

Letter to the Editor

## **New Zealand's biofuels no dead 'dog'**

The recent Independent Financial Review article '*Labour's biofuels 'dog' has had its day*' [Jennie McManus, 20/11/2008 page 23] would have us believe that New Zealand's biofuel industry is dead in the water. This is far from the case and a number of parties are already actively producing bioethanol and biodiesel sustainably from local feedstocks.

The article is misleading and has a number of inaccuracies with regard to the New Zealand biofuels production.

It refers to claims that "some [biofuels] had a carbon footprint equal to or higher than fossil fuels due to high emissions from infrastructure and cultivation; and that to "meet the mandatory requirements New Zealand would have to import biofuels, which in some cases were worse than fossil fuel". In the New Zealand context this is not necessarily true. New Zealand has the unique opportunity to develop a biofuel industry that utilises existing resources that are available on a sustainable basis. By this I mean biodiesel from either tallow (rendered form of beef or mutton fat), used cooking oil and fats, vegetable oil from rotational crops, ethanol from whey, ethanol from cellulose, algae oil options, etc.

All these resources have a very favourable net reduction in Greenhouse gas emissions, they do not compete with food production nor do they threaten conservation areas. Rather they have the potential to reduce waste to landfill and give some value to otherwise low-value land. That's a 'win-win' situation in my book. New Zealand is more than able to meet the mandatory requirements of the current legislation and suggestions to the contrary are misleading.

The article also quotes that "the growth of biofuel crops overseas could also result in the felling of forests to free up land and shortages in land for food production that would push up prices disadvantaging the world's poor". These comments are sensational and out of context in New Zealand. There is no 'food vs fuel' argument here. To imply there is, is pure scaremongering as introducing an energy break crop by farmers can improve soil management.

The current legislation with the biofuels obligation creates a biofuels market that will stimulate the creation of a local industry that uses New Zealand resources (as opposed to low value

exporting) as well as creating jobs. The creation of an industry will have flow on benefits of creating a stronger knowledge base, encouraging R&D and supporting the quest for viable alternatives eg. Jatropha in Northland.

It is likely that agreement of a definition of 'sustainable' can be agreed for New Zealand and work is progressing on this. To some extent there would be an element of self regulation as it is highly unlikely that any one of the oil companies would knowingly import fuel derived from the destruction of rain forest. Their brand reputation would not tolerate this.

One aspect of Ms McManus' article is very true – this is a fledgling biofuels manufacturing industry. The current biofuels legislation gives the industry the support it needs in order to grow. It has given confidence to investors and has enabled those involved in the manufacture of liquid biofuels opportunity to perfect their manufacturing processes.

On the back of the biofuels obligation several of those fledgling industry companies have invested several millions dollars in good faith and in the belief that they had a sound future. The present uncertainty will make it increasingly impossible for them to produce biodiesel and market to oil companies simply because the requirements are not clear. What this industry needs is a clear policy from Government so that business plans can be progressed.

Finally, the throw away comment of Ms McManus at the end of her article that "it's not a good look for New Zealanders to be filling up their cars with biofuels while the world's poorest starve." is out of context in New Zealand. In an economy where car ownership is one of the highest in the developed world, New Zealand needs to be considering how to reduce the impact of those cars. Our vision should be for New Zealander's to be filling their cars with biofuels that are sourced exclusively on a sustainable basis thereby setting an example to the world and reinforcing our clean - green image.

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