
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF TRANSPORT

NO. R. 1634

17 December 2021

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 published in Government Notice No. R1665 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, Government Gazette No. R995 of 1 October 2021.

Comments or representations on the proposed amendments should be lodged in writing and sent to Mr. Sipho Skosana or Ms Pregoria Mabaso, Private Bag 73 Halfway House, 1685, or

e-mail at skosanas@caa.co.za or mabasop@caa.co.za on or before 16 January 2022.

PROPOSAL FOR 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 two financial years commencing on 1 April 2022 and ending on 31 March 2023 and second year increment commencing on 1 April 2023 and ending on 31 March 2024 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 20 cents per litre from 1 April 2022 and 20.9 cents per litre from 1 April 2023 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 of the proposed first increment will come into operation 1 April 2022 and the amendment of the second increment will come into operation of 1 April 2023.

3. Motivation

The South African Civil Aviation Authority (“SACAA”) proposes to increase the SACAA Fuel Levy by an annual CPI increase for the 2022/2023 and 2023/2024 financial year, commencing on the 1 April 2022 and 1 April 2023 respectively.

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 contributing 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 or license holders for the benefit of travellers and other beneficiaries of SACAA services. The fuel levy was last increased from 1 April 2021 but only came into operation on 1 November 2021 when final approval was received.

The COVID-19 pandemic and the impact of it on the aviation industry both locally and international have been severe. The future is uncertain, with the possibility of future variants and waves of infection that cannot be disregarded. Internationally, there seems to be a consensus that it will take the industry another 2-3 years to return to pre-COVID-19 passenger volumes. The local immunization program is picking up momentum and serves as a silver lining to a dark cloud.

Over the next two years the key focus will be on carrying out the SACAA's mandate by complying with the International Civil Aviation Organization Standards and Recommended Practices considering the local context. Spending will thus be focused on the administration and continuous improvement of civil aviation safety and security oversight.

The SACAA has also implemented a number of cost containment measures which has resulted in major cost savings. All non-essential and non-critical expenditure have been curtailed. All non-essential capital projects planned for the 2021/2022 financial year were deferred to other financial years due to COVID-19. The SACAA is forecasting capital expenditure of R75 million during the 2022/2023 financial year mainly for the continuation of the implementation of Electronic Records and Document Management IT Systems, installation of Cyber security software, furniture, server rooms and an examination center for the expected office move.

The investment in IT systems is expected to increase efficiency, productivity, and client service in the SACAA and ensures that it remains relevant in the 'new normal' as well as the fourth industrial revolution. The SACAA remains committed to its mandate to ensure safety and security of the South African civil aviation industry.