

Message from Mark

With a flat domestic market for timber, lumber, and their derivatives, along with an uncertain global trading environment, WPMA is 'stepping up' in advocating for and supporting our members. On this note we offer a warm welcome to our newest members Kaituna Mill, Kiwi Lumber, and Whakatane Mill Ltd. Thank you for joining WPMA and I look forward to working closely with you as we prioritise delivery of supportive policy and regulation, promote the industry, along with enhancing our benefits for members.



Mark mark@wpma.org.nz

National Conference – 8 October – Last chance - register Now!

Final registration opportunity!

Our National Conference will be held at Te Papa, Wellington on the 8 October. Download the Programme <u>here</u>. More details can be found here <u>WPMA 2025 conference</u> I hope to see you there for what will be an enlightening event.

EUDR delay – one-year postponement likely – WPMA Starter Toolkit complete

As we finalise our EUDR Starter Toolkit, the European Commission (EC) has signalled that the EU Deforestation Regulation (EUDR) will be postponed by an additional year. Environment Commissioner Jessika Roswall has told journalists that the EC will seek agreement with the EU co-legislators - the Council (EU Member States) and the European Parliament (EP) - on a one-year delay. The EC has pointed to several reasons for the delay,

including the EUDR IT system, and the media reporting further pointed to ongoing trade negotiations, and pressure from trading partners such as the United States and Indonesia. According to the EC spokesperson, the decision is technical and logical, given that the regulation could not otherwise be rolled out effectively or fulfil its intended purpose. Unlike the first postponement in 2024, this round of negotiations may go beyond timelines. The colegislators could press for a reopening of the regulation, with particular focus on introducing a fourth country risk category ("no risk"). This delay is viewed as another twist to the EUDR, with WPMA ready to go with our EUDR Toolkit now accessible to members. We will follow the topic closely and inform you about the developments through various communications. If you are a WPMA member and would like access to the EUDR Toolkit please contact jeanette@wpma.org.nz

New Government construction announcements provide a glimmer of hope to a flat building sector

After a government pause in building and construction, announcements this week on new defence housing, school infrastructure, and hospital facilities spends provides a glimmer of light to a flat building industry. The projects include a \$600 million spend on homes for military families, a plan to accelerate \$413 million of investment in classrooms and other school infrastructure, and a \$100m boost to upgrade hospitals. See here:



Minister for Building and Construction, Chris Penk, turning the turf at the defence housing government spend announcement.

State of Building and Construction market

As highlighted by Business Desk, the picture in the construction sector is still very mixed. While Otago had seen a 47% jump in annual building consents – driven particularly by the Queenstown Lakes area, where numbers were up 76% – Wellington was down 11.4% and showing no signs of improving. Building activity in Auckland had just turned the corner, with a 3% increase in consents. Overall, the 34,000 consents issued nationally in the year to June were a 1% improvement, and although it was well down on the 2022 peak, it wasn't out of line with the long-run average. Net migration has stabilised, and once population growth picks up again, so should housing construction. This is bringing much needed confidence about the construction sector going forward. Renovation work dominated, and new build activity was patchy. The June quarter GDP figures showed construction had suffered more than most industries, with the value of building work put in place down 2.2%. Conditions were still gloomy, but there was a current of optimism among industry players, especially following this week's government spend announcements.



U.S. Tariffs – WPMA doing everything we can to keep NZ wood products tariff free

With exports of \$380 million plus in timber/ lumber and their derivatives at stake, WPMA is working closely with trade officials to push for NZ wood products to remain tariff free. Our focus being on five key tariff codes where our products, for example clear pine boards, are differentiated and do not compete with any U.S. building products. In addition to our engagement with trade officials, WPMA has been advocating through our allied U.S. Associations, who are also lobbying the U.S. Administration to keep imported timber and lumber products tariff free as a means of levelling recent domestic U.S. house price rises and maintaining robust supply chains. A further helpful ally is some of our U.S. customers who are worried that their U.S. based manufacturing businesses will be adversely impacted by tariffs and are taking their concerns direct to the U.S. Administration. Tariffs on wood products exported to the United Sates remain at zero percent as the section 232 Investigation aimed at determining the global effects imports of timber, lumber and their derivative products pose to the U.S. supply chain continues. A decision has been touted for the 10 October, with the President making the final call based on findings of the investigation. See here:

Value-Added Wood Exports Growth Plan generates sector discussion

New Zealand's forestry sector has launched an ambitious two-year action plan to accelerate the growth of value-added wood exports, targeting a doubling of export value to \$11.5 billion by 2034. Developed by a sector working group with support from Te Uru Rākau – New Zealand Forest Service, the Value-Added Wood Exports Growth Plan accelerates the focus to high-value processed products, addressing global market volatility and domestic processing challenges. The plan outlines short-term actions to boost domestic manufacturing capacity, expand export markets, and enhance government and sector support. Key initiatives include analysing regional wood supply and consumption, developing business plans for capacity growth and fostering collaborations to seize opportunities in markets like Australia, Vietnam, India and the USA. Forestry, Trade and Investment Minister Todd McClay says "it is a significant achievement for the sector and the Government to work together to drive action that will create jobs and help New Zealand double the value of wood exports".



