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Media Release

'Protecting industry as the gas runs out' research report supported by wood manufacturers

High electricity costs and the insecurity of future gas availability are key drivers for the Wood Processors and Manufacturers Association of NZ (WPMA) to provide support for the "Protecting industry, jobs and household budgets as the gas runs out" research report released today by the Green Building Council.

While various options to solve future energy shortfalls have been mooted, this report goes a step further and outlines a well-defined case based on the acceleration of heat pumps in our homes to free up gas and electricity for industry growth.

'The uncertainty created by energy demands is a serious threat to manufacturing growth within New Zealand and we need to ensure there is positive action, especially from Government' said Mark Ross, WPMA Chief Executive. 'The closure of three wood manufacturing mills in 2024 due to escalating electricity and gas prices has scarred local communities and the economy leaving our industry energy exposed'.

Although not outright future energy solutions on their own, the recommendations within the Green Building Councils' report, such as requiring new buildings to be "all-electric" and expanding the Warmer Kiwi Homes to include a wider range of insulation products and retrofit for the least energy efficient low-income homes, are well argued and require further consideration by Government.

'Enabling secure and affordable energy for our industry will assist in encouraging further investment in pulp, paperboard and value-added wood processing production within New Zealand', said Ross, 'it is pleasing to see the Green Building Council rise to the Prime Ministers challenge of finding new energy solutions, potentially freeing up additional electricity and gas for our industry'.

New Zealand's energy prices for manufacturers are significantly higher than in countries where our major competitors reside. The opportunities to fix our energy problem are out there, with WPMA promoting this report and a long-term dual-party energy strategy to keep our businesses open, protect jobs, and build a more secure and affordable future.

The full report can be found <u>here</u>

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Wood Processors and Manufacturing Association of NZ – who we are:

WPMA is the leading industry association representing companies involved in the wider wood processing and manufacturing industries, including sawn timber, pulp and paperboard, manufactured and engineered wood products, along with bio-forest products.