaine Tevita
- American Samoa - Ms. Minnie Tuia
- China - Mr. Xi Lin
- Fiji - Ms. Yolinda Chan replaced by Ms. Salaseini Daunabuna in February, 2023
- French Polynesia - Ms. Gina Bunton
- Federal State of Micronesia - Mr. Bermance Aldis
- Kiribati - Mr. Petero Manufolau (Chairperson) resigned on 31st December, 2023
- Nauru - Ms. Juliana Pitcher
- New Caledonia - Ms. Julie Laronde
- Niue - Ms. Micah Fuhiniu–Viviani
- Republic of the Marshall Islands - Mr. Francis Carlos Domnick
- Papua New Guinea - Mr. Eric Mossman Uvovo
- Solomon Islands - Mr. Dagnal Dereveke
- Timor Leste – Mr. Jelino Soares
- Tokelau - Mr. Mika Perez
- Tonga - Mr. Sione Finau Moala concluded his contract in February, 2023. Replaced by Mr. Viliame Takau
- Tuvalu - Mrs. Silaati T Filiake replaced by Paufi Afelee in January, 2024
- Vanuatu - Ms. Adela Issachar Aru (Deputy Chairperson)
- Wallis & Futuna - Ms. Marion Kualoa
- Rapa Nui - Mr. Edmund Paoa

Private Sector Representative include the following:

- Fiji Hotel and Tourism Association - Brian Kirsch
- Turama Pacific - Robert Skews
- South Pacific Cruise Alliance - Bud Gilroy
- Fiji Airways - Akuila Batiweti
- Warwick Hotels - Ali Serhan replaced by Ms. Rashmi Tulsiani of Holiday Inn Resort Vanuatu in March, 2024

2. Principal activity

The principal activity of the organisation is to promote and develop the tourism industry in the Pacific and foster regional co-operation between the member countries, the tourism operators and the private sector.

REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS - continued

During the year ended 31 December 2023 there has been no material change in the nature of the organisation's activities or in the classes of activities in which the organisation has an interest.

3. Operating results

The surplus of income over expenditure for the financial year was $33,386 (2022: $85,760).

4. Reserves

No transfers to reserves were recommended by the directors in respect of the year ended 31 December 2023.

5. Provisions

There were no material movements in provisions during the year apart from normal amounts set aside for items such as doubtful debts, depreciation and annual leave.

6. Bad and doubtful debts

We have taken reasonable steps before the organisation's financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, we are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

7. Current assets

We took reasonable steps before the special purpose financial statements were made out to ascertain that the current assets of the organisation were shown in the accounting records of the organisation at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, we are not aware of any circumstances which would render the values attributable to the current assets in the organisation's special purpose financial statements misleading.

8. Basis of accounting

We believe that the basis of preparation of the special purpose financial statements is

REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS - continued

appropriate and the organisation will be able to continue its operations for at least 12 months from the date of this statement. Accordingly, we believe the classification and carrying amounts of the assets and liabilities as stated in these special purpose financial statements to be appropriate.

9. Other circumstances

At the date of this report, we are not aware of any circumstances not otherwise dealt with in this report or special purpose financial statements which would render any amounts stated in the special purpose financial statements misleading.

10. Unusual transactions

The results of the organisation's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the special purpose financial statements.

11. Events subsequent to balance date

No charge on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation to meet its obligations as and when they fall due.

12. Directors benefits

No director of the organisation has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the organisation's special purpose financial statements) by reason of a contract made by the organisation or related corporation with the director or with a firm of which he is a member, or with an organisation in which he has substantial financial interest.

Dated 18th day of April 2024.

For and on the behalf of the Board

Chief Executive Officer

Chairperson

APPROVAL OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

In the opinion of the Directors, the special purpose financial statements set out on pages 8 to 16 are drawn up so as to give a true and fair view of the state of affairs of the Pacific Tourism Organisation as at 31 December 2023 and of its results and cash flows for the year ended on that date.

The Directors and Management believe the basis of preparation of the special purpose financial statements and the classification and carrying amounts of assets and liabilities as stated in these special purpose financial statements are appropriate.

The special purpose financial statements are approved in accordance with a resolution of the directors this 18th day of April, 2024.

For and on behalf of the Board

Chief Executive Officer

Chairperson

pwc

SPECIAL PURPOSE AUDITOR'S REPORT

To the members of Pacific Tourism Organisation

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of (referred hereafter as "financial statements") of the Pacific Tourism Organisation (the 'Organisation'), which comprise the balance sheet of the Organisation as at 31 December 2023 and income statement, and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Organisation in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 1 to the financial statements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report on the Special Purpose Financial Statements but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Directors and Management for the financial statements

Directors and Management are responsible for the preparation of the financial statements in accordance with the accounting policies as described in Note 1 to the financial statements, for determining that the basis of preparation is acceptable in the circumstances, and for such internal control as the Directors and Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors and Management are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and Management.

