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| Organisation Name | New Zealand SAF Industry Roundtable |
| Short Comment | The Sustainable Aviation Fuel (SAF) Industry Roundtable brings together participants from across the aviation and energy systems in New Zealand, including airlines, airports, aircraft manufacturers, fuel producers, and supporting organisations. |
| Question 1.1: Which LCLF should be eligible under the program and why? | We support the inclusion of Sustainable Aviation Fuel (SAF), renewable diesel and green hydrogen, as an important pathway for power to liquid SAF, as eligible fuels under the Cleaner Fuels Program. These fuels play an important role in decarbonising hard-to-abate sectors. SAF is the principal decarbonisation lever available to aviation in the near to medium term. Unlike other transport sectors, aviation has limited alternative pathways available at scale, particularly for medium- and long-haul operations. Inclusion of SAF within the Program is therefore essential to achieving emissions reductions consistent with international aviation commitments. |
| Question 1.2: Should certain types of LCLF be prioritised over others? | Some degree of prioritisation is appropriate where fuels serve sectors with limited alternative decarbonisation pathways. A purely fuel-agnostic, lowest-cost approach risks directing production incentives toward fuels serving sectors with greater optionality, potentially constraining SAF availability and delaying aviation emissions reductions. Prioritisation mechanisms, if applied, are best incorporated on the supply side through programme design rather than through rigid demand-side sub-mandates. |
| Question 1.2a: Should LCLF suitable for particular particular sectors or uses be prioritised? For example, should sustainable aviation fuel be prioritised over renewable diesel? | |
| Question 1.2b: Should LCLF for certain sectors or uses be de-prioritised due to other viable decarbonisation pathways? | |
| Question 1.2c: What market impacts are anticipated by influencing prioritisation of particular fuel types? | |
| Question 2.1: Should the production credit be a fixed amount per litre of production, or a variable amount that depends on the market price of LCLF? | |
| Question 2.1a: Are there any potential benefits, risks or constraints considering the two different production credit options below? | |
| Question 2.1b: What outcomes do you think can be delivered with the available funding? | |
| Question 2.1c: What type of mechanism provides the greatest investment certainty or level of bankability to projects? | |

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| Question 2.1d: How can this support be structured to prevent substantial upside to producers? | |
| Question 2.1e: How do you consider pricing for LCLF will be set over the short-medium term and longer term? Will pricing be matched to a premium on equivalent fossil fuel or price of imported LCLF or be on a carbon abatement basis? | |
| Question 2.2: To deliver the policy intent of the Program while maximising the value for taxpayers, do you agree that projects with the lowest cost should be prioritised under the Program, with the cost being measured either as per unit of LCLF produced or as per unit of carbon emissions abated? | Cost should be assessed in a broader context than simple dollars per litre. Factors such as carbon abatement potential, sectoral necessity, supply chain resilience, and contribution to long-term market development should also be considered when assessing value for money. |
| Question 2.3: Should the production credit be linked to the quantum of LCLF produced, or the carbon emissions saving potential of the fuel? | Linking incentives to carbon intensity can help align public investment with emissions reductions, provided methodologies are transparent and internationally consistent. |
| Question 2.4: What are your views on the cost to deploy LCLF domestically compared to internationally? Is there a local premium for domestic production? | Domestic SAF production is likely to face a cost premium in the near term due to scale, capital intensity, and supply chain factors. Production support is therefore critical to overcoming first-mover disadvantage and establishing a viable domestic industry. Policy settings should 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 and agricultural by-products 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. |
| Question 2.5: Should the total value of production credits be capped for each project? If yes, what should the capped amount be and why? | |
| Question 2.6: Should production be focused on domestic supply only or should export also be permitted? What impact could restriction have for projects or the market? | We recognise the importance of strengthening domestic fuel security. At the same time, flexibility to supply regional markets can support project scale, investment viability, and overall market development. Drawing from the agreement of Australian and New Zealand Climate and Finance Ministers, we encourage the programme to support the development of a trans-Tasman SAF industry and to consider the parameters that will incentivise development in both Australia and New Zealand at the same time. |

