

## **DRAFT Media release**

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### **Urgent need for agreed energy strategy if future dependence on volatile global oil markets is to be avoided – CAE**

New Zealand faces increased dependence on volatile global oil markets unless a robust nationally-agreed strategy is developed which ensures adequate long-term supply of local primary energy sources, a new report from the Centre for Advanced Engineering warns.

The security of primary energy sources New Zealanders have enjoyed for the last 30 years, since the discovery of the Maui gas field, has meant access to energy has been taken for granted, CAE executive director George Hooper says.

“The transition from Maui gas to alternative solutions will need to be managed assertively if New Zealand is to avoid energy shortfalls that would be potentially crippling to this country.”

The CAE report, “New Zealand’s energy future – a sustainable energy supply after Maui”, is based on the organisation’s extensive work in the area of energy supply and demand over many years. It sets out the country’s current primary energy supply situation, and discusses the likely influences that will determine what happens in the future.

Maui gas currently meets almost one quarter of New Zealand’s total primary energy supply. Other primary energy sources include geothermal, coal, other natural gas supplies, oil, hydro and other renewable sources.

“Yet despite plentiful primary energy sources, New Zealand remains vulnerable to the risks of shortages of consumer energy including electricity and transport fuels. It also risks increased dependency on imported fuels with the consequent higher costs to consumers,” Dr Hooper says.

In releasing the report Dr Hooper says his organisation aims to provide new insights on the issues surrounding primary energy resources in New Zealand and so catalyse sound public debate. CAE has pulled the information in the report from a wide range of sources and is working with industry and government representatives to increase the level of debate around the issues.

“After 20 years of neglect, New Zealand is now at a crossroad not dissimilar to the one it faced in the 1970s. Issues of energy supply and demand are interrelated and we must deal with them holistically, rather than dealing with the parts.

“There is no silver bullet,” Dr Hooper says. “Industry and government must work together to examine the long term alternatives and solutions and agree on a strategy to secure New Zealand’s energy future.

“The discovery of Maui in 1969 meant New Zealand enjoyed a period of relative stability in energy supply and price. We must now plan so we retain acceptable levels of reserve capacity and supply security,” Dr Hooper says.

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**Note: A copy of the report is available on request.**