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ERP2 Consultation
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Kia ora

New Zealand's Second Emissions Reduction Plan: TIA Submission

Tourism Industry Aotearoa welcomes the opportunity to submit on the Discussion Document setting out the draft Second Emissions Reduction Plan (ERP2).

TIA supports New Zealand's net-zero carbon target and the overall steps set out in the Plan to get us there. We consider it of utmost importance that New Zealand is active and progressive in reducing emissions that contribute to global warming. The ERP2 is a critical vehicle for setting out the ambition, and the plan for doing it.

The Plan must be ambitious and specific, and supported in its implementation.

TIA's Submission

The draft ERP2 covers a wide array of matters in which TIA is not expert. As such, we support the submissions of the Sustainable Business Council and Business New Zealand that cover the overall ERP2 framework, and the areas to consider and improve.

In this submission, therefore, we provide a tourism industry perspective, and within this we focus on aviation. We are supportive of the proposals around the decarbonisation of the tourism land transport fleet and we see the EV charging infrastructure as very important, as are the programmes to make it easier to switch to low- and zero emission vehicles.

For tourism, carbon emissions from aviation, and particularly international aviation, represents a major risk factor for the industry. Aviation emissions are hard and expensive to abate. And yet consumer concern is growing, and this makes a long-haul destination like New Zealand vulnerable. This is why we see a compelling national interest in actively working to reduce these emissions.

With this aviation focus, TIA's responses to the relevant consultation questions are set out in Attachment 1, and the key points set out in this submission.

Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,300 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the sustainable future of the industry, and this is clearly articulated in our key guiding documents and programmes. This includes the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*.¹

¹ <https://www.tia.org.nz/tourism-2050/>

This has the Vision of 'Enriching Aotearoa New Zealand through a flourishing tourism ecosystem'. This Vision is centred on the positive role of tourism for the broad betterment of New Zealand and its people across a balanced framework – Economic, Community Visitor and Environment.

Tourism 2050 has just ten Actions that are the most important strategic workstreams to advance to enable the industry to achieve its Vision. Action 5 is 'Achieve Net Zero Carbon'.

The targets set under this Action are:

- **Aviation Carbon Emissions:** Aviation sector to be Net Carbon Zero by 2050.
- **Non-aviation carbon emissions:** Non-aviation tourism to reduce carbon emissions by 30% below the 2019 level by 2030.

The key sub-actions that relate to ERP2:

- Industry to engage with the wider processes to reduce carbon emissions, including the Ministry of Transport-led Decarbonising Transport Action Plan and Sustainable Aviation Aotearoa.
- Industry to advocate for an enabling policy framework for aviation decarbonising technologies and sustainable aviation fuels. This includes a SAF mandate, coupled with a strategy to increase SAF production and an incentive programme that facilitates innovation, scale-up and affordability.

The tourism industry requires the support of the wider policy settings of government, and ERP2 is a critical document for securing progress with these actions.

Context

Tourism is important in the ERP2 framework because tourism is important for New Zealand. It is a major part of the New Zealand economy and society, and this will increase in future through increasing tourism, social and political connections and high value trade.

Tourism is a major economic driver (e.g. 11.4% of exports, 11.3% of total employment and 6.2% of GDP), and it plays a very important wider role by enabling economic diversity, resilience, job and business opportunities, and by fostering regional prosperity.

On the other hand, the aviation component of tourism is a hard and expensive to abate industry, and over time it will form an increasing proportion of emissions as other sectors reduce their own emissions.

Globally, evidence is strengthening that visitors are considering carbon emissions in their travel decisions. Research commissioned by Tourism New Zealand on the role of sustainability for consumers found that '85% of holiday travellers expressed a strong intent to increase efforts to travel more sustainably in future.'² With carbon emissions a key part of sustainability, it is essential that the New Zealand tourism industry is moving in line with consumer needs. Ensuring our aviation emissions are reducing, has a strategic importance that we as a nation must address.

Considerations of the Aviation Proposals

The discussion and proposals in the draft ERP2 as it relates to aviation are weak and non-specific. If these were to carry through to the final Plan, the tourism industry would have very little faith that substantive progress would be achieved.

Instead, we recommend that the final ERP2 reflects the following:

² Kantar, Tourism New Zealand, MBIE, The role of sustainability in destination and operator choice, December 2023

1. **Overall Framework.** Ensure that the overall emission reduction framework will create the mechanisms and incentives to drive emissions reductions. The credibility and effectiveness of the overall framework is essential.
2. **International Aviation.** Include policies and activities that will allow New Zealand to meet its international aviation carbon reduction commitments and obligations, including those under the International Civil Aviation Organisation (ICAO). This would bring New Zealand's international aviation emissions into ERP2 which require stronger and complementary policy responses to accelerate aviation de-carbonisation.
3. **Specific Proposals.** Develop a specific set of aviation-related proposals covering government leadership, facilitation of industry processes, international engagement and cooperation, research and innovation, investment, incentives, and with resourcing to enable this work to proceed with industry partners.
4. **SAF Programme.** Establish an enabling policy framework for SAF that puts in place the key elements required to develop SAF at the scale needed and on an economically viable basis. The ERP2 to be specific about the programme, who's involved, the international partnerships and the resourcing that will enable implementation. This includes the role and benefits for New Zealand of domestically produced SAF.
5. **Action-related Language.** Apply stronger activity-related language to set out the tourism-related proposals, with the commitment to put it into action over the ERP2 period.