- Conclude on the appropriateness of the Directors and Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with the Directors and Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Organisation's members. Our audit work has been undertaken so that we might state to the Organisation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organisation and the Organisation's members as a body for our audit work, for this report, or for the opinions we have formed.

PricewaterhouseCoopers

18 April, 2024
Suva, Fiji

PricewaterhouseCoopers
Chartered Accountants

INCOME STATEMENT

	Note	2023 $	2022 $
Income			
Members' contributions		1,299,338	1,286,197*
PRC donation		325,380	315,524*
Activity income		949,149	137,107
Other income	8	345,860	272,095
Total Income		2,919,727	2,010,923
Expenditure			
Depreciation		41,420	38,926
Doubtful debts expense		69,925	180,141
Activity costs	9	1,301,029	325,874
Salary and other staff costs		879,179	873,579
Administration and other operational costs		594,788	506,643
Total expenditure		2,886,341	1,925,163
Surplus for the year		$33,386	$85,760

*PRC donation has been separately disclosed in the current year.

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

	Notes	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	2	785,622	853,897
Government membership fees in arrears	3	1,227	110,599
Intercompany receivable		41,866	-
Other debtors and prepayments		291,144	267,487
Total current assets		1,119,859	1,231,984
Non-current asset			
Term Deposits		518,448	513,502
Plant and equipment	5	51,419	73,832
		569,867	587,334
Total assets		1,689,726	1,819,318
EQUITY			
Accumulated funds	7	1,464,523	1,431,137
Total equity		1,464,523	1,431,137
LIABILITIES			
Current liabilities			
Creditors and accruals		200,138	125,348
Intercompany payable		-	1,443
Total current liabilities		200,138	126,792
Non-current liabilities			
Donor grant – deferred income	6	25,065	261,389
Total non-current liabilities		25,065	261,389
Total liabilities		225,203	388,180
Total reserves and liabilities		$ 1,689,726	$ 1,819,318

The balance sheet should be read in conjunction with the accompanying notes.

These special purpose financial statements are approved in accordance with a resolution of the Board of Directors.

For and on behalf of the Board of Directors.

Chief Executive Officer

Chairperson

CASH FLOW STATEMENT

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from member countries		1,299,338	1,601,721
Receipts from donor funded workshops/conferences		361,765	4,179
Payments to suppliers and employees		(1,710,371)	(1,850,182)
Net cash from operating activities		(49,268)	(244,282)
Cash flows from investing activities			
Purchase of plant and equipment		(19,007)	(27,550)
Net cash used in investing activities		(19,007)	(27,550)
Net increase/(decrease) in cash		(68,275)	(271,832)
Cash and cash equivalents at the beginning of the year		853,897	1,125,730
Cash and cash equivalents at the end of the year	2	$785,622	$853,897

The cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Set out below is a summary of the significant accounting policies adopted by the organisation in the preparation of the special purpose financial statements. These policies have been consistently applied by the organisation except where otherwise stated.

(a) Basis of accounting

These financial statements are Special Purpose Financial Statements ('financial statements') and it reflects the activities of SPTO's Main and Revenue Accounts. The special purpose financial statements have been prepared in accordance with the accounting policies described below. They have been prepared on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

(b) Plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes all expenditures that are directly attributable to the acquisition of the asset.

Plant and equipment acquired through the various projects undertaken by the organisation and which are funded by donors are capitalised as the organisation's assets at the Board's valuation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(c) Depreciation

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its estimated useful life.

The depreciation rates in use are:

Furniture, Fittings & Equipment	20.0%
Computer Equipment	33.3%
Motor Vehicle	20.0%

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS - continued

(d)Donor grants

Grants from governments and other donors are recognised at their fair value when there is a reasonable assurance that the grant will be received, and the organisation will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase or acquisition of property, plant and equipment are included in liabilities as deferred revenue and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

(e) Foreign currency

All amounts in foreign currencies at balance date are translated to Fijian dollars at the rates of exchange prevailing at year end. All transactions during the year denominated in foreign currencies are translated at rates prevailing at the transaction date.

Exchange differences are brought to account in determining the results for the year.

(f) Employee entitlements

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued annually at current wage rates.

(g)Reporting currency

The special purpose financial statements are presented in Fijian dollars, which is the functional and presentation currency of the organisation.

