

## Wood Energy South Project Update

A summary of the issues with the Wood Energy South project that have been raised within EECA are;

1. There has been no attempt by EECA or VS to identify with the wider bioenergy sector how best to get leverage from the taxpayer funding being made available to the project.
2. The southland project could be successful if it built on the national Wood Energy Quality Framework which the main sector participants have been developing through WEIG over the last decade. The strength of this is that it is driven by industry and not government. VS should be using its skills and resources to apply the national standards and tools.
3. Many of the wood energy sector participants in Southland also have operations throughout NZ so having a Southland specific orphan standards and tools will only create confusion in the market.
4. BANZ has been deliberately excluded from any involvement in the project to the extent that an Official Information Request had to be made to try and get any information on the project.
5. The Southland project has been developed in isolation from the development of a wide range of national initiatives.
6. BANZ has been treated as if a consultant in a competitive market. That is not BANZ's role – BANZ is for the sector by the sector.
7. EECA and VS have both been a member of the Wood Energy Interest Group (WEIG) and are aware of all the national development plans proposed and have had the opportunity in that working group to be aware of the issues as they have been raised since the announcement of the funding but have not engaged in any way. The WEIG is an attempt to bring all the major players together and to have the national sector development led by the principal players so if it doesn't work then an alternative mechanism has to be found. (any interested sector participant can join the WEIG)
8. BANZ struggles to develop the national Wood Energy Quality Framework with no funding and staff unpaid for their effort yet \$1.5million of tax payer funds are spent on a region to develop a local orphan solution. (except now through the first two projects in the Collaborative Agreement which shows how it can be done - \$1.5million properly spent would have been adequate to fix all the sector issues across all regions – not just the region with the least opportunities).
9. Reference to the Wood Energy South website shows only one small attempt to utilize the national tools to assist success of the Southland project.
10. There is a lack of recognition that BANZ is developing the national standards and tools for projects such as in Southland yet these tools are foundation building tools for the sector to achieve its potential.
11. No one has raised any concerns about BANZ actions and so we continue to fight on but it is as if against the tide. Hopefully the Collaboration Agreement will assist bridge the gaps that BANZ and EECA have. However to be effective it will have to be put into action.
12. There is a big gap in understanding by VS and EECA about the sector when the recent work can be contracted to a party who is not a participant in the sector who professes a consultation network that doesn't involve the sector.

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13. I think that we just let VS proceed with their practice paper and it can go the way of all IPENZ practice guides – onto a shelf. Trying to work with someone from outside the sector who has no understanding of the sector and the issues around the use of wood energy will just be too difficult and cost more in time than doing the practice paper from scratch. BANZ doesn't have the funds to put any more effort into that initiative. The BANZ Technical Guides are being developed to meet all the requirements and we will be addressing the VS concerns about consultants through the training short courses (provided that they are supported).
  14. The award of the recent work to be outside the national guidelines and sector structure indicates that there is no common agreement on how best to develop the sector – hence the sector and other major players such as EECA and other government agencies are working against each other rather than collaboratively. However I am pleased that Schedule 1 of the Agreement indicates a number of initiatives that would address this. We should focus on developing the priority initiatives in Schedule 1 of the Agreement. I have suggested to Richard that we sit down with the wide range of interested people within EECA and develop a prioritised work programme for Schedule 1.

These issues have been discussed with Bill Brander at EECA and he has taken them on board and will be working to address them.