TIA's Overall Position

TIA supports the ERP2 as the next step in a very important process to drive emission reductions as the New Zealand contribution to the global efforts. We all must play our part.

TIA considers that aviation was not accorded the priority in the draft ERP2 that it requires. Air connectivity is of vital importance for New Zealand in so many ways, and it is tourism demand that creates the connectivity that we enjoy. This is not something we can take for granted, and we know that this is a strategic risk area for tourism and New Zealand.

That is why TIA submits that the final ERP2 must be more specific and concrete on its aviation-related proposals, and these must have a clear implementation priority. We are very fortunate that through earlier work, the pathways to advance this are already established, and so it is a matter of giving weight to these processes.

Thank you for your consideration of this submission.

Conclusion

We would be most happy to expand on any points raised in this submission. Please contact Bruce Bassett on 021 609 674 or bruce.bassett@tia.org.nz if you have any questions.

Ngā mihi,

A handwritten signature in blue ink, appearing to read 'R Ingram', followed by a period.

Rebecca Ingram
Chief Executive

Attachment 1: TIA Response to Relevant Consultation Questions

No.	Question	TIA Response
6.5	Do you support the government proposals to reduce emission from aviation and shipping?	<p>The notable gap in the plan is activity to meet New Zealand's commitments and obligations relating to international aviation emissions. The Plan must examine the overall challenge of reducing aviation emission on a holistic basis, and not just limited to domestic emissions. International aviation is considerably larger than domestic emissions cited in the report (7.5%).</p> <p>In its recent submission to the Climate Change Commission, TIA called for international aviation emissions to be included in New Zealand's emissions targets as this would strengthen the justification for the policy responses that are needed to address gross emissions, and at the scale and depth required.</p> <p>Recommendation: Include policies and activities that will allow New Zealand to meet its international aviation carbon reduction commitments and obligations to accelerate aviation de-carbonisation, both international and domestic.</p> <p>TIA's overall impression on the transport proposals are that:</p> <ol style="list-style-type: none"> 1. They rely on the overall framework including the ETS which is difficult for TIA assess as to how effective this will be. In this, we note that the SBC makes recommendations for change, which we support. We note for aviation, the ETS is unlikely to drive any change. 2. The Actions set out are much weaker than needed to drive change. The ERP2 must specifically state that aviation sector needs complementary policy and programme support to ensure its specific needs are met, for the well-being of New Zealand Inc. And then it needs to clearly set these out as Actions in the ERP2 period. <p>Recommendation: Develop a stronger set of aviation-related Actions covering government leadership, facilitation of industry processes, international engagement and cooperation, research and innovation, investment, and with resourcing to enable this work to proceed with industry partners.</p> <p>TIA is concerned that the proposals as they stand using terms like 'support', 'facilitating' and 'working with' fall way short of the action needed and the role of Government to make this happen. New Zealand has got fully committed players in this area, but they cannot do this by themselves. There is a clear and essential role for Government (which is being demonstrated by Governments the world over).</p> <p>Recommendation: In ERP2, use stronger activity-related language to set out the proposal and the commitment to put it into action.</p>
6.6	What opportunities might there be from rolling out new technologies to	Technology developments will ultimately provide solutions to de-carbonise aviation, but this will be a very long-term exercise, especially for long-haul

	<p>reduce emissions from aviation and shipping?</p>	<p>aviation. With the development of these technologies, these will be global in nature and the likely New Zealand role will be around testing technologies as they emerge and being an early adopter. While we cannot anticipate the timing, even the international regulatory steps will be both conservative and slow, and this will need to be factored in.</p> <p>The International Civil Aviation Organisation (ICAO) has adopted a long-term aspirational goal of net-zero carbon dioxide emissions by 2050, and we anticipate the big step change will not occur until closer to the 2050 period.</p> <p>This means that the most fertile immediate technology opportunities lie with the development of a system for producing Sustainable Aviation Fuels (SAF) at the scale to make a difference. This will need a concerted national and international effort, but it is attainable with the further development of existing technologies. Critical to this is attaining the scale needed to ensure the economic viability of the SAF strategy for New Zealand.</p> <p>Recommendation: Create and include in ERP2 a clear proposal around SAF that is very specific about the programme, who's involved, the international partnerships and the resourcing that will enable implementation.</p>
6.7	<p>What are the three main actions the Government can do to make it easier to reduce emissions from aviation and maritime (without adding cost for households and businesses)?</p>	<p>TIA considers the following main Government actions are needed:</p> <ol style="list-style-type: none"> 1. Ensure that the overall emission reduction framework will create the mechanisms and incentives to drive emissions reduction. From a TIA perspective, it is a leap of faith to believe that the ERP2, for instance, will materially drive the change needed. Credibility of the overall framework is essential, supported by complementary policies and programmes. 2. Ensure that international aviation is included in ETP2 as this will make it a larger opportunity and thereby more likely to get the complementary policy and programme support that it needs. 3. Ensure that New Zealand develops a credible SAF environment that puts in place the key elements for SAF at the scale needed and on an economically viable basis. Opening a consultation similar to the recent Australian Low Carbon Liquid Fuels Consultation is a recommended starting point. <p>Recommendation: Commit to including the three points above into the ERP2 and then pursue their implementation.</p>