



# Newsletter

## December 2024



### Message from Mark

As we head into the end of 2024, I wish to thank all our WPMA members for their support in what has been a tough year for the wood products industry. There is much to ponder on over the holiday break, with the need to continue to remain positive and work closely across the forestry supply chain and with government to sustain a strong wood processing and manufacturing industry. We look forward to heading back into the New Year refreshed and ready for action.

Happy holidays.



Mark

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### Migrant work visa settings review helpful, but more change needed

Changes to the Accredited Employer Work Visa (AEWV) settings announced by the government this week are positive. However, restricting the duration of work Visa's to a maximum of 3-years with a 12-month stand down period between visa applications needs a further re-think. Integrating migrant workers into wood processing businesses, providing them with training, opportunity, and supporting them in the community can take a large amount of effort. Within their visa time migrant workers can become very senior operators and reliable employees that are highly valuable members of their teams. Having migrant workers Visa's cut off after 3 years means key benefits are lost, with employers having to start the recruitment and training process all over again. Our recommendation is that the Visa duration is increased to 5-years, with a maximum of a 3 month stand down period

between applications. We look forward to continuing to engage with Immigration NZ on the Visa settings in early 2025. More details on the migrant worker review can be found here <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/reforms-to-aewv-announced>

### **Vietnam bodes well as destination for increased exports in NZ wood products**

A delegation of the Commission for the Management of State Capital at Enterprises (CMSC) led by its Vice Chairman Nguyen Canh Toan had a working session with representatives of the wood processing and forestry sectors last week. Under the CMSC Vietnamese businesses are wanting to connect and set up investment and business partnerships with New Zealand companies. Within the delegation Vietnam Forestry Corporation Chairman, Mr Cuong, indicated investment prospects within New Zealand forestry and wood processing, along with market opportunities within Vietnam for NZ wood products. For example, Vietnam is looking for new suppliers to supplement their insufficient domestic wood supply to support their \$13-14 billion furniture export market. With Vietnam's population of circa 100 million and projected economic growth of 6 percent in 2025 the future looks bright for New Zealand-Vietnam relations. It is expected discussions will be on-going with further engagement being planned for 2025.



*Vietnamese delegation with NZ wood processing and forestry delegates*

### **All traders in timber and timber products included - Legal harvest assurance system**

All businesses trading in timber and timber products will need to comply with the legal harvest assurance system criteria. Businesses must register for legal harvest assurance before they carry out any of the following activities:

- Buying logs grown in New Zealand,
- Exporting logs grown in New Zealand,
- Processing logs they have grown themselves,
- The first processing of regulated timber,
- Importing or exporting a specified timber product for which they are the importer or exporter, or

- Acting as an agent for another business doing any of these activities.

The LHAS will have a sizeable impact on all wood processors and manufacturers. To ensure WPMA members remain informed we will be holding a virtual meeting with members in early February to overview the proposed regulation and seek feedback into our submission, which is due to MPI by the 26 February 2025. The LHAS is due to come in effect in August 2027.

### **European Union formally adopts 12-month delay to new deforestation regulation**

On the 18 December the European Council formally adopted the regulation on the postponement of application of the EU deforestation law by one year. This postponement will allow third countries, member states, operators and traders to be fully prepared in terms of their due diligence obligations, to ensure that certain commodities and products sold in the EU or exported from the EU are deforestation-free. Following this targeted amendment, its rules will start to apply on 30 December 2025. According to the EU this will give legal certainty, predictability and sufficient time for the smooth and effective implementation of the rules. In the ‘trilogue’ between the European Council, Commission and Parliament, the proposed ‘no risk’ country status for those countries that could meet the EUDR criteria has been provisionally cancelled. This category would have allowed countries classified as deforestation-free to bypass the regulation requirements. Looking to 2025 WPMA will continue to work with members, government and wider industry to complete an EUDR solution package aimed at keeping our \$100 million plus wood products exports to the European Union open.