Wood product importations – questionable documentation

The Building Product regulation for imported products continues to evolve. On this, it has been identified by more than one member that certain structural timber products are being brought into the country with incorrect documentation and mis-leading claims, for example, claiming they have FSC certification when they don't and being different species of timber than documented. This could lead to future building failure, which would adversely impact our industry and the wider building industry. New Zealand currently imports around \$2.8 billion in wood products, but with this regulation change wood product importations for building and construction are expected to increase. As there is no Government appointed regulator to check on imported timber paperwork and legitimacy, WPMA is looking at taking a 'watchdog' role to ensure that we are not inadvertently being exposed to importations of illegally harvested and wrongly documented imported timber products. A scoping paper is being drafted, and we will socialise this with members prior to determining what our role will be in keeping mispresented timber importations out of New Zealand.

Securing future training for timber mill workers

The announcement that Block Course delivery for Timber Machining and Saw Doctoring training at Toi Ohomai – Timber Industry Training Centre (TITC), Rotorua will be terminated

in December 2025 has been driven by the Government's recent vocational education reform funding cuts, which have deemed that the training at the TITC, Waipā Campus is no longer financially viable. Although we are disappointed by the decision to close the TITC course, WPMA is staying positive and we are committed to working with our members and training providers to develop sustainable work-based training options for the future.

Recovery at Work video now open for viewing

With the completion of the ACC Recovery at Work (RaW) trial in cohesion with Westco Lumber, a video highlighting the core learnings has been completed. The core purpose of the video is to share the trial learnings within the industry and encourage other mills to implement RaW. Many thanks to Craig and his team at Westco for taking up the challenge, plus ACC for their support. The video is just over 4 minutes long and can be viewed here:



National Embodied Carbon Repository for construction materials now live

The National Embodied Carbon Repository (NECO2) is a collaboration between CIL Masterspec and BRANZ to replace the previously static spreadsheets with a maintained, regularly updated dataset on embodied carbon in construction products and materials. MBIE have formally endorsed the project, and it is supported by the New Zealand Government as a means to standardise the embodied carbon data for construction materials and products used in Aotearoa New Zealand. The website www.neco2.co.nz is available to you now. It includes major updates from earlier BRANZ data, with thousands more entries and the assessment methods that BRANZ have used for the data have been significantly updated. There is extensive documentation on the site about the core principles used to arrive at localised New Zealand data. It is a free, open-data platform providing verified embodied carbon data for products, both imported from offshore, and those manufactured in New Zealand.

Energy Savings Finance initiative – invitation to business

EECA is coordinating a new Energy Savings Contingent Finance initiative, designed to help businesses install energy-efficient upgrades or purchase new equipment without the upfront cost. These types of finance products generally work by covering the upfront cost of upgrades, with repayments made from the energy savings generated over time. EECA is now inviting businesses to complete their Request for Information response form. There is no cost, obligation, or future commitment by indicating your interest. To find out more and complete the response form, visit EECA here:

The RFI closes 19 October 2025.

Upcoming Events

<u>WPMA 2025 National Conference – 8 October, Wellington</u> Registrations are Closing Soon

The WPMA Conference will bring together a dynamic range of business leaders and influential stakeholders from across a wide variety of sectors. Speakers will cover topics ranging from government policy, to innovation, NZ mass timber building developments, science, forestry supply chains, economic activity and exports.

The Conference Programme can be viewed <u>here.</u> Full information and how to Register can be found here

Forest Growers Research Conference

Registrations for the 2025 Forest Growers Research conference close 1st October, so mark your calendar and secure your tickets.

FGR Conference Programme – click here:

To Register visit here:

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:

In the News

NZ Govt could unlock \$11B exports with high-value timber

"And we need to work better as an industry across all the supply chain to better understand those markets and tell the NZ story more clearly."

<u>Think Bigger — NZ Gov Could Unlock \$11B Exports with High-Value Timber | Wood Central</u>

NZ grown timber seeks its place in the sun

"For forest owners the best price for a commercial decision has been to export logs. We are, however, hoping this will start to turn in the coming years." He said with the sector's longer

term goal of doubling exports over 10 years there is no chance it could be achieved under existing forested areas through logs alone.

https://www.farmersweekly.co.nz/markets/nz-grown-timber-seeks-its-place-in-the-sun/

Timber exporters nervous over possible U.S tariffs

The change is causing nervousness across New Zealand wood processors and manufacturers who export over \$370m of value-added wood product to the United States a year. A huge jump in tariffs could see exporters withdraw from the market and a new set of mills come under pressure.

https://www.rnz.co.nz/national/programmes/ninetonoon/audio/2019002318/high-quality-timber-producers-nervous-over-us-tariffs

Recovery at Work reaping dividends

Keeping injured workers connected to their workplace through modified duties or regular communication can make a big difference. It helps people feel supported, maintain their sense of purpose, and stay engaged with their team. For businesses, it means retaining skilled staff and reducing disruption.

Timberbiz Keeping injured workers connected makes healing easier - Timberbiz

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!

Apply online www.widetrust.org.nz

THURSTHE WALLETTE AND A CONTROLLED TO THE STATE OF THE ST

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