

25 June 2021

Transport Emissions
Ministry of Transport
PO Box 3175
Wellington, 6140

Submitted via Consultation Website

Kia ora

Transport Emissions: Pathways to Net Zero by 2050: TIA Submission

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on, and provide its support to, the Ministry of Transport's Green Paper: *Transport Emissions: Pathways to Net Zero by 2050*.

Overview comment

TIA sees the Green Paper as another important component of the comprehensive and building Government response to enabling Aotearoa New Zealand to meet its 2050 net zero emissions target.

We fully support the intent and direction of travel of this paper (pun intended) as it provides further transport-specific analysis to inform the Government's Emission Reduction Plan that is to be released by the end of 2021.

This submission sets out tourism-specific perspectives that we believe would strengthen the paper and in Attachment One we respond to the specific consultation questions from this tourism perspective. For broader feedback, we support the submission of the Sustainable Business Council that provides a fuller response across the matters raised in the Green Paper.

Tourism Industry Aotearoa

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

TIA established the tourism industry's strategic document, *Tourism 2025 & Beyond – A Sustainable Growth Framework, Kaupapa Whakapakari Tāpoi*. This has the Vision of 'Growing a sustainable tourism industry that benefits New Zealanders'.

TIA gives effect to this through the *New Zealand Tourism Sustainability Commitment - He kupu taurangi kia toitū ai te tāpoianga* that was launched in 2017 to drive to a sustainable tourism future. Refer: <https://sustainabletourism.nz/>. It has the Vision of 'Leading the world in sustainable tourism'. The TSC's carbon-related action being:

Commitment 11

Carbon Reduction – We act urgently to contribute to Aotearoa's transition to a net zero carbon economy.

Why a tourism perspective is needed

Tourism is an important part of the New Zealand system, whether the economy or society more generally. Pre-COVID-19, total annual tourism expenditure was \$42 billion, of which \$17.5 billion was international, or 21% of export earnings. Tourism directly and indirectly contributed 9.4% of GDP and 13.7% of employment.

The reason for citing these figures is to build a picture of the scale of the tourism industry in relation to the overall transport system in Aotearoa. Given tourism is all about mobility, and takes place in every corner of New Zealand, it can safely be assumed that tourism activity is at least 10% of the transport sector, and likely more. For this reason, it is important that consideration of transport emissions must actively factor in the specific needs and perspectives of the tourism industry.

Key points of feedback

1. **Work with industry.** As set out above, through the Tourism Sustainability Commitment, TIA has a position on carbon reduction that is based upon getting all tourism businesses to reduce their carbon emissions, and thereby reducing industry-level emissions. This is a bottom-up approach that is increasingly gaining traction.

As a next step, TIA is investigating setting a net zero carbon emission target for the New Zealand tourism industry. We are still in the process of working out the time periods and the actions needed to get there, but we are certainly wanting quick action and to be ahead of the Government's overall goal for the economy. We are also looking at how aviation fits with a net zero target.

This proactive stance reinforces that the Government's objective will be most readily achieved if it works directly with industry. In tourism's case, this could be with TIA for a pan-industry programme, and/or with sectors or businesses for specific initiatives, whether aviation, tourism vehicle fleet, etc. It will be the decisions and investments made by businesses that will play an important role in driving the necessary changes.

TIA key point: Getting the right systems in place to drive and enable effective partnership efforts will be important and this can be better reflected in the paper.

2. **Tourism has its own characteristics.** Tourism is all about mobility, whether internationally, regionally or just heading down to the nearby beach. It involves transportation of some form, but a different type or pattern use than is typically seen on a daily basis in an urban environment. Tourism is about going to different places on an occasional basis. Given this, what matters to tourism is transport networks to take people to places of interest, many of which will be highly dispersed. With New Zealand being a touring destination, this is really important. For instance, aviation is very important, there are particular light vehicle needs whether rental or private cars or camper vans, cruise ships play an important part in regional dispersal of visitors, and in many places the traveller density is low so that public transport is not available.

TIA key point: The particular characteristics and needs of the tourism industry need to be factored into the emission reduction programme of the wider transport sector.

3. **Aviation: biofuels and other strategies.** The Green Paper describes well the challenges of aviation in the pursuit of the zero emission goals. For TIA, aviation

emissions are the chief stumbling block for tourism and this needs to be openly acknowledged. Our stance through the Tourism Sustainability Commitment is to be as sustainable as we can across all areas while we seek other ways to tackle aviation.

Our aviation sector members, including Air New Zealand, recognise the challenges ahead and are keen to invest in how to operate more sustainably and how they can reduce emissions. This provides an opportunity to partner with government to jointly seek solutions.

While TIA disagrees with the Parliamentary Commissioner for the Environment's suggestion of introducing a departure tax to fund international research into alternative aviation fuels, the idea of collaborating with international research consortia has considerable merit.

In the meantime, TIA is keen that the essential contribution of aviation is well understood, whether this is for tourism, for business connections, for personal and family wellbeing and for creating aviation freight capacity that is utilised for carrying New Zealand's high value export products to international and domestic markets.

