



Newsletter

August 2024



Message from Mark

Hope provides the inner energy that drives us to success. It just gets challenging when our energy supply is the problem, and without energy our hope is extinguished. Having this in mind we are all advocating and pitching for solutions to the escalating energy prices and future availability. As major electricity users our support goes out to our members who have been hit particularly hard by the recent escalation in electricity prices. Our plea is that all political parties work together to develop a long-term plan for future proofing our industry and New Zealand Inc through provision of secure and affordable energy now and into the future.

Mark

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Energy affordability and security a top priority

With mill and industry slowdowns due to escalating electricity prices, a core current focus of WPMA is advocating for Government led solutions to lower prices and enable certainty to future direction. Both industry and our members have been involved in numerous meetings and discussions. In a meeting held with Minister for Energy, Simeon Brown, this week he emphasised that Government has a significant role to play by removing barriers to competition, and that opposition parties support is needed to secure longer term direction. The government is not 'picking winners' and all energy sources are being considered. The overall goal being affordable prices and energy security. We are supportive of the overall goal, but still share concerns that policy changes will not be enough to provide the required immediate financial relief, both for small mills that are unable to hedge against the market, and the larger operators who are energy intensive. Our hope is that outlined actions will lead to future certainty.

NZ Timber joins WPMA

We welcome NZ Timber to WPMA as our newest member. NZ Timber are based in Orini, near Hamilton, and specialise in the processing of verified framing, outdoor materials, and timber products. They operate both domestically and globally, delivering orders worldwide. Core products produced are used for fencing, framing, landscaping, and DIY. More details on NZ Timber can be found here <https://www.nztimber.net.nz/>



New Chair for WPMA

Welcome to Don Hammond as the new Independent Chair of WPMA. Don was appointed after a thorough process involving several strong candidates. Don is known to many within the wider forestry sector and has a strong background in all facets of the supply chain. We look forward to Don joining us at our next Board meeting on the 17 September.



European Union Deforestation Regulations – WPMA working towards an NZ solution

With the aim of ensuring European Union consumption does not contribute to global deforestation and degradation of forest ecosystems, the EU has introduced regulations that will be enforced on six commodities, including wood products, from the 29 December 2024. The key information required in the due diligence statements will be provision of geo-coordinates of all plots of land where the wood was harvested, and evidence that the wood is deforestation free, i.e. before and after proof. WPMA is working on the assumption that EUDR will happen and has formed a working group that includes WPMA members, Forest Owners' representatives, and MPI. Several meetings have been held and good progress is being made as to developing solutions. Our overall goal is to ensure market access to the EU continues for our wood product exports.

Health and safety meeting with Minister van Velden for WPMA members

To ensure our voice is heard, WPMA and our members will be meeting with Minister for Workplace Relations and Safety, Brooke van Velden, and her officials on the 3 September in Napier. The purpose of the meeting will be to discuss the proposed Health and Safety reform, with a particular emphasis on how Worker Exposure Standards are set. It is important industry has more purposeful engagement with government when it comes to providing feedback into regulatory requirements for wood processing and manufacturing businesses. Contact jane@wpma.org.nz for more information.



Built environment must be part of the Emissions reduction planning

Actions to boost wood processing as outlined within the ERP2 proposals must also include the 'Building for Climate Change' programme and the 'Lowest carbon procurement policy' for new government buildings. These initiatives include targets of reducing carbon emissions in all new buildings using mass timber in the place of steel and concrete. The Government needs to act on these policy initiatives, along with addressing regulatory barriers to enable building with wood, enacting policy on harvested wood product credits, and improving the consenting framework for wood processing. We agree that climate change is a global problem. New Zealand contributes to this problem and has a responsibility to address it. Wood processing and manufacturing has a crucial role to play in achieving the reductions sought under the Paris Agreement. See more in our submission: as highlighted below.

