

Statement by New Zealand  
Head of Delegation.

Murray Sherman  
Director General  
Ministry of Agriculture  
& Forestry.

NZ's forest industry is based almost entirely (over 99%) on the sustainable harvest of plantation forests. These are privately-owned, commercial plantations. This has been a successful model for many decades.

But now influences are emerging. Climate change issues are reshaping our thinking about forestry - what and where to plant, when to harvest,

N.Z is introducing a comprehensive emissions trading scheme,

including both agriculture and forestry sectors. For forestry, this opens the option of developing forest carbon sinks and new sources of revenue, new ~~inter~~ influences on forest management.

We wish to capture these new influences in our policy development, and 'join the dots' between a range of policy objectives.

In particular, we wish to simultaneously contribute to climate change mitigation, through forestry, while also contributing to improved soil protection, reduced erosion, improved water quality, reduced flood risk.

Bio fuels present another interesting new option. Previous speakers have noted the substantial volumes of waste wood left in forests after harvest, and lost in processing. That is true in N. 2 also.

But a word of warning.

Our work to date suggests that the cost of recovery of waste wood from ~~forests~~ forests can very quickly overrun the value of product recovered. If any significant transport is involved, the energy balance can quickly become negative. In other words, there can be more energy used in harvest and ~~recovery~~ transport than can

• If generated from  
be ~~recovered~~ the  
recovered wood.

• For the future, it is likely  
that 2<sup>nd</sup> generation biofuels  
will offer greater efficiency  
and options - especially  
from ligno-cellulosic  
generation.

However, it is not obvious  
that the best feedstocks for  
2<sup>nd</sup> generation biofuels will  
come from our existing  
forests. It is likely that  
other plants - more readily  
broken down, faster growing  
and more energy intensive  
will be the better energy  
source.

I enclose comments by  
our Slovenian delegate

regarding the importance of  
enhancing the use of wood  
in construction. N.2. is  
working on these matters  
with new research on  
building design using wood,  
including multi-story  
commercial buildings.

Finally, the quality of  
policy frameworks is  
all important in this  
field.

As usual, good economics  
and good environmental  
outcomes go hand-in-hand