TIA key point: Given the vital role of aviation for international and domestic connectivity, priority needs to be given to emission reduction actions, particularly for sustainable aviation fuel.

4. **Getting the incentives right.** The Green Paper sets out a wide and impressive range of actions the government can and may take. In looking at these as a package, TIA is interested in how these create the positive incentives to encourage businesses to get involved. This positive approach aligns best with people in the tourism industry who typically love the environment in which they operate, and they deeply care for these places. TIA is firmly of the view that operators across the industry want to do the right thing. They get it. Then, the question is how to harness this sentiment. Our view is that positive motivation will work better in the long term as opposed to being forced to do this – carrot rather than stick. This means that care will be needed to position the government response as an opportunity for businesses to orient to a new future, a future that involves them at every step.

TIA key point: Tourism businesses are keen to act for the good and getting the right incentives to support their actions and investments will be key to harnessing this sentiment.

5. **Pathways.** The pathways appear plausible, but TIA is not in a position to select between them. Rather, our interest is on getting started quickly and getting on with doing the things that can begin to make a difference now, and for the long term. For tourism, advancing electrification of the vehicle fleet is a key priority, as is making faster progress around sustainable aviation. As pointed out above, the tourism industry is intending to set its own targets that are ahead of the 2050 goal and aligned government effort will be key for enabling this to be achieved.

TIA key point: Getting underway quickly and with effect on any of the pathways has to be the priority.

The points above are interrelated in that they all point to the need for government and industry to work together on this. Government is signaling that it will make major

policy changes in the transport sphere and more widely, and generally the industry supports this, and it wants and needs to be part of the solution. *He waka eke noa* – we are all in the same waka with this one.

Further Input

TIA would be very pleased to contribute further and we are available to support this submission in any way. Please do not hesitate to contact me if you have any questions - 021 609 674 or bruce.bassett@tia.org.nz.

Ngā mihi

A handwritten signature in black ink, appearing to read 'B. Bassett', with a stylized flourish at the end.

Bruce Bassett
Strategy and Policy Manager
Tourism Industry Aotearoa

Attachment One. TIA Responses to Consultation Questions

No.	Question	TIA Response
1	Do you support the principles? Are there other considerations that should be reflected in the principles?	<p>We support the principles as they are sound and comprehensive.</p> <p>Perhaps a missing aspect is around the need to validate the legitimacy of travel. Our society is mobility-based for trade, work, family, leisure, etc. As such, the challenge we face is to enable this mobility and to do so in ways that ensure that we can meet the targets that we set. If this is not possible, say due to technology limitations, then mitigation strategies are needed along with good understandings of the benefit of the travel in relation to its carbon emissions costs.</p> <p>Perhaps the partnership efforts of the public and private sectors could be covered also. There has to be a sense of shared effort.</p>
2	Is the government's role in reducing transport emissions clear? Are there other levers that government could use to reduce transport emissions?	<p>The paper is clear in setting out what the government can do, but it seems to be lacking the clear articulation of what industry can do, particularly in partnership with government.</p> <p>For instance, TIA is very keen to set emission reduction targets for the industry that are more ambitious than set out in this paper.</p> <p>It is clear that many tourism businesses are being progressive in their thinking and are acting ahead of the curve. The motivation of these operators seems to be as a strategic response to our exposure as a long-haul destination, but also because it is the 'right thing to do'.</p>
3	What more should Government do to encourage and support transport innovation and supports emissions reductions?	<p>For tourism, we see a need for a specific lens to be placed on tourism emissions given the 'difference' to the 'normal' travel that forms the bulk of the thinking in the paper.</p> <p>Aotearoa can be categorized as a 'touring destination' meaning the mobility of domestic and international visitors is an inherent part of what tourism is.</p> <p>As such, the industry would welcome government support to accelerate a range of tourism-related initiatives such as electrification of the tourism vehicle fleet (car, buses, campervans, ferries, etc.) and access to lower-carbon emission fuels.</p> <p>Aviation is the area that will be hardest to change in the near term with available technologies. Further government support for R&D around aviation biofuels would be a strategic action, and one where there are already industry partners to work with.</p>
4	Do you think we have listed the most important actions the government could take to better integrate transport, land use and urban development? Which actions should be prioritised?	<p>It logically follows that concentrating urban areas will result in lower per capita emissions. Given this, our cities should be developed accordingly.</p> <p>There will be strong benefits for the visitor economy, especially for urban visitors. A city with a good public transportation system will reduce the need for private vehicles, for instance.</p> <p>However, other forms of tourism involve travel activity to more dispersed and low-density areas, and this will need to be factored into the systems thinking – or network</p>