### **Second emissions reduction plan step in the right direction**

Government support for boosting wood processing as outlined in NZ’s second emissions reduction (ERP2) plan is a step in the right direction. Scientific evidence is clear that wood processing can reduce gross emissions by producing high-value products to replace emission

intensive ones such as steel and concrete. Having this fact specified within ERP2 highlights that the government now acknowledges the need to implement policies and initiatives targeted at improving the investment environment for high-value wood processing. Initiatives outlined within ERP2 are a start, but there is a lot more that can be done to create an environment that supports our domestic wood processing market. One initiative, for example, to achieve this boost that appears to have been overlooked in ERP2 is the MBIE procurement policy that is aimed at reducing carbon emissions in building and construction. The potential for New Zealand wood products to reduce the carbon footprint of the built environment and drive the growth of a sustainable and prosperous wood industry is immense. In the future we expect that wood solutions will become more mainstream, and their demand will increase. More details can be found here <https://environment.govt.nz/publications/new-zealands-second-emissions-reduction-plan/>

### **Afforestation of Crown-owned land - Request for Information release**

The Government wants to explore partnership opportunities to afforest (plant native or exotic trees) or promote native forest regeneration on Crown-owned land (excluding National Parks) that has low farming value and low conservation value. We are opening this Request for Information (RFI) to gauge interest in the proposal and understand what would make afforesting Crown-owned land an attractive and viable opportunity.

[Partnering to plant trees on Crown-owned land: Request for Information](#)

### **Situation and Outlook for the Primary Industry released**

The latest SOPI report was released by MPI on the 12 December. The report predicts that forestry export revenue is expected to rebound 4% to \$6.0 billion in the year to 30 June 2025 recovering from domestic supply-side disruptions and slow global demand over the previous 2 years. Early signs of increased building activity in China could lead to higher demand for logs and some processed wood products. On the supply side closure of some wood processing plants will lead to lower production capacity in the near term. Uncertainty remains due to the inability of global economic recovery, potential trade barriers, and continue high input costs. The full report can be accessed here [December SOPI report](#)

### **WoodTECH 2025 – 13-14 March, Rotorua**

WOOD PROCESSING AND SAWMILLING - a conference & exhibition series showcasing advances in management and technology. More details can be found here <https://innovatek.co.nz/event/woodtech-2025/>

## **In the News**

### **Wood is the big winner in cements global upheaval**

*‘With the rise in the cost of cement and the demand reduction, the alternatives spring into action,’ Mr Barnard said, “in my assessment, the largest of these is likely to be engineered timber,” adding that “structural strength is equal to reinforced concrete with a fifth the*



mass. Every ton of engineered timber displaces 4.8 tons of reinforced concrete, hence the roughly 0.5 tons of cement required for the concrete.'

<https://woodcentral.com.au/why-wood-is-the-big-winner-in-cements-global-upheaval/>

### Wood products pivotal to NZ meeting its climate changes targets

*"The potential for New Zealand wood products to reduce the carbon footprint of the built environment and drive the growth of a sustainable and prosperous wood industry is immense. In the future we expect that wood solutions will become more mainstream, and their demand will increase.*

[Timberbiz » Wood products pivotal to NZ meeting its climate change targets](#)

## WIDE Trust – apply for funding towards your wood processing apprenticeship programmes



Do you need funds to progress an initiative, project or programme in your business?

Do your employees need funds to progress wood processing studies, projects or qualifications?

Apply to the WIDE Trust for support ...

# \$6 MILLION AWARDED IN GRANTS TO DATE!

The Wood Industry Development and Education Trust (WIDE Trust) is a charitable trust established in 2018. The Trust supports businesses undertaking research, development and other initiatives to advance the wood or forestry industry sectors in New Zealand and students undertaking career-related studies or projects in these industry sectors.

Initiatives supported by the Trust include:

- apprenticeship programmes
- in-house training programmes
- international study tour to seek out industry innovations and best practice
- attendance at industry events
- assessor training
- timber design and wood processing awards

Apply online  
[www.widetrust.org.nz](http://www.widetrust.org.nz)

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