

19 July 2023

Tourism Policy Team
Tourism Branch
Ministry of Business, Innovation and Employment
PO Box 1473
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By email: environmentITP@mbie.govt.nz

Re: Submission on draft Tourism Environment Action Plan

Kia ora

Thank you for the opportunity to comment on the draft Tourism Environment Action Plan (the draft Plan). The Board of Airline Representatives New Zealand (BARNZ) is an industry group representing 26 member airlines as well as suppliers to aviation including ground handlers, food suppliers and cleaning services. Together, we deliver aviation connectivity to, from and within New Zealand. Our businesses support connection of New Zealanders domestically and with the world and facilitate critical import and export trade.

This submission presents the consolidated middle ground of views of BARNZ member airlines. Individual member airlines may have a divergent position and choose to provide their own submission to reflect their specific situation. Air New Zealand has a different position on SAF mandates which they will outline in their own submission'.

The global airline industry has proactively recognised the need to decarbonise air travel, with IATA airline members committing to net-zero carbon dioxide emissions by 2050¹. This 2050 target date aligns with the requirements of the Climate Change Response (Zero Carbon) Act and New Zealand's commitment through the International Civil Aviation Organisation (ICAO) to a long-term global aspirational goal for international aviation of net-zero carbon emissions by 2050. Many airlines have made specific commitments of their own.

BARNZ supports the overall intent of the draft Plan and the necessity of reducing tourism's carbon emissions and transforming Aotearoa New Zealand's visitor economy to a low carbon emissions industry.

¹ See <https://www.iata.org/en/programs/environment/flynetzero/>

It is pleasing to see that the draft Plan notes it does not sit in isolation and recognises the need for it to build on previous work and enhance existing initiatives (p. 31). Such an approach is important to ensure that actions under the intended Tirohanga Hou “Tourism Journeys are decarbonised” are harmonised internationally to the extent possible, and through such harmonisation support the continuation of competitive and economically viable air transport networks to, from and within Aotearoa New Zealand. In this regard, alignment of the final plan with Fly Net Zero, the commitment of International Air Transport Association (IATA) airlines to achieve net zero carbon by 2050 and its associated Roadmaps is desirable.

Alignment with IATA’s initiatives in the development of a Decarbonisation Roadmap and investment in low-carbon technologies for air travel to and from Aotearoa New Zealand (under the Tirohanga Hou “Tourism Journeys are decarbonised”) will ensure actions taken continue to reflect international best practice and to the extent possible, support global harmonisation.

The draft Plan correctly notes that there are strong linkages between tourism and the international aviation connectivity that enables trade and international relations for Aotearoa New Zealand. Export and import industries for physical goods and services such as international education rely upon international aviation (for fast freight and passengers) (p.40). For these industries and services to remain feasible, competitive and economically viable international air transport to and from Aotearoa New Zealand is a necessity. The final Plan must balance this with the changes needed to ensure sustainability.

The transition to Sustainable Aviation Fuel (SAF) underpins the decarbonisation of the aviation industry. That transition requires the expedited establishment of commercial production and supply of SAF’s enabled by policies and positive supply-side incentives. We commend the draft Plan’s immediate proposal for feasibility studies on the domestic production of SAF.

As that policy framework and reliable, cost effective supply is established, it would be appropriate to explore a Sustainable Aviation Fuel (SAF) mandate, whereby airlines departing from or within Aotearoa New Zealand would be required to use a certain percentage of SAF in their aircraft, with the percentage increasing incrementally over time (p. 43). This staggered approach would prevent the potential for any perverse outcomes arising from less than informed decisions². Appendix 1 of the draft Plan usefully outlines the considerations involved in establishing any such mandate and the key barriers involved in

² In the interests of space, the potential perverse outcomes that could result are not expanded upon here. However please see IATA advice on this matter at <https://www.iata.org/en/iata-repository/pressroom/fact-sheets/fact-sheet---alternative-fuels/>

adopting SAF in meaningful quantities. In the interests of brevity, these barriers are not repeated here.

Given SAF is in the early stages of market development, mandates need to be coupled with a broader strategy to increase the production of SAF and complemented with incentive programs that facilitate innovation, scale-up and unit cost reduction³. Any demand-side focussed SAF mandate would require a carefully calibrated phase-in period developed with airlines and fuel suppliers providing strong assurances as to reliable and cost-effective future SAF supplies.

The current focus should be on policies and positive supply-side incentives to accelerate the commercial production and supply of SAF's. This will allow the question of mandates, and any appropriate timings for these, to be explored in an informed manner with clear roadmaps and in conjunction with other relevant policy changes. For example, in 2024 the Climate Change Commission will recommend whether emissions from international shipping and aviation should be included in Aotearoa New Zealand's 2050 carbon targets. As the draft Plan notes, if these emissions are included, there may be subsequent policy adjustments such as including aviation in the Emissions Trading Scheme which could significantly affect the pricing and economics of the aviation sector (p. 41).

In summary, BARNZ endorses the intent of the draft Plan while noting that the final Plan must support the continuation of an economically viable air transport network within, to and from Aotearoa New Zealand and be developed in harmony with existing broader international initiatives, most notably IATA's Fly Net Zero initiative and its associated Roadmaps. An ongoing collaborative approach to the development of the Plan involving government and industry will help ensure this and BARNZ looks forward to further opportunities to contribute.

Ngā mihi nui



Cath O'Brien
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³ IATA SAF Deployment Policy at <https://www.iata.org/contentassets/d13875e9ed784f75bac90f000760e998/saf-policy-2023.pdf>