



## Regional Fuel Tax

The proposed Regional Fuel Tax (RFT) threatens to add about 10c/litre to MOGAS purchases in Auckland, and according to recent news reports, may well be adopted by other regions beyond Auckland. This would add yet more cost to flying, with microlight pilots cross-subsiding road users.

RAANZ entered a submission to the Select Committee opposing the application of the RFT to MOGAS used for recreational aviation.

### Finance & Expenditure Select Committee

#### Submission on Land Transport Management (Regional Fuel Tax) Amendment Bill 2018 (38-1) from The Recreational Aircraft Association of New Zealand (Inc)

The Recreational Aircraft Association (RAANZ) holds delegated authority from the Director of Civil Aviation to administer microlight personnel certification (pilots, instructors, inspectors) in New Zealand. It represents over 750 pilots from affiliated microlight clubs throughout New Zealand.

**We seek consideration for exemption from the Regional Fuel Tax for fuel purchases used for recreational aviation on the basis that the purpose of such a tax is for road users to fund road infrastructure development, which is outside the scope of our activities.**

The aircraft operated by our members generally use the same petrol as used in cars (MOGAS). The money raised by the proposed Regional Fuel Tax will pay for transport infrastructure that is unrelated to aircraft use. Therefore we oppose the bill in its current form as it results in extra taxation on fuel used in aircraft with no benefit to aircraft users. The proposed tax results in an increased cross subsidy, from aircraft users to users of land transport infrastructure.

While there is a specific grade of fuel available for aircraft use (AVGAS) which doesn't have taxes going to the National Land Transport Fund or the proposed Regional Fuel Tax, it is unsuitable for use in many modern aircraft engines as it contains lead which fouls the engine- and is also bad for the environment. Some aircraft can run on either fuel, so not applying the Regional Fuel Tax to aircraft use may well encourage the use of MOGAS- which is better for the environment.

Currently recreational aircraft are not on the list of exempted uses, although it would be simple to add them to the list of *exempt use* in Section 65A.

Fraudulent claims are unlikely as aircraft are highly regulated and documents are currently kept which allow auditing of claims. The hours flown on a particular aircraft can be verified through the aircraft's maintenance logbooks, technical logs and the pilot's flight time logbooks. These figures are kept on file with RAANZ in the case of microlight aircraft as part of their annual review of airworthiness.

Fuel consumption per hour can be easily verified by using the technical data available from the manufacturer of the engine and a table constructed of the various aircraft engine types and variants. For example, the Rotax 4 stroke engines, which power over 50% of the microlight aircraft fleet, typically burn 15-18 litres per hour.

### Conclusion

We believe recreational aviation should be exempted from the proposed tax on the grounds that-

- It is intended to apply to **roads users** for the purpose of roading infrastructure development

Other NZAF member organisations submitted in a similar manner, and the NZAF further submitted

on behalf of all member organisations.

**Finance & Expenditure Select Committee;  
Submission on Land Transport Management (Regional Fuel Tax) Amendment Bill 2018 (38-1) from  
The New Zealand Aviation Federation (Inc)**

The New Zealand Aviation Federation (NZAF) has 12 General Aviation sector members and represents approx. 10,000 individual members of those sector organisations.

**We seek consideration for exemption from the Regional Fuel Tax for fuel purchases used for general aviation on the basis that the purpose of such a tax is for road users to fund road infrastructure development, which is outside the scope of our activities.**

Many of the aircraft operated by our members use the same petrol as used in cars (MOGAS). Aviation users of MOGAS are currently paying approx. 60 cents per litre road tax which is applied to land transport road charges plus, they pay the direct aviation user charges imposed for the operation and maintenance of the aviation infrastructure. Any additional Regional Fuel Tax will exacerbate this unfair situation as the money raised by the proposed Regional Fuel Tax will pay for transport infrastructure that is unrelated to aircraft use. Therefore, we oppose the bill in its current form as it results in extra taxation on fuel used in aircraft with no benefit to aircraft users. The proposed tax results in an increased cross subsidy, from aircraft users, who already operate in a user pays system, to users of land transport infrastructure.

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**Conclusion**

We believe recreational aviation should be exempted from the existing and proposed tax on the grounds that-

- It is intended to apply to **roads users** for the purpose of roading infrastructure development and does not contribute to the aviation infrastructure.

Ian Andrews (NZAF President) appeared before the Select Committee on behalf of the NZAF member organisations. His report is below-

**Report on Select committee submission for the Land Transport (Regional Fuel Tax) Amendment Bill**

Hi All

Yesterday I made a verbal submission to the select committee on the Regional Fuel Tax issue. I was there for a couple of hours before my time and heard a number of verbal submissions including the request for off road relief from some horticulture activities that ran tractors and off-road vehicles. There was some discussion on how they could guarantee that no fuel would be used on road. There

was no real answer other than a preference for road user charges. There was another submitter for Road User Charges also as opposed to a fuel tax as it was evenly spread across road users with old inefficient vehicles and new fuel-efficient ones paying the same per km. The emphasis was on the fact that lower income families would be the owners of the older vehicles and therefore suffer more from a fuel tax.

