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JOINT MEDIA STATEMENT
BIOENERGY ASSOCIATION OF NEW ZEALAND
FOREST OWNERS ASSOCIATION

Trees in the tank – NZ's energy future?

For more information, contact Rob Mallinson, Bioenergy Association of New Zealand, Tel 027 257-9001 or David Rhodes, Forest Owners Association, Tel 04 473 4769

Within 30 years, more than a quarter of New Zealand's energy needs and nearly a third of our transport fuels could come from energy crops and materials that are currently wasted.

"Wood pellet burners are growing rapidly in popularity and companies around the country are increasingly using biodiesel in their vehicle fleets. But these are just the first baby steps of what will become one of the country's biggest industries," says Bioenergy Association (BANZ) chairman Rob Mallinson.

"The processing plants needed to convert fuel crops and wastes from pine plantations into vehicle fuels will alone require an investment of around $6 billion."

Releasing the country's first bioenergy strategy in Wellington today, he said bioenergy had the potential to make a greater contribution to economic growth than many other industries.

"It will provide new and profitable income streams for land and forest owners and new sources of sustainable energy for consumers and industries. But at present, it barely features on the national radar.

"Undoubtedly, bioenergy in its various forms will one day replace much of the fossil energy we use today, but in the short-term fossil fuels are cheaper. We therefore need leadership from government to give investors and customers the confidence they need to commit to new technologies and fuels.

"With the right policies, 25 per cent of New Zealand's energy needs will come from biofuels by 2040, giving us energy resilience as well as a real competitive advantage. Without them, we estimate the figure will be less than 10 per cent, including very little transport fuel.

"On the reasonable assumption that by 2040 fossil fuels will be very much more expensive than they are now – and their use much less acceptable in overseas markets – the failure to capitalise on our outstanding bioenergy opportunities would cost our country dearly."

The strategy calls for the government to lead by example – such as by directing schools and hospitals to use wood-based fuels for heating and for government vehicle fleets to convert to biofuels. The emission trading scheme should send price signals that favour sustainable energy options and there should be an assurance that the Biodiesel Grants Scheme will continue.

The strategy is co-authored by the Bioenergy and Forest Owners Associations and has the support of the key organisations involved in the forest growing industry.

Forest Owners Association chief executive David Rhodes said New Zealand has large tracts of land suitable for growing energy crops.

"Wider use of bioenergy has the potential to reduce our dependence on fossil fuels and imported oil, improve national energy security, provide new jobs and reduce carbon emissions by around 4.5 million tonnes a year. It will also strengthen the country's clean-green credentials in food, fibre and tourism markets.

"Most impressively, these benefits will largely arise from the better use of land that is today under-utilised and from plant materials that largely go to waste."

Of all New Zealand's biofuel resources, woody biomass – from forests grown both for wood and fuel – has the highest potential for wealth creation. Agricultural sources include crops like canola, grasses such as miscanthus and residues such as straws, poultry litter and dairy and piggery effluent.

Municipal, agricultural and industrial residues and wastes may be burnt to produce useful heat or digested to produce methane, and algae can be grown as a by-product of waste treatment to create a feedstock for biodiesel production.

Background

The New Zealand Bioenergy Strategy is authored by the Bioenergy Association of New Zealand and the Forest Owners Associations. It has been endorsed by the Forest Industry Contractors Association, NZ Farm Forestry Association, NZ Institute of Forestry and NZBIO.

The Strategy can be downloaded from: www.bioenergy.org.nz/documents/Homepage/New-Zealand-Bioenergy-Strategy_final.pdf

The Strategy is supported by *A Picture of Bioenergy Opportunities in New Zealand*: www.bioenergy.org.nz/documents/Homepage/Bioenergy-Opportunities-for-NZ_100722.pdf

The Bioenergy Association of New Zealand (BANZ) – BANZ was established in 2001 to promote and coordinate the development of a bioenergy industry in New Zealand. BANZ provides a central focus point for liaison with Government agencies, the dissemination of information amongst the industry and long-term positioning of bioenergy into New Zealand's energy system. Members include anyone with a commercial interest in bioenergy – sawmillers, wood processors, energy suppliers, energy researchers, consultants, manufacturers and investors.

The New Zealand Forest Owners Association (FOA) – The New Zealand Forest Owners Association (FOA) represents the owners of New Zealand's commercial plantation forests. It was set up in 1926 and is now one of the country's most influential primary sector organisations. Its members own or manage more than 80 per cent of the country's 1.76 million hectares of plantation forests. With export earnings of $3.7 billion in 2008/2009, plantation forestry is New Zealand's third largest export earner.

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