



Newsletter

October 2024



Message from Mark

Heading into summer the Government continues to consult on changes to legislative and regulatory settings that are pertinent to the wood products sector. Three current consultations where we have been engaging with members, ministers and officials on are the Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Bill, the Fire Safety Requirements, and New Zealand's work health and safety regulatory system (incl. Worker Exposure Standards).

These are important consultations, and we will be emphasising the need to ensure that the settings are fair and factual so that they don't evoke unwarranted barriers to growth within our industry.

Other big items progressing through Parliament include the RMA reform, Crown Minerals Amendment Bill, and the Second Emissions Reduction Plan. On the horizon is the need to proactively manage energy [security of supply](#) for winter 2025 to ensure that we do not have a repeat of the recent escalating power price increases. As outlined in our submission to Select Committee we are seeking an 'all political party' long-term energy strategy aimed at ensuring price stability, supply security and business certainty.

Happy reading for this issue.



Mark

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Non-tariff barriers obstructing New Zealand wood product exporters

Non-Tariff Barriers (NTBs) continue to cause trade distortions that are having a negative impact on the New Zealand wood product and forestry industry was the key message that WPMA and NZFOA presented to the Foreign Affairs, Defence and Trade Select Committee hearing on *non-tariff barriers faced by New Zealand exporters*. NTB's are not directly visible or clearly targeted as tariff barriers, and they are difficult to define, evaluate and quantify. As tariff levels have been reduced for forestry and wood product exports, NTBs have assumed a more central role within the industry's trade agenda. Deforestation regulations, building codes, subsidies and phytosanitary measures become NTB's when they are implemented in a way that makes it difficult to meet the required levels of compliance. New Zealand needs to be taking advantage of our sustainable forestry position by providing readily available systems and evidence-based information for business transactions and government to government trade discussions. More details on our NTB submission can be found here: <https://wpma.org.nz/assets/Submissions/Non-Tariff-Barriers-brief-WPMA-and-NZFOA-Oct-2024.pdf>

European Union Deforestation Regulations – delay in implementation helpful

European Union member states have agreed to postpone the application of the EU anti-deforestation rules by one year to give companies more time to adjust to the new requirements. The rules will now apply from 30 December 2025. The Council said the decision was necessary due to “the lack of key elements” needed for companies and third countries to comply with the rules. The EU legislator claimed the delay would provide “predictability and sufficient time” to put the required due diligence systems in place and identify deforestation risks in supply chains. WPMA has been progressing a solution with our members, forest owners and government. Although the delay is supported, we are well on the way to development of a process that will secure the on-going export of \$100 million plus in wood exports to the European Union. The anti-deforestation rules were adopted last year and will ban imports of commodities like wood products and red meat, unless companies can prove that these goods were not linked to deforestation after December 2020.

Wood Industry Development and Education Trust supporting training for wood processing and manufacturing

If you are looking for funding towards staff training at your wood products business, then the WIDE Trust may be able to assist. The Trust is a charitable trust established in 2018 with a mission to support development and education in the forestry and wood industry sectors through the provision of grants and scholarships to New Zealand students and institutions. They currently support several initiatives within the forestry education sector and looking forward are keen to provide a greater level of funding support towards on-site training for apprentices and other training programmes within wood processing and manufacturing. For more details, please visit:

<https://www.widetrust.org.nz/>



Building Amendment Bill heads to select committee

The Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Bill was read a first time last week and has been referred to the Transport and Infrastructure Committee. This bill would amend the Building Act 2004 to make it easier for designers and market participants to use new or competing building products. In its first reading the Bill received unanimous cross-party support. WPMA will be fronting on behalf of members to ensure that our key points are heard by the Select Committee building on the points outlined in our pre-Bill feedback see: <https://wpma.org.nz/assets/Submissions/WPMA-submission-Removing-barriers-to-using-overseas-wood-products-26-June-2024.pdf>

Calling All Leaders: Are You Realising the Potential of Your Culture?

We invite you to participate in a groundbreaking research initiative conducted through [Massey University](#) and [Leadership and Governance Collective](#), supported by over 30 organisations and business groups in Aotearoa. Its goal is to identify best practices among leaders across organisational types and sectors, providing actionable insights that your executive team can implement. The survey is for CEOs or equivalent leaders, takes 15 minutes to complete, and is *anonymous*. Please note your affiliation to WPMA at the surveys end. Cutoff date is the 3 December.

[Take the survey!](#)

Fire safety requirements consultation

The Ministry of Business, Innovation and Employment (MBIE) is seeking feedback on fire safety requirements in the Building Code to offer better protection from fire for people and property. The focus in the review relates to:

- the effectiveness of fire safety measures
- the need to keep up with new technologies and new fire challenges
- a lack of certainty, clarity, and consistency.

Submissions are open and will close at **5.00pm on Friday, 6 December 2024**. Please contact jane@wpma.org.nz for more detail.

ACC Proposed Levy Rates 2025 – 28: WPMA submits

ACC says it will need to collect \$4.7 billion in levies in the 2025/26 financial year, to fund support for about 930,000 claims on three levy schemes - the motor vehicle fund, the work fund, and the earners' account. In the 2022/23 financial year, ACC brought in just under \$3.8 billion in levies from those accounts, which did not cover the claims being made. It has signalled levies will need to take a significant jump over coming years to cover increasing costs, likely by up to about 20 percent. Given the cost of ACC levies to our members WPMA's submission highlighted the need for ACC to proactively improve systems for accepting and monitoring claims to minimise their overall costs, the need to continue to engage with industry on Recovery at Work opportunities, and a recommendation to implement a project to reduce harm in the workplace for the manufacturing sector.