I have attached the further submission I used and spoke to. I followed on after John Nicholson and concentrated on the fact that we were the only full "user pays" sector / industry and therefore we were cross subsidising the road users. The body language and comments from the committee were very encouraging and with the term "Morally incorrect" being used. We were listened to and questioned specifically on availability of accurate numbers for the usage of MOGAS. When asked the direct question I said it could be as high as 1m litres and somewhere between \$300k and \$700k. If you look at my extra submission you will see I have estimated figures on 1088 microlights (also pointed out these are not rag and bone aircraft but very sophisticated) and 470 aircraft in the sport aviation sector. These are figures I can justify from the CAA stats. The fuel consumption I used comes from a Rotax set of data, so I can also justify the 18L per hour. I found the comparison I did on the hourly usage very interesting when looked at like the old versus new car.

I also said that while we were only here to discuss the extra fuel tax it was a tipping point when added to the already imposed road tax. They were surprised to hear that we did not get a rebate already.

I think this is a good time to go back to the Minister / Ministry and endeavour to get added to the list of exemptions on the existing excise tax.

It would help to have accurate figures on the MOGAS usage. Can you get something done on that from the microlight and Sport world? Also, from the training side of things how many aeroclubs have LSA that use MOGAS. Nelson Pilot training have 2 Sportstar's they use so I can get their numbers.

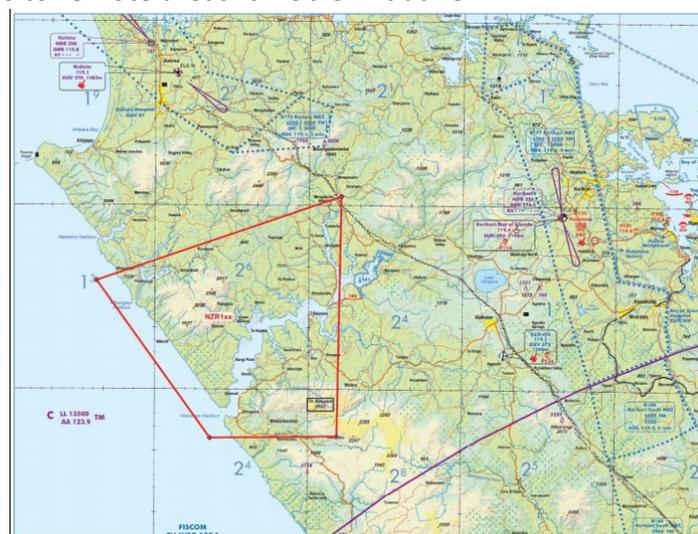
All in all a successful day that we should build on. About 50/50 Labour and National.

Ian Andrews 4<sup>th</sup> May 2018

The RFT is planned to come into effect from June/July this year, so we should know the outcome re the additional RFT very soon. The Issue re existing road tax is probably a longer shot, but it appears there is some sympathy for our case which we will continue to press.

## Hokianga Restricted Area

CAA recently issued a proposal for creating a restricted area encompassing the Hokianga Harbour and surrounding area, including the coastal track. The stated purpose was for trialling RPAS deliveries of medicines to remote areas- a noble initiative.



RAANZ were concerned about the effect on recreational flights, particularly those using the coastal track Dargaville to Kaitaia or a scenic over the Hokianga. We made the following submission with suggestions to ease those concerns.

#### **Proposed Restricted area - Hokianga Harbour**

RAANZ has considered the proposal and has the following comments and suggestions:

We understand and appreciate that the use of RPAS operations have a future in certain areas but they do have a serious safety impact on aviation operations unless strictly controlled and limited. This is not evident with the present frequently occurring incidents. We also appreciate the need for RPAS operators to be able to test various parameters in confined areas and the aviation industry's need to easily access the operational criteria (NOTAMs) and safely avoid the areas to the benefit of all parties..

- **We see no reason why this proposed area should be so large.** It should be able to be split into smaller areas for operation on the day. E.g. a NOTAM could indicate an area A, B, C or D as being active for a period along with vertical buffers.

We suggest:

(A) – south of the harbour up to 2000ft

(B) –the harbour and NE over the lower ground up to 1500ft/2000ft. It is prudent to also bring the NE corner of the proposed area at the Mangamuka Bridge back to Tutekehua. The main road and pylons to the east are a prime navigation feature for aircraft.

(C) – NW of the harbour over the higher ground up to 3000ft

(D) – W of the coast ideally limited to 400ft or perhaps 1000ft as long as the cloud ceiling is above 2000ft.