		approach - that will shape and refine the policy's framework and responses.
5	Are there other travel options that should be considered to encourage people to use alternative modes of transport? If so, what?	<p>Currently, there are very poor public transport links between key tourism locations and destinations, that make private vehicles the only viable option in many places.</p> <p>If private vehicles are used, then it is very important that there is a rapid transition to a low emissions vehicle fleet. While reducing aviation use may seem attractive, due to the geography of Aotearoa and with our well spread towns, cities and tourism destinations, there is significant difficulty substituting from aviation being an important mover of people nationally.</p>
6	Pricing can play a role in changing behavior. Do you have any views on the role demand management and more specifically pricing could play to help Aotearoa reach net zero by 2050?	<p>TIA considers that appropriate pricing mechanisms will play an important role to shift the NZ Inc system to being net zero.</p> <p>We see pricing as one of a suite of levers to be used. We also recognise the concept that those who generate the cost should pay the cost. The Emissions Trading Scheme is in place so users can 'pay' for the carbon they use, and we expect the cost of carbon will increase in coming years to increase the incentives on users to reduce their carbon use.</p> <p>We are generally wary of policies that may be seen as punitive or excessive. We consider that where a tough measure is needed, there should be an incentive to shift to a better direction. The new increased tax on high emission vehicles vs incentives to purchase electric vehicles is an example of the carrot and stick approach.</p> <p>Ultimately, the objective has to be to take the New Zealand public and industries willingly on the journey.</p>
7	Moving to electric vehicles and use of sustainable fuels will be important for transition. What other actions could help active this transition more quickly?	<p>The set of actions are comprehensive and if implemented will effect change.</p> <p>The tourism vehicle fleet has some characteristics that set it aside from the overall fleet. For instance, we have a large campervan fleet that is used to explore the many dispersed places in Aotearoa. How can we accelerate the electrification of this fleet? A number of operators have work underway but government support, particularly for R&D, could allow a faster transition.</p> <p>As discussed elsewhere, support for sustainable alternative fuels for aviation is the best near-term option and building on existing initiatives seems like a sensible way to proceed.</p>
8	Do you support these possible actions to decarbonize the public transport fleet? Do you think we should consider any other actions?	<p>We support the actions set out.</p> <p>We do think the tourism industry need differs to the norm and may need some accommodation. For instance, the long-distance bus fleet may not suit electrification at this point. Hydrogen may be a better option but will require further work.</p>
9	Do you support the possible actions to reduce domestic aviation emissions? Do you think there are other actions to consider?	<p>The paper recognises the serious challenges faced in this area and we support the actions set out as realistic.</p> <p>We particularly support investment in R&D on sustainable aviation fuels rather than around any subsequent programmes to produce these fuels.</p>

		Existing industry initiatives are in place that should be able to partner with government to accelerate progress. Note that in our submission to the Climate Change Commission, we sought the inclusion of New Zealand's international aviation emissions alongside our domestic aviation emissions in the interests of transparency and our desire to act faster than might be possible under CORSIA.
10	The freight supply-chain is important to our domestic and international trade. Do you have views on possible actions and what should be prioritised?	We welcome this chapter of the paper as it highlights particularly the very important relationship between high value freight exports and international travel. While most international aviation capacity is in place because of tourism demand, the aircraft freight capacity can then be used for high-value trade. This is an important positive externality that should be further explored in the paper. Again, this reinforces the importance that a move to a low emission aviation industry is the target and <u>not</u> the reduction of capacity that will have consequential impacts on both tourism and high value trade.
11	Decarbonising freight modes and fuels will be essential to reach net zero. Are there any actions you consider have not been included?	We support the set of actions. As pointed out earlier, aviation and the tourism-specific transport modes are of primary interest to TIA. We welcome the maritime actions set out in this section. These appear reasonable although there will need to be particularly consideration given to the cruise industry. For instance, what would energy efficiency targets look like, what would speed limits have on point-to-point itineraries and would shore-side power supply work in practice. As with other parts of the tourism industry there are ferry operators who are progressing alternative fuel options and so will likely be in a position to work with government to accelerate progress.
12	A just transition for all of Aotearoa will be important as we transition to net zero. Are there other impacts that we have not identified?	We appreciate that the government anticipates difficult transitions for parts of society and that it will strive to mitigate these pain points. From a tourism industry perspective, how this transition will play out over the longer term is unknown at this stage. The tourism industry is positioning itself to act proactively to drive the transition to its benefit, as opposed to waiting for things to be done to the industry. We certainly see challenges, but we also see opportunities if we can make sure the New Zealand tourism industry is the most sustainable tourism industry in the world – a position that will drive considerable competitive advantage for Aotearoa. Zero emissions will be an important part of this, and we will be pursuing our broad-based sustainability strategy at the same time.
13	Which pathways do you think Aotearoa should follow to reduce transport emissions?	Our general approach, as it was with the Climate Change Commission, is that the most important thing is to get a clear direction of travel cemented in place based on a sound set of policies, incentives and initiatives. Each of the pathways seems to move us along, some faster than others. At a macro level, the transition will require public and private sector investment and this effort should be done in conjunction where this makes sense.

		<p>We were encouraged by the Climate Change Commission that indicated that the transition will be affordable at a national level, and we also suspect that many upside opportunities will emerge once we get going.</p> <p>As such, 'how' it is done will likely be more important than any particular pathway that we nominally select at this stage.</p> <p>The journey will be key.</p>
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