Arhopalus ferus flight season for 2024/25

MPI would like to inform you that for **all New Zealand ports** the 2024/2025 *Arhopalus ferus* flight season will:

- **Start:** at 00:01 hrs (NZDT) on **1 November 2024**
- **End:** at 23:59 hrs (NZST) on **30 April 2025**

From **Friday 1st November 2024**, all timber, timber mouldings and break-bulk ply products, (including LVL) shipped to Australia must be treated in accordance with the Department of Agriculture, Fisheries and Forestry requirements for *Arhopalus ferus* flight season and be accompanied with an MPI phytosanitary certificate.

Exemptions:

- Consignments already loaded onto vessels before the commencement of the flight season are exempt from *Arhopalus* treatment requirements
- Consignments already loaded and sealed into containers before the commencement of the flight season are exempt from *Arhopalus* treatment requirements.

Exporters of products that are not subject to additional flight season requirements (including all products contained within or supported by wood packaging) are advised to ensure their products are free of hitchhiking *Arhopalus ferus* beetles when shipped during the flight season.

Please contact your IVA for any assistance: <https://www.mpi.govt.nz/resources-and-forms/registers-and-lists/authorised-ivas/>

Forest Growers Research Conference 2024

With a theme of 'Resilience through Innovation' the 2024 Forest Growers Research Conference covered a broad range of research topics from genetics and silviculture through to alternate species and biosecurity challenges. For this year's conference WPMA was provided the opportunity to host a session on product innovations in wood. Topics included local wood processing, short rotation forestry, the Canterbury University wood product innovation challenge and a case study on the future of wood via the Abodo story. Feedback on the session was positive and we thank the organisers for the opportunity provided to tell the story on the wood processing side of the forestry supply chain to participants.



Final Reminder: Have your Say in this year's Forest Growers Levy Vote.

Please note that voting for the Forest Growers Levy will close at 5pm on today. Voting is your chance to help build a more sustainable future for New Zealand forestry. All plantation forest owners, be they small or large-scale growers, pay a levy on the volume of wood material sold, so it's important you have your say. The Forest Growers Levy Trust (FGLT) propose to keep the current levy rate of 33 cents per tonne until the end of 2026. For every subsequent year, the FGLT will fix the levy rate within a proposed 33 – 45 cent range following consultation with current and potential levy payers. Please cast your vote online at www.forestvoice.org.nz.

WPMA Corporate and Affiliate Members are invited to attend the 2024 AGM in Wellington on the 20 November

The WPMA 2024 AGM is scheduled to be held in cohesion with our board meeting in Wellington on Wednesday the 20 November. The AGM will run from 3pm to 6pm and will include guest speakers, along with time for drinks and nibbles. We encourage you to put time aside in your diary and attend. Please RSVP to jeanette@wpma.org.nz

Better Data to tell the story of the wood processors: MPI short survey

The contribution of the wood processing and manufacturing sector to New Zealand needs to be better understood by government and stakeholders. Who are we? Where are we? How much we process or produce? These are key questions that we get continuously asked about as a sector. As a first step to improve our sector data collection, the Ministry of Primary Industries (MPI) is updating a directory of commercial wood processors and manufacturing entities through a survey.

MPI has discussed the benefits of the survey with WPMA, and we encourage you to participate. The survey <https://mpi.wsp-tools.app/wpd> should take you 2-5 minutes to complete depending on the size and complexity of your business. The survey has straight-forward questions about company details, processing locations and capacity. If you have any questions, please contact kyle.wills@wsp.com

Recent WPMA Submissions

- Non-tariff barriers faced by NZ exporters
<https://wpma.org.nz/assets/Submissions/Non-Tariff-Barriers-brief-WPMA-and-NZFOA-Oct-2024.pdf>
- AEWV review phase two
<https://wpma.org.nz/assets/Submissions/AEWV-Review-Phase-Two-wood-processors-and-manufacturers-association-submission-11-Oct-2024.pdf>
- Crown minerals amendment bill
<https://wpma.org.nz/assets/Submissions/Crown-minerals-amendment-bill-Wood-Processors-and-Manufacturers-Assoc-submission-Oct-2024.pdf>
- ACC levy consultation 2024

<https://wpma.org.nz/assets/Submissions/ACC-Levy-consultation-2024-Wood-Processors-and-Manufacturers-Association-submission-9-October-2024.pdf>

In the News

Parliamentary Select Committee hears exporters' complaints about non-tariff barriers adding huge costs in key markets

The Wood Processors and Manufacturers Association told the committee New Zealand's nearest neighbour is itself an offender, by setting standards in the construction industry that match wood products supplied by its own timber industry, making it hard for New Zealand producers to sell wood products in Australia.

<https://www.interest.co.nz/rural-news/130296/parliamentary-select-committee-hears-exporters-complaints-about-non-tariff>

Exporters relieved EU deforestation rules may be delayed

"We are in a position where we have got a solution for our wood product exporters, but having more time will help us develop that solution," said Chief Executive Mark Ross. "The delay is helpful in getting that right. New Zealand exported \$100 million of wood products to the EU last year, which makes it a smaller market in the context of \$2.8 billion of total exports, but it was an important market for value-added products and a critical market for some companies," Mr Ross said.

<https://indiannewslink.co.nz/exporters-relieved-eu-deforestation-rules-may-be-delayed/>

Boom or bust in the sawmill industry

"If you can't sell your residues, your woodchip and your sawdust, then saw milling's not a profitable industry. So, there is an integrated supply chain that's quite dependent on each other"

<https://www.rnz.co.nz/news/national/530199/boom-or-bust-in-the-sawmill-industry>

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