- **We see no reason why it should encompass an area off the coast area as well.** This a regularly used coastal transit path for GA/recreational aircraft, and also a frequently flown scenic area over the kauri forest and Hokianga harbour. If it was inland then aircraft could transit seawards without restrictions. If coastal operations were required they could operate below 400ft or maybe limited to an upper limit of 1000ft as long as the cloud ceiling was above 2000ft.

- **A contact database as suggested has some merit but this could be improved by having contact via radio.** i.e. There could also be a frequency that the operators can monitor such that pilots could enquire as to when and where the operations are being carried out, or if required due weather etc. the operator could cease until the aircraft was clear.

- **We suggest also the operations are not carried out during the weekends** when most recreational aircraft activity will occur.

RAANZ is also concerned that when satisfactory testing is completed, how Incredible Skies Ltd and future similar companies will carry out their operations on an as required basis. I am sure they will not want to go through the process of having to give timely info such that NOTAMs can be issued. The RPAS industry is getting bigger and could easily compromise safety

RAANZ raised this issue at the recent NZAF meeting, who took it on board on behalf of all recreational aviation user. Further investigation revealed that the operator's apparent intent is to offer the airspace to other RPAS companies for beyond visual line of sight (BVLOS) trials-significantly more than the stated intent. The NZAF then submitted a further and stronger submission as follows.

#### **Submission on the proposed restricted airspace area at Hokianga Harbour**

The New Zealand Aviation Federation (NZAF) is the largest General Aviation (GA) organisation in New Zealand and includes 12 member organisations representing approximately 10,000 individual users.  
[www.aviationfederation.co.nz](http://www.aviationfederation.co.nz)

We support the RAANZ and SAANZ submission but consider that there are issues regarding Beyond Visual Line of Sight (BVLOS) operations that must be addressed by CAA before this proposal can proceed.

The proposal which covers an area of some 400 – 500 square miles, extends to a distance of about 2 miles off the coast and up to 3000 feet AMSL represents a significant amount of airspace and would be an imposition on the free passage of general aviation transiting the area at legal heights of above 500 feet AGL.

It is our understanding that during the period in 2017 when the area was previously in place it was not activated at any time by NOTAM. It is a concern that a large area like this can be added without being used.

As there are no specific rules yet developed by CAA for BVLOS operations including no specific method for the RPAS pilot to “see and avoid” or warn transiting aircraft of the operation other than by NOTAM closing off a vast area of airspace, we consider this is a major safety issue for the operation of general aviation.

To suggest that there is only one VFR flightpath between Dargaville and Kaitaia is grossly misleading. VFR flight, by definition, allows any path to be flown at a legal height above the ground and the most scenic flight from Dargaville to Kaitaia would be via the coast, up the Hokianga harbour, the Whangape harbour or the Herekino Harbour, to Kaitaia.

We recognise the growing RPAS industry and the associated issues in managing flights by these aircraft. However, to be proposing the trial as a means to validate delivery of goods in an “on demand” nature is fraught with problems. Once a trial is completed and as suggested, the delivery of goods can be achieved, a NOTAM will be of no benefit to either the RPAS operator or the transiting GA pilot.

We oppose the proposal in its present form and would like to see a Preliminary Risk Assessment done with further mitigation proposals included and to have a set of rules that will be applied to the BVLOS operation.

We consider that an airspace consultation meeting should be held on this issue

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1<sup>st</sup> May 2018

## CAA position on 103.217 engine maintenance requirements

Thanks to all those who responded to our questionnaire on Rotax 4-stroke reliability. In conjunction with SAC we have collected reliability data covering over 100,000 hours and 1700 years time in service. The data shows these engines are almost bullet-proof.

The two main failure modes which emerge are ignition modules (9 occurrences) and mechanical fuel pump (4 occurrences). Both are normally evident on run-up, and are either duplicated or have backup systems should they fail in flight. The fuel pump issue appears to have been resolved following Rotax's service bulletin.

We are working iwth SAC o a strategy to challenge CAA's current view of the rule and propose a solution- more abut this as things progress.

## Membership changes

Martin Little	Mercury Bay Aero Club	Intermediate	Upgrade
Amy Sheppard	Canterbury Recreational Aircraft Club	Novice	Joined
Trevor Alexander	Fiordland Aero Club	Advanced National	Upgrade
Iain Anderson	Parakai Aviation Club	Advanced National	Upgrade
Oscar Bennett	Matamata Aero Club	Novice	Joined
Carl Portegys	Geraldine Flying Group	Advanced National	Upgrade
Graham Gaiger	Canterbury Recreational Aircraft Club	Novice	Joined
David Howie	Mercury Bay Aero Club	Novice	Joined
Neville McLeod	Feilding Flying Club	Novice	Joined
Jodie Black	Canterbury Recreational Aircraft Club	Novice	Joined
Luke Matthews	Kaitaia Aero Club	Novice	Joined
David Tillman	Canterbury Recreational Aircraft Club	Novice	Joined

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