

Message from Mark

After a hiatus of eight years, WPMA relocated last week from Salamanca Road in Kelburn back into ForestWood Centre at 93 The Terrace, Wellington. This move will enable closer engagement with other key organisations in the wider forestry chain, including NZ Forest Owners Association, the Farm Forestry Association, NZ Institute of Forestry, and the Forest Industry Safety Council bringing positive strategic benefits for both wood processing and forestry interests. Now that we are more accessible, we encourage you to stop in and visit us if you are coming to Wellington.



Mark
mark@wpma.org.nz

NZ and India Comprehensive FTA consultation underway – closes 15 April

Trade and Investment Minister Todd McClay has launched a public consultation on New Zealand and India's negotiations of a formal comprehensive Free Trade Agreement. With a population of 1.4 billion people and on track to become the world's third-largest economy by 2030, India holds significant potential for New Zealand. Connecting on values and demonstrating a clear focus on mutually beneficial areas of interest will be critical to the Indian Government opening the door to a longer-term trading relationship in forestry products, such as timber and lumber, with New Zealand. In contrast to what should be happening, New Zealand wood and forest product exports to India have decreased from a high of NZ\$326 million in 2019 to an estimated NZ\$76.5 million in 2024. Given the possibilities offered by the Comprehensive FTA, WPMA will be submitting into the process on behalf of members. For more details see here https://www.mfat.govt.nz/have-your-say

Energy solutions forthcoming heading into winter

Most mills within the wood processing and manufacturing industry use sustainable solutions like biomass for a large proportion, if not all, of their energy requirements. However, given the power demands within mills, electricity and gas are essential as additional core sources of energy. Heading into winter concerns remain that there will be, like in 2024, a cost escalation in the price of energy. In a recent meeting with the Minister for Energy, Simon Watts, it was outlined that the government has been focusing on improving the energy affordability and availability situation now and into the future. A range of solutions are being developed, with more detail to be released in coming weeks. We look forward to seeing what is on the table to keep our mills running over the winter months.

The United States investigates imports of timber and lumber

The United States global investigation under section 232 of the Trade Expansion Act to determine the potential effects on national security of imports of timber, lumber and their derivative products is causing apprehension amongst WPMA members as to the affect any penalties, such as tariffs, will have on NZ exporting mills profitability. In 2024 New Zealand exported over \$350 million in Radiata Pine timber and lumber products to the United States with the potential to increase this amount in future years. What we supply to the United States is unique and beneficial to the US builders and homeowners. Feedback from customers in the US is that their local market needs our product, specifically lumber, clear boards and primed product. On behalf of members, we are actively working behind the scenes to provide these and other key messages into the discussions. Submissions on the s. 232 investigation close on 1 April, with a 270-day timeline for the completion of a report to the President with amongst other criteria, will include policy recommendations for strengthening the United States timber and lumber supply chains.

Government procurement rules under consultation until 8 April

The Government is proposing changes to procurement rules to make it easier for New Zealand businesses to win government contracts. WPMA will be submitting on the proposals as to pushing the case for greater use of New Zealand's sustainable, locally grown and manufactured wood products in government buildings and construction projects. The procurement rule changes include introducing a new economic benefit, which will require government agencies to consider the wider benefit to New Zealand of awarding contracts to New Zealand firms when making procurement decisions. The government is hoping that this will create export and employment opportunities and help New Zealand businesses to grow. A new economic benefit rule will apply to all goods, services and refurbishment contracts worth more than \$100,000 and all construction works worth more than \$9 million. For contracts below these levels, agencies will be expected to award contracts to New Zealand businesses that have the capability to deliver. Public consultation on the new draft rules close on 8 April 2025. More details here: https://www.mbie.govt.nz/have-your-say/government-procurement-rules-consultation

