

## **MEDIA RELEASE**

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### **NZ's first commercial bio plastics facility in Central North Island a step closer**

Councils across the Manawatū-Whanganui region welcome the Government's commitment of \$380,000 funding from the Provincial Growth Fund for ground-breaking research on whether Radiata Pine could be used in developing a bio-degradable alternative to single-use plastics. This research will help catalyse the development of a high-tech bio plastics pilot plant in the region.

This would be New Zealand's first commercial bio plastics facility, which will use world-leading technology to create biodegradable, compostable and renewable alternatives to petroleum-based plastic products from under-utilised forestry resources.

The facility is to be developed by NZ Bio Forestry Ltd, a new entity that combines local and international expertise and works with regional partners to unlock further productivity in the forestry sector and build a bio economy.

The OECD has estimated the potential contribution of a thriving bio economy to New Zealand's GDP at up to US\$124 billion in 2030.

NZ Bio Forestry Ltd CEO Wayne Mulligan says New Zealand is well-placed to respond to growing global consumer demand for alternatives to petroleum-based plastics through the development of bio plastics, given the availability of natural resources.

"It's estimated that there are millions of tonnes of forest residue in New Zealand that are currently under-utilised. By piloting commercial production of bio plastics using those under-utilised resources, we are taking a major step forward in realising our aspirations for the forestry sector and the country to play a leadership role globally in the development of a renewable circular bio economy," says Mr Mulligan.

In the first stage of the project, NZ Bio Forestry Ltd and its Taiwan-based research and technology partners are planning to build a high-tech commercial pilot plant alongside new timber processing facilities at Marton. This will produce polymers from residual forestry biomass (such as waste material from timber processing), which can be used to make a range of bio plastic products, such as containers, packaging, and food service items. Unlike petroleum-based plastics, products made in this way will be fully biodegradable and compostable, and made from a renewable forestry resource. The pilot plant is expected to be fully operational by early 2022.

To make this happen, NZ Bio Forestry Ltd has worked with a regional alliance comprising iwi, local and central government, technology development partners and commercial investors.

Rangitikei District Council Mayor, Andy Watson, says the commitment of all of the Councils in the central North Island region to work together to drive sustainable economic growth is reflected by this initiative.

“Palmerston North City Council in particular has played a key role, given the strategic link between this project and the planned Regional Rail Hub and Regional Freight Ring Road in Palmerston North, which were announced last year.

“The Bio Forestry initiative positions the region to be at the forefront of what will be a growth industry for New Zealand as the world looks for more sustainable solutions. Our region has the resources, the workforce, and, through our partnership with NZ Bio Forestry Ltd, access to the technology,” says Mayor Watson.

Under Memoranda of Understanding signed late last year, NZ Bio Forestry Ltd has exclusive New Zealand and Australian rights to use technology developed in Taiwan, which is already in use there to produce bio fuels and bio plastics for commercial use. The intention is to scale to full production in Marton, before expanding to other key sites elsewhere across regional New Zealand.

The initial stage of the project is expected to create up to 200 jobs at the pilot facility, and hundreds more as expansion occurs across the wider central North Island region, including many high-tech roles. The production of bio plastics on a commercial scale is also a strong incentive for manufacturers of end-products that utilise bio plastics to establish operations, which would create hundreds more jobs and further drive the regional economic growth potential of this industry.

Critical to the success of this initiative will be the continual flow of logs for timber processing and the use of residual waste for producing bio plastics. NZ Bio Forestry is now actively engaging with potential partners across the forestry sector to build the supply pipeline.

NZ Bio Forestry is also actively engaging with potential investors in wider manufacturing opportunities that fit with the focus on building a renewable bio economy, such as bio packaging and a wood-based energy product that is a replacement for coal, which would create even more new jobs. In addition, NZ Bio Forestry, Massey University and the regional alliance are engaging with local and international research institutions and universities to develop a renewable bio economy network.

Central government is also a key partner in building a bio economy through ventures such as this by investing in skills development, research, supporting market access, and delivering critical enabling infrastructure such as the Regional Rail Hub and Regional Freight Ring Road. All of these strategically linked initiatives are part of the Accelerate 25 regional growth programme, which was created in 2015 by a partnership of business, iwi, local and central government with the purpose of unlocking the potential within the Manawatū-Whanganui region.

**ENDS**

### **Media contact**

Please contact **Aaron Alexander** on **021 1105 157** if you would like further comment from spokespersons for the project:

- Wayne Mulligan, CEO NZ Bio Forestry Ltd

- Grant Smith, Palmerston North Mayor
- Andy Watson, Rangitikei District Council Mayor
- Michael McCartney, Accelerate 25 Lead Team Facilitator.

### **Notes for editors**

#### **About NZ Bio Forestry Ltd**

New Zealand Bio Forestry™ Ltd. brings together scientific, technological, business and investment expertise from New Zealand, Singapore and Taiwan. The company has been formed to develop the first fully-integrated system in New Zealand for producing both high value wood products, and renewable bio plastics, bio chemicals and bio fuels made with waste material from timber processing. This will not only enhance the productivity of the forestry sector, but also position New Zealand to build a bio economy that delivers sustainable growth and responds to global challenges. A key technology partner for NZ Bio Forestry Ltd in Taiwan is INSPIRA Bio Science, which has developed the bio refinery technology over the past 15 years of research and prototyping.

#### **The regional alliance team that is working with NZ Bio Forestry Ltd includes:**

- Craig Nash, Spearhead
- Andy Watson, Rangitikei District Council Mayor
- Grant Smith, Palmerston North Mayor
- Nic Peet, Group Manager Strategy and Regulation, Horizons Regional Council
- Bernie Higgins, M.D. Higgins Family Holdings Ltd
- Johan Potgieter, Professor of Robotics, Massey University
- Pahia Turia, Te Tumuwhakarae, Te Runanga o Nga Wairiki Ngati Apa.