



PRIME MINISTER
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19 April 2021

Rt Hon Simon Upton
Parliamentary Commissioner for the Environment
PO Box 10 241
Wellington 6143

Dear Mr Upton,

Thank you for your letter dated 5 March 2021, asking that I consider the proposal for a departure tax as outlined in your recently released report *Not 100% - but four steps closer to sustainable tourism*. In particular, you wished to draw my attention towards the difference that this recommendation could make to the environmental footprint of New Zealand's tourism industry.

Transitioning to a clean, green carbon neutral New Zealand is one of the key principles outlined in the 2020 Labour Manifesto. Our decision to declare a climate change emergency in December 2020 signifies our commitment to urgent action on reducing emissions.

Declaring an emergency is just one of the many steps this Government is taking to tackle climate change. New Zealand has already committed to the Paris Agreement, and we recently passed the landmark Zero Carbon Act, with a target of net zero carbon emissions by 2050. Direct actions we are taking to reduce emissions include decarbonising the public transport bus fleet by 2035 and supporting agricultural climate change research programmes.

The potentially catastrophic impacts of climate change mean that we need to look at all sources of carbon emissions, including tackling areas like international aviation. This is especially challenging in the New Zealand context, given our unique relative distance as a tourism destination and our reliance on long-haul aviation.

Therefore, the difficulties lie in maintaining a thriving international tourism sector that provides benefits to all New Zealanders, while ensuring sustainability and minimising environmental impact in the face of the increasing threat of climate change.

I acknowledge that the tourism sector will need to undergo significant structural change to address issues like high levels of international aviation emissions. This will involve some difficult decisions and the Government will need to work with the transport and tourism sector to support those who will be impacted by this change.

Recently, the Minister of Tourism presented his new direction for tourism, announcing his intent to support an accelerated rebuild that delivers a more productive, inclusive and sustainable tourism industry in line with the New Zealand-Aotearoa Government Tourism Strategy.

The Minister has made it clear that the tourism industry cannot return to 'business as usual', and that we need to take advantage of the opportunity to reset and rebuild tourism in a sustainable way. A guiding principle is that the costs and negative impacts associated with tourism must be mitigated, or priced into the visitor experience.

The Government is continually working to understand how we can ensure that New Zealand is a world class leader on climate issues, so that we can establish and retain credibility in terms of our climate commitments. For example, your departure tax proposal suggests that the revenue generated by a departure tax should be ring-fenced to provide a source of climate finance for Pacific Island nations. New Zealand is currently on track to exceed our commitments for climate-related foreign aid by more than 60 per cent between 2019 and 2022, spending about \$210 million more than we had committed to.

Further, I note that you have proposed to ring-fence a portion of the revenue raised from the departure tax to support research efforts to reduce emissions from the aviation sector. This aligns with a similar recommendation by the Tourism Futures Taskforce to enable the long-term sustainability of international tourism in New Zealand. I understand that the Minister of Tourism is considering changes to the International Visitor Levy, which could achieve the same aims.

I acknowledge that the Government has not yet decided on an approach to addressing aviation emissions, however, we are exploring options in this area as part of our broader climate change work programme.

Once again, thank you for taking the time to contact me on this important matter. I acknowledge that more can be done and, accordingly, I will forward your letter to the Minister of Tourism, the Minister of Transport and the Minister for Climate Change for their information.

Yours sincerely



Jacinda Ardern
Prime Minister