

2nd November 2022

NSW Environment Protection Authority
6 Parramatta Square,
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via email: climatechange.review@epa.nsw.gov.au

QANTAS GROUP SUBMISSION TO THE DRAFT CLIMATE CHANGE POLICY AND ACTION PLAN

The Qantas Group ('the Group') supports the NSW Environment Protection Authority's (EPA) plan and policy to address climate change and protect the environment. The Group endorses the three pillars of inform and plan, mitigate and adapt in the transition to a low-carbon and resilient State. This submission therefore proposes the support of sustainable aviation fuel (SAF) as a key emission reduction solution with wide-reaching economic benefits.

SUSTAINABLE AVIATION FUEL AS A CIRCULAR ECONOMY EMISSIONS MITIGATION SOLUTION

The Group requests the NSW EPA support for SAF as an emissions mitigation solution that uses waste based feedstocks from municipal services, industry and agriculture in combination with renewable energy to produce a low carbon fuel. The utilisation of waste products including redirection from landfill would have wide ranging environmental, decarbonisation, circularity and environmental benefits for the state. Support would involve two key actions from the EPA:

1. Providing concessions for feedstock redirected to SAF production projects under the greenhouse gas emission limits.
2. Expediting environmental approvals for SAF production and associated developments including those required to aggregate, refine and store SAF in addition to the renewable energy developments needed to produce green hydrogen inputs and power facilities.

Aviation plays a critical role in Australia connecting families and our economy across vast regions. It is widely regarded as one of the hardest to abate industries with few options for decarbonisation that would preserve the ability to fly the long distances required in Australia. Where electrification or hydrogen offer decarbonisation solutions for many industries including steel production, transportation, industrial processes and manufacturing, the energy density and volumetric requirements of long-haul flight make these infeasible for the large distances that characterise Australian aviation. Low emission sustainably derived aviation fuel, made from non-fossil sources such as agricultural, industrial and municipal wastes, with additional benefits from lower sulphur and particulates, offers the only immediately deployable and long-term solution.

Australia, and NSW in particular, have the potential to produce a significant proportion of jet fuel as



SAF from municipal, forestry and agricultural wastes. However, there is a significant need to ensure that this potential resource is utilised for the highest order end use rather than the most expedient. That being the use which has no other means of decarbonisation in comparison to industries that have many. Without a prioritisation of SAF production as the end use the feedstock may be absorbed in other industrial processes for which electrification and hydrogen use offer an alternative. This would result in international or interstate imports of SAF with NSW missing out on the environmental and economic opportunity of local production.

National sales of aviation fuel in 2019 was over 9 Billion Litres of which 3.5 Billion was sold in NSW. With consumption growing at an average annual rate of 1.3% it would be anticipated to grow to over 14 and 5 Billion litres by 2050. Replacement of the NSW consumption with SAF produced for local waste feedstocks would provide a multi-billion dollar stimulation of the local economy and reduce associated emissions by nearly 13 Million tonnes.

The emerging SAF industry therefore stands to provide significant jobs across feedstock and refining industries in ways which would support and encourage decarbonisation and environmental benefit.

The Group is already procuring SAF internationally from London Heathrow Airport and has signed an agreement for delivery in California from 2025. Domestically, in June 2022, the Group announced a US\$200m joint investment partnership with Airbus to accelerate the establishment of a SAF industry in Australia. Support from the EPA to facilitate greater availability of waste and renewable energy generation used for SAF production would significantly enhance the efforts already being made by Qantas to stimulate local decarbonisation with broader environmental benefit.

Yours sincerely,



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Chief Sustainability Officer

