

## DEPARTMENT OF TRANSPORT

NO. R. 1421

15 DECEMBER 2017

## SOUTH AFRICAN CIVIL AVIATION AUTHORITY

**SOUTH AFRICAN CIVIL AVIATION AUTHORITY LEVIES ACT, 1998  
(ACT NO. 41 OF 1998)****PROPOSAL FOR AMENDMENT OF THE DETERMINATION TO IMPOSE 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. Any comments or representations on the proposed amendments should be lodged in writing and sent to Ms. Monica Sonjani or Mr. Sipho Skosana, Private Bag 73 Halfway House, 1685, or e-mail at [sonjanim@caa.co.za](mailto:sonjanim@caa.co.za) or [skosanas@caa.co.za](mailto:skosanas@caa.co.za), on or before **19 January 2018**.

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

1. It is hereby proposed to increase the fuel levy by Consumer Price Index (CPI) + 1 percent for a period of two consecutive financial years commencing on 1 April 2019 and ending on 31 March 2021.

**2. MOTIVATION**

The South African Civil Aviation Authority ("SACAA") proposes to increase the SACAA Fuel Levy by an annual CPI + 1 percent increase for the 2019/2020 and 2020/2021 financial years commencing on the 1<sup>st</sup> April 2019. The rate of the increase will be based on the CPI figures as at the date of promulgation of the increase in the Gazette.

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 travelers and other beneficiaries of SACAA services.

The fuel levy was last increased from 14.6 c/l to 15.5 c/l with effect from 1 August 2017. A further increase to 16.4 c/l was approved with effect from 1 April 2018.

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 2018/2019, 2019/2020 and 2020/2021 financial years respectively. As part of the MTEF budget submission, SACAA has budgeted for a CPI + 1 percent increase for the 2019/20 and 2020/21 financial years. The CPI rate assumption as provided by National Treasury for the two respective years are 5.6% and 5.5% respectively. However, the final CPI figures as at the date of promulgation of the fuel levy increase will be utilized for the final percentage of the increase.

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 increases be implemented.