

ENVIRONMENT BRIEFING PAPER

Introduction

Having contributed \$12.9 billion¹ to New Zealand's GDP in 2016, tourism is irrefutably one of New Zealand's most lucrative export industries. Much of New Zealand's attraction as a holiday destination is contingent upon its distinctive flora and fauna, its untouched landscapes and natural beauty. However, with visitor numbers expected to rise to 4.5 million within six years,² there are concerns as to how its natural attractions will fare under this added pressure. In the wake of several overseas reports of popular tourist destinations being forced to restrict visitor access due to extensive damage (see Maya Bay, Thailand)³, the New Zealand Parliament must consider how it will balance maximising industry profits, with protecting the environment upon which these profits depend.

Tourism Levies

A tourism levy is a fee paid by all international visitors at the New Zealand border. The two levies proposed by this Bill amount to an increase in \$20 on existing border charges, for a total border levy of \$50. This new revenue will be split between conservation and facility maintenance, predicted to generate \$58 million for Predator Free NZ and \$20 million for the Regional Tourism Facilities Fund within a year.⁴ With visitor numbers projected to rise to 4.5 million, many view this increase as a crucial step towards restoring New Zealand's natural environment, as well as offsetting tourism's growing impact on facilities such as tracks and waste systems.

Though a recent Tourism Industry Aotearoa (TIA) survey has indicated there to be wide support for the proposed increase in visitor levies, it has - inevitably - encountered some resistance within the tourism sector.⁵ Many businesses fear that levy increases will not only act as a financial deterrent for prospective visitors, who must already pay substantial air fares to visit, but will simply send the wrong message to tourists.⁶ Businesses have called into question New Zealand's commitment to *manaakitanga* (hospitality), believing that this levy will jeopardise its reputation as a warm and inviting holiday destination, and instead leave tourists feeling unwelcome and unwanted.

Alternatively, environmentalists question whether this international visitor levy is enough, or whether the government should take further measures - such as a bed or accommodation tax - in order to address the equally damaging impacts of domestic tourism.

Freedom Camping

In New Zealand currently, it is generally legal for travellers with self-contained vehicles to camp on public land, even if it is not recognised as a holiday park or camping ground. Though this practice is favoured by many tourists for the flexibility and cost-efficiency it offers, certain local authorities have started to introduce bylaws forbidding it, as the Freedom Camping Act 2011 empowers them to do. As a source of overcrowding, as well as significant environmental and public health hazards from poor waste disposal and pollution, freedom campers have been

¹ "About the industry", *Tourism New Zealand*.

<https://www.tourismnewzealand.com/about/about-the-industry/>

² "Tourism Levy", *Green Party*. <https://www.greens.org.nz/policy/cleaner-environment/taonga-levy>

³ "Thailand's Maya Bay to close to tourists", Will Coldwell, *The Guardian*.

<https://www.theguardian.com/travel/2018/feb/14/thailand-maya-bay-the-beach-movie-close-to-tourists-leonardo-dicaprio>

⁴ "Tourism Levy", *Green Party*. <https://www.greens.org.nz/policy/cleaner-environment/taonga-levy>

⁵ "Tourism industry concerned as visitor charge looms", Nicholas Jones, *NZ Herald*.

https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11948163

⁶ "How does the tourism industry feel about the Govt's border tax", *NewsHub*.

<https://www.newshub.co.nz/home/travel/2018/06/how-does-the-tourism-industry-feel-about-the-govt-s-border-tax.html>

censured and villainised by many local governments.

This bill's proposal to ban freedom camping is twofold: it aims to reduce not only the environmental damage caused by negligent campers, but also the confusion surrounding legal inconsistency across regions, arising from the various regional bylaws. However, with over 100,000 freedom campers visiting New Zealand in 2017 alone⁷, to ban this practice would be to remove a significant demographic from the tourism industry's current clientele.

Emission Reduction

As a signatory to the 2015 Paris Agreement, New Zealand has committed to reduce greenhouse gas emissions to 30 percent below 2005 levels by 2030. In the spirit of this commitment, the tourism industry must review - and work to reduce - its contribution to emissions.

Globally, the tourism sector is responsible for 8% of greenhouse gas emissions.⁸ However, as a rapidly growing industry, its emissions are only expected to rise, with tourism demands outstripping the development of carbon-neutral tourism-related technology. This Bill therefore proposes to introduce an enforceable emission reduction target for all tourism businesses, of 30% below 2005 levels by 2030. This is a target to which many tourism-related businesses (such as Air New Zealand) already subscribe, however it is currently not enforceable under domestic law. This bill would impose fines on any businesses that fail to reach this target by 2030, but also - as a short term incentive - fail to provide evidence of progress in biennial reports.

In particular, the aviation industry has been identified as a major source of greenhouse gases, responsible for 2% of global carbon dioxide emissions⁹, though the European Commission predicts its emissions to increase by 70% by 2020. As air travel now plays an invaluable part in global trade, exports, investment and, of course, tourism industries, the New Zealand government must find a way to continue to drive its economic growth, whilst offsetting its environmental costs.

In answer to this challenge, this Bill proposes to introduce yet another levy: the Aviation Emissions levy. This levy will increase air fares for all incoming and outgoing flights at a rate proportional to their carbon dioxide emissions. This new revenue will aid the New Zealand Crown Research Institute, SCION, in its research and development of sustainable biofuels, eventually offsetting the environmental costs of air travel. Biofuels are alternative fuels produced from renewable materials, such as plant and animal matter, and are currently being developed with a view to replacing higher emission fuels with an exhaustive supply. In 2008, Air New Zealand conducted a number of biofuel test flights, proving the technical feasibility of using biofuel for commercial airline operations in the future; however, a commercially viable product has yet to emerge, and further investment is vital.¹⁰

Key questions to consider:

1. How will the introduction of a tourism levy affect our tourism industry and profits?
2. Is tackling the environmental impact of *international* tourism enough?
3. How would banning freedom camping affect our tourism industry?
4. Is such a drastic emission reduction target feasible for smaller businesses? Should an exemption be made to clause 18 to allow for local business growth and development?
5. Seeing as a bio-fuelled future is still out of reach, is there a more short term fix to offsetting our aviation emissions?

⁷ "More than 100,000 'freedom campers' in NZ last year", Chris Hutching, *Stuff*.

<https://www.stuff.co.nz/business/103075807/more-than-100000-freedom-campers-in-nz-last-year>

⁸ "Tourism is a lot dirtier than we first thought", Josh Martin, *Stuff*.

<https://www.stuff.co.nz/travel/travel-troubles/104032409/tourism-and-tourists-are-a-lot-dirtier-than-we-first-thought>

⁹ "Carbon", *Air New Zealand*. <https://www.airnewzealand.co.nz/sustainability-carbon-reduction-management>

¹⁰ "Biofuel RFI Update", *Air New Zealand*. <https://www.airnewzealand.co.nz/press-release-2017-biofuel-rfi-update>

Further Reading:

- <https://www.greens.org.nz/policy/cleaner-environment/taonga-levy>
- <https://www.newshub.co.nz/home/travel/2018/06/how-does-the-tourism-industry-feel-about-the-govt-s-border-tax.html>
- <https://www.airnewzealand.co.nz/sustainability-carbon-reduction-management>

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