



**PURE  
ADVANTAGE**

# **Realising Green Growth Opportunities in New Zealand**

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**Bioenergy Association of New Zealand &  
NZBio Conference**

**7 June 2012**

**Twitter: #pureadvantagenz**

# CONTENT

- Background to Pure Advantage
- What is green growth?
- NZ's economic & environmental performance
- Role of biofuels & bio-products
- How do we make it happen?
- Strategy & tactics for change
- Self determination

# PURE ADVANTAGE

- Sir Paul Callaghan - Founder, Magritek
- Sir George Fistonich - Founder, Villa Maria
- Rob Fyfe - CEO, Air New Zealand
- Chris Liddell - Former CFO, General Motors global
- Jeremy Moon - Founder, Icebreaker
- Lloyd Morrison - Founder, HRL Morrison/Infratil
- Rob Morrison (chairman) - Chair, Kiwibank
- Geoff Ross - Founder, The Bakery
- Justine Smyth - Director, Telecom
- Mark Solomon - Chair, Ngai Tahu
- Sir Stephen Tindall - Founder, The Warehouse
- Joan Withers - Chair, Mighty River Power

# PURE ADVANTAGE MISSION

*“To inspire a significant & measureable improvement in New Zealand’s economic and environmental performance.”*

**ITS ABOUT THE ECONOMIC  
UPSIDE OF BEING GREEN.**

# WHAT IS GREEN GROWTH?

*“Green growth is the aggregated economic benefit that comes from minimising waste and the inefficient use of energy, reducing pollution and greenhouse gas emissions, enhancing natural resources and biodiversity.”*

Market = NZD\$6,000,000,000 per annum

# GREEN GROWTH – GENERIC EXAMPLES

**Domestic biofuel = improved BoT + energy security, decreased emissions**

**Energy Efficiency = avoid cost of new generation capacity + healthier homes**

**Investment in sustainable agritech = export opportunities + avoid pollution**

**Double Dividends**

# INTERNATIONAL ACTION

- Denmark's wind sector
- Israel's water technology
- UK energy efficiency programmes
- Finland biomass

**Fiscal & regulatory approaches**

**Not luck: its clear & coordinated thinking**

# GREENING GROWTH vs. GREEN GROWTH

***“So this is not about green growth, it’s about greening growth. It’s not about green jobs, it’s about greening jobs.”***

- Phil O’Reilly, Chair of the Government’s Green Growth Advisory Group

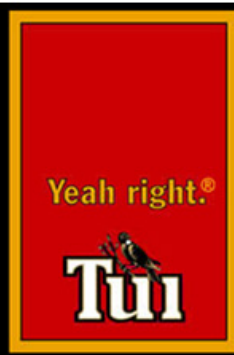
***“Rather than limit ourselves to mitigating the damage of our current fossil fuel based economy, we should also be using green as a source of new growth.”***

