

DEPARTMENT OF TRANSPORT

NO. R. 1223

13 NOVEMBER 2020

SOUTH AFRICAN CIVIL AVIATION AUTHORITY

**SOUTH AFRICAN CIVIL AVIATION AUTHORITY LEVIES ACT,
1998 (ACT NO. 41 OF 1998)**

**PROPOSAL FOR AMENDMENT OF A DETERMINATION MADE BY THE SOUTH
AFRICAN CIVIL AVIATION AUTHORITY IMPOSING A FUEL LEVY ON THE SALE OF
AVIATION FUEL**

The South African Civil Aviation Authority in terms of the provisions of section 2(7) of the South African Civil Aviation Authority Levies Act, 1998 (Act No 41 of 1998), intends to amend the Determination contained in Government Notice No. R.1665 of 14 December 1998, as amended by Government Notice No. R.932 of 30 July 1999, Government Notice No. R. 1033 of 27 August 1999, Government Notice No. R. 1101 of 9 November 2005; Government Notice No. R. 473 of 25 April 2008, Government Notice No. R. 231 of 12 March 2010, Government Notice No. 199 of 26 February 2010, Government Notice No. R 317 of 8 April 2011, Government Notice No. R. 511 of 30 June 2014, Government Gazette No. R. 1052 of 22 December 2014, Government Gazette No. R. 1285 of 24 December 2015, Government Gazette No. R. 1286 of 24 December 2015, Government Gazette No. R. 585 of 23 June 2017, Government Gazette No. R. 54 of 26 January 2018, Government Gazette No. R. 1461 of 12 November 2019.

Comments or representations on the proposed amendments should be lodged in writing and sent to Mr. Sipho Skosana or Mr Bulelani Ncanywa, Private Bag 73 Halfway House, 1685, or e-mail at skosanas@caa.co.za or ncanywab@caa.co.za on or before 13 December 2020.

**PROPOSED AMENDMENT OF THE DETERMINATION MADE BY THE SOUTH AFRICAN
CIVIL AVIATION AUTHORITY TO IMPOSE A FUEL LEVY ON THE SALE OF AVIATION
FUEL**

It is hereby proposed to increase the fuel levy by Consumer Price Index (CPI) related figures for a period of one financial year commencing on 1 April 2021 and ending on 31 March 2022 as follows:

Amendment of paragraph 2 of the Determination

1. Paragraph 2 of the Determination is hereby amended by the substitution for subparagraph (1) of the following subparagraph:
"(1) Subject to the provisions of paragraph (2), a levy of 19.2 cents per litre is payable by consumers (including a wholesale distributor) on the sale of all aviation fuel which is manufactured, distilled, imported or sold in the Republic."

Commencement

2. This amendment will come into operation 1 April 2021.

3. MOTIVATION

The South African Civil Aviation Authority ("SACAA") proposes to increase the SACAA Fuel Levy by an annual CPI increase for the 2021/2022 financial year, commencing on the 1st April 2021.

The fuel levy is collected by fuel wholesale distributors or agents from sales of aviation fuel/gas with the exemptions being fuel for flights where the passenger safety charge is collected, fuel exports and where bilateral agreements determines exemption. The passenger safety charge is effecting contribution to the funding of the SACAA from the Commercial Sector (scheduled flights) whereas the fuel levy effects contribution from "General Aviation" (non-scheduled flights, cargo flights and other types of flights). This is used to assist SACAA to comply with its statutory mandate, which includes safety and security oversight on various entities and certificate/license holders for the benefit of travellers and other beneficiaries of SACAA services.

The fuel levy was last increased from 17.3 to 18.3 c/l with effect from 1 April 2020. The Minister of Finance (quoting section 7.3.1 of the Treasury Regulations) requested the SACAA to:

"review, at least annually when finalizing the budget, all fees, charges or the rates, scale or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund."

SACAA has submitted its Medium-Term Expenditure Framework (MTEF) budgets to National Treasury for the 2021/2022, 2022/2023 and 2023/2024 financial years respectively. As part of the MTEF budget submission, SACAA has budgeted for a CPI increase for the 2021/2022 financial year. The CPI rate assumptions as provided by National Treasury for the three respective years are 5.0%, 4.8% and 4.8% respectively.

In order to continue to carry out its mandate of regulating civil aviation and of enhancing civil aviation safety and security as well as overseeing the development of the civil aviation industry, SACAA submits that it is essential that the proposed levy increase be implemented.