(h)Revenue recognition

Subscription income is brought to account on an accrual basis. Any subscriptions received in advance are carried forward in the balance sheet under current liabilities. Subscriptions in arrears are taken up as receivables.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

(j) Comparative figures

Where necessary, comparative figures have been changed to conform to changes in presentation in the current year.

2. Cash and cash equivalents

Cash and cash equivalents comprise of:

	2023	2022
	$	$
Cash on hand	400	400
Cash at bank	785,222	853,497
	$ 785,622	$ 853,897

3. Government membership fees in arrears

Fees in arrears	64,227	110,599
Less: Provision for doubtful debts	(63,000)	-
	$ 1,227	$ 110,599

4. Other debtors and prepayments

Other debtors and prepayments	228,144	195,119
Less: Provision for doubtful debts	(6,925)	-
	$ 221,219	$ 195,119

5. Plant and equipment

(a) Plant and equipment are included on the following bases:

	2023	2022
	$	$
Furniture, fittings and equipment		
• at Board's valuation	3,031	3,031
• at cost	49,951	43,907
	52,982	46,937
Less: Accumulated depreciation	(33,674)	(40,387)
	19,308	6,550
Computer equipment		
• at Board's valuation	89,855	93,575
• at cost	131,719	132,820
	221,574	226,395
Less: Accumulated depreciation	(189,463)	(159,101)
	32,111	67,294

Motor vehicle		
• at Board's valuation	36,768	36,768
• at cost	-	-
	36,768	36,768
Less: Accumulated depreciation	(36,768)	(36,768)
	-	-
Total plant and equipment		
• at Board's valuation	129,654	133,374
• at cost	181,670	176,727
	311,324	310,100
Less: Accumulated depreciation	(259,905)	(236,256)
	$ 51,419	$ 73,844

(b) The depreciation policy adopted is set out in note 1(c).

(c) The organisation also acquires plant and equipment through the various projects undertaken and which are funded by donors. In accordance with note 1(b), these assets are capitalised in the organisation's special purpose financial statements at values recommended by the Board based on costs incurred by the donors to acquire these items.

(d) Reconciliation of plant and equipment

	Furniture, Fitting & Equipment	Computer Equipment	Motor Vehicle	Total
	$	$	$	$
Carrying amount as at 31 December 2022	6,551	67,293	-	73,844
Additions	14,814	5,398	-	20,212
Disposals	-	(1,205)	-	(1,205)
Depreciation	(2,056)	(39,376)	-	(41,432)
Carrying amount as at 31 December 2023	$ 19,309	$ 32,110	-	$ 51,419

6. Donor grant – deferred income

	2023	2022
	$	$
Opening balance	261,389	181,690
Add: Grant received during the year (at Board's valuation)		
: East West Centre	-	10,681
: NZMFAT received during the year	-	48,510
: UNESCO	-	29,502
: Pacific Tourism Research Cooperation Framework	-	72,336
: SPTE Programme	-	62,400
Add: Donated Assets	-	-
Less: Amortization on donated assets	(23,576)	(22,747)
Less: Transfer to other income during the year	(212,748)	(120,983)
	$ 25,065	$ 261,389

7. Accumulated funds

The accumulated funds is reconciled as follows:

Opening balance – 1 January	1,431,137	1,345,377
(Deficit) / Surplus in income over expenditure for the year	33,386	85,760
Add: Other adjustments	-	-
Closing balance – 31 December	$ 1,464,523	$ 1,431,137

8. Other Income

Exchange Gains/(Losses)	6,765	41,403
Interest Income	4,631	9,319
Other Income	31,169	34,949
Program Management Fee	303,295	186,424
	$ 345,860	$ 272,095

9. Work Programme/Activity Cost

Project Activity Costs	441,463	-
Marketing Events/Activities	714,505	314,935
Other Core/Project Activities	145,061	10,939
	$ 1,301,029	$ 325,874

10. Income taxes

The organisation is exempt from income taxes in accordance with the Second Schedule of the Diplomatic Privileges and Immunities Act, 1971.

11. Principal activity

The principal activity of the organisation is to promote and develop the tourism industry in the South Pacific and foster regional co-operation between the member countries, private sector and the tourism operators.

The organisation's registered office is situated on level 3, FNPF Place, Victoria Parade in Suva.

12. Commitments and contingent liabilities

(a) There were no commitments as at 31 December 2023 (2022: $Nil).

(b) There were no contingent liabilities as at 31 December 2023 (2022: $Nil).

13. Employee entitlements

	2023	2022
Provision for annual leave	$ 53,445	$ 46,097
Average number of employees during the financial year	16	15

14. Events subsequent to balance date

No charge on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation to meet its obligations as and when they fall due.

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