- “New Zealand’s Position in the Green Race,” by Pure Advantage, June 2012



# ENVIRONMENT

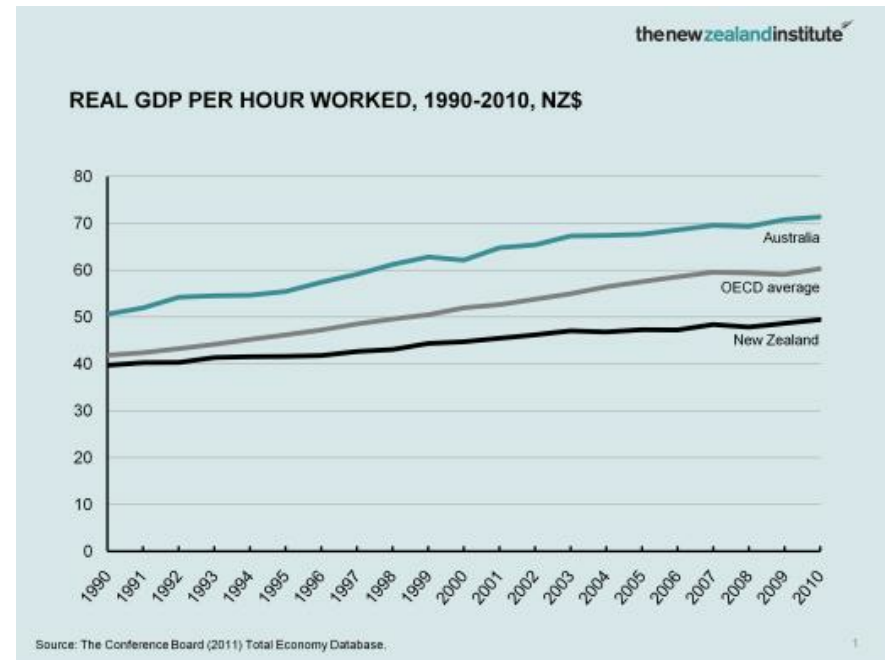
**100% Pure  
New Zealand**



- 14<sup>th</sup> in Yale Environmental Performance Index
- 5<sup>th</sup> highest emissions per capita in the world
- 18,000+ water borne diseases each year
- Housing among most cold & inefficient in OECD
- 77% of threatened species set to decline

# ECONOMY

- 22<sup>nd</sup> for GDP per capita in OECD - 20% below avg
- \$7bn spend on imported fossil fuels
- 37<sup>th</sup> in world for infrastructure adequacy
- Low rates of patents
- Continued emphasis on low performing sectors = choosing to be poor



# ECONOMY & ENVIRONMENT: INTERWOVEN PERFORMANCE

Carbon is a game-changer for traditional economic decision-making

- Sink for source?
- Price externalities?
- Path dedication?



# UPSIDE OPPORTUNITIES FOR NZ

1. Built environment energy efficiency
2. Sustainable & efficient agriculture
3. Geothermal
4. Biofuel
5. Bio-energy
6. Smart grid
7. Biodiversity



# ROLE OF BIO-FUEL & BIO-PRODUCTS

## **Economy:**

- **Reduce oil imports & improve energy security**
- **High productivity on bio-products**
- **Skilled employment**

## **Environment:**

- **Forego transport emissions**
- **Co-benefits: biodiversity**

# HOW DO WE MAKE IT HAPPEN?

## Partnership between government & industry:

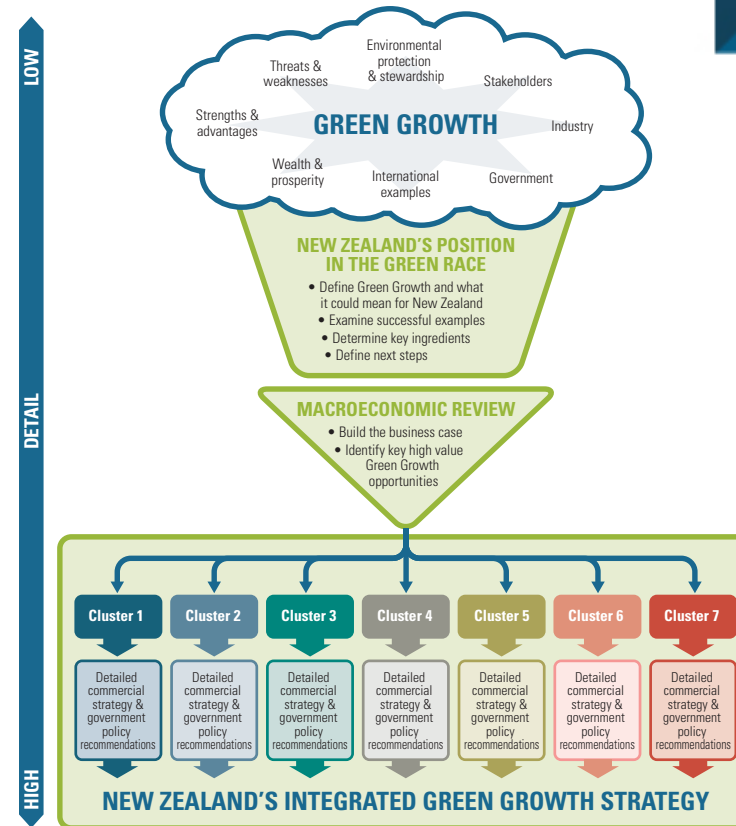
- Only achieve green growth with support of government
- Support needs to be bi-partisan
- Does not necessarily mean fiscal stimulus