Wooden wind turbines a hot proposition

Wooden wind turbine construction is taking off in Nordic countries using laminated wood (LVL) rather than steel and concrete. The LVL used is 50 percent stronger per kilogram, than the steel used in wind turbine towers today. The result is a lighter tower which becomes more beneficial the taller you build. The wooden towers have greater than 100 percent less emissions, and 30 percent total carbon reduction for the industry. These towers are constructed with about 25 percent of the emissions profile of a standard turbine. Because they go higher – up to 200 metres – they can generate up to 8 times as much energy. Concrete and steel turbines cannot go so high because of construction and transport limitations. In essence, a wood laminate is curved, and sections are constructed and fitted together according to the height desired for the turbine. *Pinus radiata*, New Zealand's core plantation crop, has been confirmed as a viable timber option for constructing the wooden wind towers. Although the wooden turbines are a relatively new concept, New Zealand opportunities to supply timber for wooden wind turbine construction would assist in growing the sector, provide an additional option for energy production, and reduce our emissions profile.



Turning Green to Gold – impact of green certification

Research by JLL highlights that Green Star certification demonstrates a premium of 3.7 to 7.5 percent for new buildings. Green certifications globally are driving real estate returns worldwide, revolutionising sustainability and environmental performance in buildings and demonstrating value to occupiers, owners and investors as reported by JLL. Not only is this increased market value a core benefit to investors, but a flow on value is the reduction of carbon emissions within the built environment. A copy of the report can be found here <https://www.jll.nz/en/trends-and-insights/research/turning-green-to-gold>

Woodworks Conference

WoodWorks 2024 brings together over 200 leaders in engineered wood design and construction. The programme covers mass timber technology developments, including LVL and CLT, prefabrication and connection systems that are set to transform commercial buildings. See: <https://woodworks.events/event/woodworks-2024-conference/>

Forest Growers Research Conference 2024 – Hold the date

The 2024 Forest Growers Research conference will be held from 22-24 October in Dunedin, (24th October will be a Field Trip). More details will be available in the coming weeks on the FGR website <https://fgr.nz/>

Recent WPMA Submissions

- New Zealand's second emissions reduction plan. See: <https://wpma.org.nz/assets/Submissions/Wood-Processors-and-Manufacturers-Assoc.-ERP2-submission-FINAL-23-Aug-2024.pdf>
- implementing the legal harvest assurance framework. See: <https://wpma.org.nz/assets/Submissions/WPMA-Legal-Harvest-Assurance-Scheme-feedback-28-August-2024.pdf>

In the News

New Zealand energy crisis – Overseas investors want action

“You can’t be destroying the foundation of manufacturing and then jumping on a plane and going all around the world and asking investors to come to New Zealand and invest ... We’ll have the world’s worst reputation for destroying foreign capital.”

[As NZ Faces Energy Crisis: Japan-Owned Timber Firms Want Action | Wood Central](#)

Energy taskforce established to improve electricity market

“Bringing more generation online sooner puts more electricity into the system, which is the best way to protect New Zealanders from fuel shortages in the future. The Authority is already working on a number of regulatory measures to encourage more competition in the market and manage the electricity price risks.”

<https://www.ea.govt.nz/news/press-release/energy-competition-task-force-set-up-to-improve-electricity-market-performance/>

New chair for wood processors and manufacturers association

With the sector having a significant role to play in New Zealand’s future direction Don’s leadership, strategic thinking and clarity of purpose will assist in steering wood processing and manufacturing into our next stage of economic growth and sustainability.

<https://wpma.org.nz/assets/Media-Releases/New-Chair-for-Wood-Processors-and-Manufacturers-Association.pdf>

IKEA piles into NZ Forests

“We are committed to being in Aotearoa, New Zealand, for many years and are taking a long-term approach to our planning.”

<https://woodcentral.com.au/ikea-piles-into-nz-forests-to-expand-its-global-timber-reach/>

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