

Media release

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Fire and Emergency levy hikes will jeopardise aviation industry.

A proposal by Fire and Emergency New Zealand (FENZ) to impose significant levies on domestic aircraft has come as a bolt out of the blue for the aviation industry.

The Aviation Industry Association (AIANZ) which represents most of the country's 300 commercial aviation operators said the announcement of the levies through a consultation paper on the FENZ website came as a complete surprise.

Chief Executive of the AIANZ, Simon Wallace, said if domestic aircraft were using FENZ services to the level the agency believes, the levies would be justified, but that is just not the case.

“Domestic aircraft have always been an exemption to FENZ levies because of the negligible use of their services. In the past year, callouts by FENZ to aviation incidents represented just 0.045% of all incidents”.

FENZ is proposing to levy all aircraft operating in New Zealand at 11.51c per \$100 insured with an unlimited cap. This means for example:

- A rescue helicopter will pay approximately \$9,000 in levies.
- An aircraft valued at \$10 million will pay approximately \$11,500 and
- A jet aircraft, possibly more than \$100,000.

Mr Wallace said it was a double whammy for domestic aircraft operators who are already paying for fire and emergency services through landing charges imposed on them by airports. A component of the landing charge goes to fund the cost of airport operated emergency services. The AIANZ understands that FENZ has limited services at airports and does not have aviation specific staff training for aircraft incidents.

The levy proposals, if adopted, would be a major blow to the aviation industry at a time when many parts of it were only just emerging from difficult trading conditions post Covid. Compliance costs of this nature could well be the death knell for some operators, but at the very least costs would need to be passed on to customers and the travelling public.

“As well as being disappointed with lack of consultation, it is even more disappointing that a huge levy bearing no relationship to the use of FENZ services, is targeting the aviation industry. Domestic aviation operators should not be cross-subsidising other industries with much higher usage of FENZ services,” Mr Wallace said.

The AIANZ has written to the Minister of Internal Affairs, Brooke van Velden, who is responsible for FENZ, setting out its concerns, as well as seeking a meeting. To date, there has been no response from the Minister's office.

End

You can read the submission here: <https://aianz.org.nz/wp-content/uploads/FENZ-submission-17-May-2024.pdf>

The Aviation Industry Association (AIA NZ) is the peak membership body for the commercial aviation industry, representing close to 300 operators across six divisions that include agricultural operators, helicopters, scheduled and tourism flight operators, flight training schools, drones, and engineering. www.aianz.org.nz

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Key numbers in aviation

- 4,600 aircraft operating in New Zealand.
- 900 helicopters operating in New Zealand.
- 14,400 full-time equivalents employed in aviation services.
- Average annual income \$87,900 in aviation services (NZ median is \$65,000).
- \$2.1 billion contribution to economy through GDP.