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| Question 2.7: Is there a role for combined production support with capital grants for first-of-a-kind facilities? | Combined approaches, including capital grants for first-of-a-kind facilities alongside production incentives, may be appropriate to develop commercial-scale production. |
| Question 2.8: What other types of funding or concessional finance could support LCLF projects (e.g. funding from CEFC and NRF)? | |
| Question 2.9: Is any other support required across the supply chain to enable domestic production of LCLF? | Beyond production incentives, support is required across certification, lifecycle assessment, infrastructure readiness, and supply chain coordination to enable SAF production and uptake. And demand-side policy, to support project bankability and avoid some of the pitfalls from other schemes implemented globally. |
| Question 2.10: What lessons can Australia learn from other jurisdictions that have already implemented LCLF production support measures? | International experience demonstrates the importance of policy stability and alignment with recognised certification frameworks. It also highlights the importance of a combination of supply and demand measures to support industry development in the best value way for both the taxpayer and air travel customer. |
| Question 3.1: Considering the objective below, what production pathways should be focused on or prioritised? | We support an approach that balances near-term deliverability with long-term scalability. In the early stages of market development, established and commercially proven pathways are likely to be capable of delivering meaningful SAF volumes more quickly and therefore have an important role in building initial supply, market confidence, and operational learning. However, reliance on any single pathway presents long-term risks, particularly where feedstock availability is constrained or competition for those feedstocks is expected to intensify. Policy settings should enable a range of production pathways to compete over time, recognising differences in feedstock availability, technology maturity, carbon intensity outcomes, and scalability. Where differentiation is applied, this is best achieved through supply-side mechanisms that reward emissions performance and support credible progression to commercial scale, rather than through rigid technology rules or demand-side sub-mandates. This approach allows early deployment to proceed while preserving flexibility for emerging pathways to contribute as technologies mature and resource advantages are realised. |
| Question 3.1a: Should priority be given to projects that use more-established production pathways (e.g. HEFA and HVO) than nascent production pathways that may present a higher level of technology risk? | |
| Question 3.1b: How can nascent production pathways compete with more-established production pathways (e.g. HEFA and HVO)? | |
| Question 3.1c: What minimum stage of project development (and evidence) should be expected by projects under the program? | |
| Question 3.2: Should there be a minimum facility size to be eligible? | |

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| Question 3.3: Should LCLF be required to meet a carbon intensity threshold (% carbon intensity reduction compared to fossil equivalent) to be eligible for the program? If yes, what would be a reasonable threshold, and how should that threshold be calculated and verified? If not, why not? | Thresholds and methodologies should align with international aviation frameworks to ensure interoperability and credibility. The process should assess the suitability of US and EU requirements as a reference point. |
| Question 3.3a: If the production incentive is based on carbon emissions reduced, rather than volume of LCLF produced (see Question 2.3), is a minimum carbon intensity threshold still needed as part of the eligibility criteria? | |
| Question 3.3b: Should Indirect Land Use Change be included in the method for determining carbon intensity, for the purpose of the Program? | |
| Question 3.3c: Should any feedstocks be prioritised or otherwise considered out of scope? | |
| Question 3.4: Other than carbon intensity, should any other sustainability criteria be included? | Sustainability criteria beyond carbon intensity are appropriate, provided they build on existing regulatory and certification frameworks and avoid unnecessary duplication. We recommend that the starting point is the CORSIA Sustainability Criteria for CORSIA Eligible Fuels. The Roundtable on Sustainable Biofuels and International Sustainability and Carbon Certification are key reference points for provide additional environmental and social safeguards. |
| Question 3.5: Which international and domestic sustainability schemes should be allowed to verify sustainability claims? | Verification of sustainability claims should rely on internationally recognised schemes, particularly those approved under CORSIA. |
| Question 4.1: What are your views on the following factors affecting the merit of a proposal? | We support the factors outlined in the consultation paper. |

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| Question 4.2: Recipients under the Program will need to deliver benefits according to the Community Benefit Principles under the Future Made in Australia Act (see Appendix D of the Policy Design and Engagement Paper). How do you consider the Community Benefit Principles in relation to LCLF projects? Are there specific Community Benefit Principles that are more or less relevant? | |
| Question 4.3: How will overseas policy developments interact with domestic policy settings to support projects reaching final investment decisions? For example, LCLF demand-side targets or mandates, and international frameworks such as the International Civil Aviation Organisation long-term global aspirational goal for international aviation (LTAG) of net-zero carbon emissions by 2050. | Alignment with international aviation policy frameworks, including ICAO's long-term global aspirational goal, is essential. Policy divergence increases compliance costs and risks undermining SAF uptake. It can further fragment the market, reduce demand pools, and decrease bankability for new project developers. |
| Question 4.4: In addition to production support, what other measures are considered critical to achieve final investment decisions for projects? What are their key features? | Beyond production support, clarity on certification, demand-side signals, and long-term policy direction will be critical to enabling projects to reach final investment decisions. |
| Question 4.5: What are the intersecting policies you expect need to be considered to unlock a domestic LCLF production industry? | The Cleaner Fuels Program should operate as part of an integrated policy suite that includes certification frameworks, demand-side measures, and infrastructure planning. |

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| Question 4.6: Is there any other feedback you would like to provide that isn't covered by questions above? | We welcome the Australian Government's Cleaner Fuels Program and the opportunity to contribute to the policy design and engagement process. While the Program is a domestic Australian initiative, its design will have material implications for SAF supply, certification, pricing, and investment across the wider Australasian and Pacific region. As such, the Roundtable's interest is in supporting policy settings that are robust, durable, and interoperable with international aviation frameworks. We are also focused on ensuring this process can support the commitment from Australian and New Zealand governments to develop a trans-Tasman SAF industry. 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. The SAF Roundtable 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. This submission should be read in conjunction with individual submissions that may be provided by members of our group. These may have more specific or nuanced positions on the survey questions. The SAF Industry Roundtable would welcome continued engagement with Australian agencies as programme design progresses. The Roundtable also notes that New Zealand officials have confirmed the establishment of a New Zealand SAF Work Programme and would welcome coordinated engagement between Australian and New Zealand officials and industry stakeholders to support aligned and efficient SAF market development across the region. |