

19 December 2025

Department of Infrastructure, Transport, Regional Development,
Communications, Sport and the Arts
111 Alinga Street
CANBERRA ACT 2601
Via web submission

Dear Cleaner Fuels Program Team,

Cleaner Fuels Program Consultation

On behalf of Airlines for Australia and New Zealand (A4ANZ) and its member airlines, I appreciate the opportunity to contribute to the Australian Government's Cleaner Fuels Program Consultation.

While individual member airlines will provide their own detailed submissions, A4ANZ wishes to highlight several key principles essential to achieving the shared goal of decarbonising aviation, while ensuring air services - both passenger and cargo - remain affordable and accessible for Australians and consumers across the region.

Aviation is a hard-to-abate sector, with limited alternatives to liquid fuels. This is especially true for medium (3–5 hours) and long-haul (6–16 hours) flights, which have no economically viable alternative fuels for the foreseeable future. Emerging technologies, such as battery-electric or hydrogen-powered aircraft, are not expected to make a material contribution to decarbonisation efforts before 2050.

Sustainable Aviation Fuel (SAF) is projected to deliver up to 80% of the emissions reductions needed by 2050. Zero-emission, non-jet aircraft are likely to be viable only for some short regional sectors (30–60 minutes flying) and will make a very small contribution to overall decarbonisation. For Australia, with its unique geography, dispersed population, and flight profile, SAF is central to any credible aviation decarbonisation strategy.

No single action will drive SAF growth. Australia must develop a suite of policies to stimulate both supply (such as feedstock prioritisation and refinery support) and demand (including blending guidance, price support, and procurement targets). Supply-side incentives alone are insufficient; demand-side measures must be developed in parallel to ensure market certainty and attract investment.

Given the deep integration of the Australian and New Zealand aviation markets, particularly across the Trans-Tasman network, policy settings in one country have direct implications for airlines, fuel producers and investors in the other. A4ANZ therefore encourages the Australian

Government to design the Cleaner Fuels Program in a way that supports interoperability with New Zealand's developing SAF policy framework.

Maintaining policy alignment, including in areas such as blending targets, emissions accounting and certification, will help ensure efficient regional fuel supply chains and avoid distortions in investment or market access that could arise from inconsistent regulatory settings. This is essential for airlines that operate across both jurisdictions and rely on predictable, aligned policy environments.

Guarantee of Origin Scheme (GO)

A robust GO Scheme is also required. The absence of transparent frameworks for lifecycle emissions and feedstock integrity can be a significant barrier to SAF demand. A4ANZ supports the development of a rigorous GO scheme that provides transparent, credible certification and aligns with international standards. Such a scheme will strengthen market confidence, attract investment, and enable airlines to make credible claims regarding emissions reductions.

Any such scheme should be compatible with global norms and standards to avoid further fragmenting the SAF market, reducing demand pools, and decreasing bankability for project developers.

There is significant competition for feedstocks from other sectors, notably road transport. Policy settings must prioritise aviation, given its limited decarbonisation options and its vital role in maintaining national connectivity and economic prosperity.

A4ANZ acknowledges the complexity of incorporating indirect land use change (ILUC) into the framework and welcomes meaningful engagement and consultation on the proposed GO Scheme. To be effective, input should be sought from diverse stakeholders and independent experts.

Additionally, to support the development of a regional SAF market, the scheme should facilitate mutual recognition of SAF produced in New Zealand, enabling cross-border claims accounting and preventing certification frameworks from creating unintended trade barriers. This is particularly important for airlines operating Trans-Tasman services and for emerging SAF projects on both sides of the Tasman.

Cost and Financeability

Given the essential nature of air cargo and air transport for an island nation as large and decentralised as Australia, it is critical to address the cost and financeability of SAF. SAF is currently many times more expensive than conventional jet fuel. Government investment, incentives, and supportive policies are needed to bridge the cost gap and enable project finance, ensuring Australians have access to an affordable, sustainable aviation sector.

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Policy settings must ensure local production is competitive with imports and that projects are capable of being financed by lenders.

Policy settings should also preserve the flexibility for domestic SAF production in both Australia and New Zealand, recognising that each country has distinct feedstock resources and potential production pathways. New Zealand's forestry residues, agricultural by-products and municipal waste streams provide credible feedstock opportunities. Ensuring policy space for domestic production in both countries will enable a competitive, resilient regional supply base that reduces reliance on long-term imports and strengthens fuel security.

Maintaining an open, competitive and regionally integrated market will help ensure that local production, whether in Australia or New Zealand, is commercially viable and able to compete on equal terms.

Jobs and Regional Development

Developing a local SAF industry could generate tens of thousands of jobs and contribute billions to Australia's economy, while improving fuel security and reducing reliance on imports. The benefits of establishing a local, affordable, and bankable SAF industry extend beyond aviation and sustainability, supporting regional development and national resilience.

In summary, while A4ANZ supports SAF and renewable diesel being eligible under the Cleaner Fuels Program, it is critical that policy makers recognise aviation as a particularly hard-to-abate sector with limited alternatives to liquid fuels, especially for medium and long-haul flights. Collectively, we must overcome the unique cost and technology barriers associated with SAF to achieve meaningful decarbonisation in aviation, while keeping air services affordable for consumers. It's further important to ensure interoperability with New Zealand's emerging SAF policy framework and recognise the importance of cross-border fuel certification.

A4ANZ looks forward to working closely with the Australian Government to ensure these principles underpin the Cleaner Fuels Program and deliver an affordable, sustainable future for aviation.

Yours sincerely,



Stephen Beckett
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Airlines for Australia & New Zealand
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