Resource Consenting efficiencies get the go ahead

Earlier in March WPMA presented to the Environmental Select Committee on the Resource Management (Consenting and Other Systems Changes) Bill. The RMA reform has since been advanced with the aim of making consenting for new and existing developments less costly and more efficient. We are in support of more efficient consenting as a means of encouraging

investment and growth within our industry while ensuring our environment is protected. Particularly important to WPMA is the focus on making the consenting process for new infrastructure, renewable energy, building, and both new and established wood processing facilities more consistent and predictable on a national basis. The current RMA consenting process leads to wide regional variations around the country, with more efficient Authorities processing consents within weeks, while others can take years to decide, a process that becomes very costly. More details here: https://www.beehive.govt.nz/release/new-planning-laws-end-culture-%E2%80%98no%E2%80%99



WPMA joins the NZ International Business Forum

Given the importance of the wood processing and manufacturing industry as a key sector of New Zealand's export economy, WPMA has readily accepted an invitation to join the NZ International Business Forum (NZIBF). The Forum is a collaboration of senior New Zealand business leaders of major internationally oriented sectors of the economy and larger business organisations working to expand New Zealand's global business opportunities. A key focus of NZIBF is advocating from a business perspective for successful outcomes from trade negotiations like CPTPP, UK and EU FTAs. They monitor progress in New Zealand's key relationships with Australia, China, Japan, India, the United States and the European Union. NZIBF also maintains a regular dialogue with the Government and its agencies on trade and economic issues. NZIBF CEO, Stephen Jacobi, considers that WPMA's expertise, views and networks will certainly be of value to the Forum and to the collective business effort, particularly as the wood products sector is not currently represented within the organisation.

Recent and Upcoming WPMA Submissions

- Resource Management (Consenting and Other Systems Changes) Bill verbal submission
- Government procurement rules close 8 April
- NZ and India Comprehensive Free Trade Agreement close 15 April

Upcoming Events

WPMA National Conference – 8 October, Wellington – <u>Partnership Opportunities</u> available

The WPMA Conference will bring together a dynamic range of business leaders and influential stakeholders from across a wide variety of sectors. Through the delivery of strategic insights into future opportunities for wood processing and manufacturing you will be inspired to connect and grow our industry to ensure a resilient and profitable future.

For Partnership Opportunities available here

Timber Bridges Conference - 29 June to 2 July, Rotorua

The 5th International Timber Bridges Conference will be held in Rotorua from the 29 June to the 2 July 2025. Registrations are now open. More details can be found here <u>ICTB 2025</u>

Forest Bioeconomy Innovations Conference – 20 – 21 October 2025

The 2025 Forest Bioeconomy Innovations Conference will be held in Rotorua from the 20-21 October. More details can be found here https://innovatek.co.nz/event/bioeconomy-innovations-2025/

In the News

New Memorandum of Cooperation signed with India

"Connecting on values and demonstrating a clear focus on mutually beneficial areas of interest will be critical to the Indian Government opening the door to a longer-term trading relationship in forestry products, such as timber and lumber, with New Zealand."

Timberbiz » NZ's new MOC with India will build forestry exports

Learning from the United States on Timber Buildings

Mass timber is the ideal solution for residential buildings with rental rates outperforming the 2-3% premiums for high-rise construction.

https://woodcentral.com.au/reform-the-code-what-nz-must-learn-from-us-on-timber-buildings/

Why US Forests can't solve the lumber shortage

"Even with executive orders promoting federal timber harvesting, legal battles from environmental groups are likely to delay or block proposed logging operations," the report said. "The timber industry faces a severe workforce shortage, including a lack of loggers, truck drivers, road builders, and mill workers."

New Report — Why US Forests Alone Can't Solve the Lumber Shortage | Wood Central

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...

S6 MILLION AWARDED IN GRANTS TO DATE!

Apply online www.widetrust.org.nz

A MILLION CONTRACTOR OF THE STATE OF THE STA

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 careerrelated 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



Mark Ross Chief Executive Mark@wpma.org.nz

Mob: 027 442 9965