## Role of industry:

- Leadership
- Detailed commercial strategy & policy
- Investment

# PURE ADVANTAGE PROCESS

1. Research & define credible green growth opportunities
2. Recruit corporate leaders to refine strategy & craft policy
3. Build clusters to deliver strategy, invest & influence policy decision-making



# TACTICS FOR CHANGE

**Green growth clusters  
composed of key  
organisations**

**Include ad agencies to  
influence decision-  
making**

**Policy change - make it  
a voter issue**

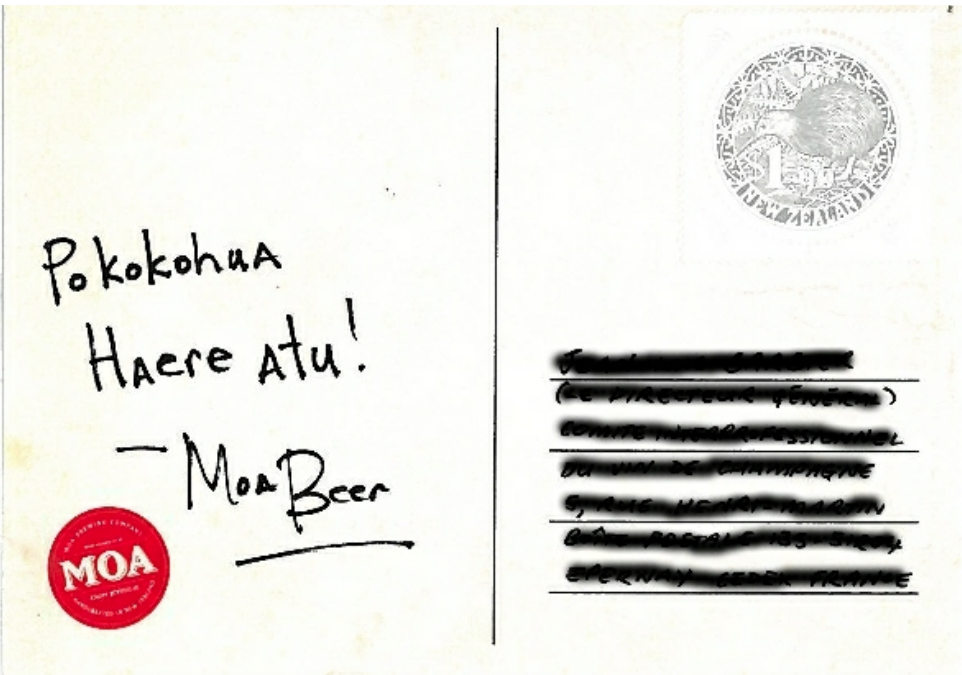


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**BEING THE LITTLE GUY  
SOMETIMES MEANS HAVING TO  
STAND UP FOR YOURSELF**



# SUMMARY

- Economic & environmental performance ☹️
- Green growth offers NZ a way out of the rabbit hole
- Also deeply consistent with our brand and international trends
- But we need clear strategic thinking
- Pure advantage macroeconomic review offers insight
- 7 green growth pillars for NZ economy
- Bio-fuel & bio-energy are two key pillars
- Asking corporates to step up and take a leadership role
- Establish clusters to undertake detailed strategy & policy development
- Seek bi-partisan agreement



**“Self-determination for New Zealand is not a choice, it’s a reality. No one is going to look after us.”**

Lloyd Morrison 1957-2012

# CONTACT DETAILS

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Facebook: [facebook.com/pureadvantage](https://facebook.com/pureadvantage)

Twitter: [#pureadvantagenz](https://twitter.com/pureadvantagenz)

Report: *“New Zealand’s Position in the Green Race”*  
- MONDAY 11 JUNE