



Rt Hon Jacinda Ardern
Prime Minister
Private Bag 18888
Parliament Buildings
Wellington 6160

5 March 2021

Dear Prime Minister,

I am writing to draw to your attention my recently released report *Not 100% – but four steps closer to sustainable tourism*. I would particularly like to draw your attention to the proposal for a departure tax.

This proposal is by far the biggest of the four that the report suggests could make a difference to the environmental footprint of our tourism industry.

I am writing to you because the issue it seeks to address – the international aviation emissions associated with both overseas visitors and Kiwis travelling abroad – raises at least three dimensions that can only be sensibly examined in a joined-up way if you as Prime Minister ask that it happen.

Those dimensions are as follows:

- consideration of such a measure would require the engagement of at least five ministers (Climate, Foreign Affairs, Transport, Tourism and Finance)
- it involves issues of strategic national importance, affecting as it does one of our most important foreign exchange earning industries *and* the credibility of our international engagements on climate
- the opportunity to address it is time-bound in the sense that the current cessation of international tourism will not last and the window for introducing a new measure before old patterns re-emerge will not last.

This proposal is essentially a climate policy proposal. You will be aware that the Climate Change Commission is required to advise on whether international transport emissions should be included in the 2050 zero emissions target no later than 2024. So there is no way that the issue can be avoided. However, the current cessation of international tourism provides an opportunity to take early action that would make that subsequent debate easier to navigate.

But it is also probably the most difficult issue faced by one of our biggest industries: how to maintain a healthy international tourism sector in the face of a heightening climate challenge and the growing likelihood that the propensity of travellers to choose a far-flung destination like New Zealand may be at risk.

Research I commissioned for my report indicates that flying tourists to and from New Zealand often accounts for 70 per cent of the emissions generated during their entire trip. That represents a strategic vulnerability for our tourism sector – one that people in the industry have described to me as ‘the elephant in the room’ – a problem so big that no one wishes to dwell on it. Being part of finding a solution is of immense importance for our country.

New Zealand is going to have to work hard to establish credibility in respect of its climate commitments. We face a major climate summit later this year and the options available for New Zealand to take a lead are rather limited. It seems to me that there is a rare window of opportunity to take a lead on one of the toughest nuts to crack on the climate agenda – namely, engaging with other countries to find a way forward. In my view, this would help to underwrite the resilience of our tourism industry by simultaneously burnishing our credentials as a responsible destination *and* helping to find a solution to the problem by contributing to international research and development on alternative fuels.

I am well aware there will be those who believe that emissions from international aviation are best addressed via the existing international framework. I don’t agree. The international body tasked with reducing these emissions – the International Civil Aviation Organization – has been working on the issue for more than two decades but is yet to make material progress. The offsetting scheme it has developed – CORSIA – suffers from a serial lack of ambition and has been further watered down in the wake of Covid-19 – a decision which *The Economist* referred to as the “defang[ing of] an already mostly toothless carbon offsetting scheme”.

Introducing such a charge before we all start flying again will be the easiest moment to implement such a measure. I am also aware that the international situation has changed with the advent of a new Administration in the USA. President Biden has just tapped Annie Petsonk to be Assistant Secretary for Aviation and International Affairs at the Department of Transport with a mandate to address aviation carbon pricing.

In my view, your Climate Minister should be making early contact with overseas counterparts such as Ms Petsonk to explore how we might cooperate. I needn’t underline to you that it is so much easier to ignite these sorts of contacts if there is credible policy to support the approach.

This seems to me to be a case where our national interest and the global interest align behind a domestic policy stance that can serve both our economic and

diplomatic interests.

In the three years I have held this position I have avoided troubling you given the vast array of issues you must routinely deal with. But in this instance, I would value the opportunity to discuss this matter with you at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, consisting of a long horizontal stroke on the left that curves upwards and then down to a vertical line on the right, with a small horizontal tick at the top of the vertical line.

Rt Hon Simon Upton

Parliamentary Commissioner for the Environment

CC:

Hon James Shaw, Minister of Climate Change

Hon Stuart Nash, Minister of Tourism

Dr Brook Barrington, Department of the Prime Minister and Cabinet