Report: STRATEGIC REVIEW and STRATEGY guidance

8 August 2023	Communication

This report was commissioned by the South & Central Queensland Regional Forestry Hub with funding from the Australian Government, Department of Agriculture, Fisheries and Forestry.

Strategic Review and Strategy Guidance

South & Central Queensland Regional Forestry Hub

Introduction and Background

The South & Central Queensland Regional Forestry Hub (the Hub) is part of a network funded by the Australian Government to leverage and implement projects to boost productivity and growth in the sector.

The regional hubs are a key action under the Australian Government's National Forest Industries Plan.

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The geographic area covered by the Hub is extensive, traversing 23 local government authorities, being part of Queensland's $3.8 billion forestry industry that support around 25,000 direct and indirect jobs.
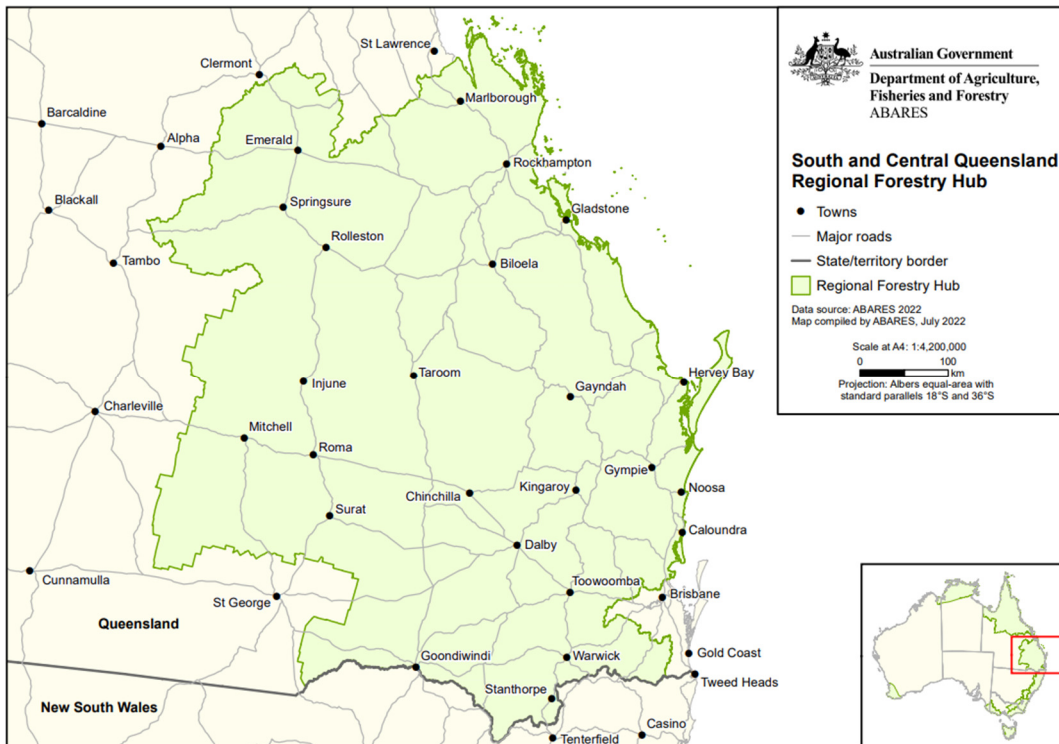
Guided by its active Steering Committee, the Hub established an original strategic plan focussed on five broad themes, supported by an over-arching 'Communication' theme. The 2021/22 strategic activities identified by the Hub have all been completed.

As a result, the Hub decided to review its strategic directions, aiming to ensure it retains its regional focus and emphasis on the immediate and long-term needs of the industry.

Approach and Methodology

Building on the successful strategic plan developed by the Hub in 2021, the methodology for this strategic review focussed on engaging an external strategy consulting firm to facilitate a review process and provide independent reporting and guidance to the Hub. IndustryEdge Pty Ltd was appointed to provide these services.

The opening activities involved understanding the work of the Hub over the last two years and engaging with industry on its needs and priorities.

It was clear from the (completed) workplan of the Hub, and the engagement in its projects, that the industry participants have embraced, supported and participated in the Hub's activities.

The approach for this strategic review therefore necessarily involved the conduct of a whole of industry, multi-sector workshop, which was held in Gympie on 10 May 2023. The appendices include the list of attendees and demonstrates the breadth of engagement across the industry, its sectors and companies.

Following the workshop, a review of the inputs and the themes, projects and activities was completed and is recorded and summarised in this document.

The Workshop

Conducted on 10 May 2023, in Gympie, the strategy review and development workshop was coordinated by Kerry Fullarton, Hub Manager, supported by the Hub's Technical Advisor, Dr Mihai Daian. The workshop was facilitated by IndustryEdge's Tim Woods, but most importantly, was attended by more than fifty industry stakeholders and participants, including several appearing online.

After an Acknowledgement of Country and of traditional owners and an introduction from James Hyne, the Chair of the Hub, welcome to the Gympie region by Mayor Glen Hartwig, the CEO of Timber Queensland, Mick Stephens provided a situational analysis (attached in the appendices) to frame the considerations of the future context for the regional industry. Kerry Fullarton and Mihai Daian provided brief overviews of the work and achievements of the Hub to date.

Thereafter, the workshop focussed attention on the major issues and challenges for the industry and region, characterising them as major themes, driven by a significant industry context.

Comprehensive discussion included three of the themes being addressed in greater detail by smaller working groups, which was followed up, after the workshop with an additional opportunity for written feedback, all of which has been reflected in the following materials.

Industry's context and drivers

An early output from the workshop was a series of inter-related drivers for the industry, based on its current context. Guided by the presentations from the Hub and its work to date, as well as the 'scene setting' presentation from Timber Queensland, the context, drivers and key issues for the industry were agreed to be:

- **Labour and skills shortages**, noting they are separate, but inter-related, in that it is possible to have enough labour but continue to have inadequate skills available.
- **Rise of prefabrication of building components** and the importance of prefabrication for efficient resource use, including of labour.
- **2032 Olympics in Brisbane**, the emphasis on delivering a 'green games' and the role timber has to play in the built environment to achieve that outcome, as well as the labour challenges the Olympics also present. The idea of the 'Timber Olympics' was identified, and it was noted Timber Queensland has already commenced work on maximising timber's role in the Olympics.
- **Local forestry and wood products' advantage as uniquely 'Australian made'**, as an advantage in marketing and communicating the industry, its capabilities and importance to the Australian economy, heightened by the pandemic-related recognition that there can be over-reliance on international trade for an island nation like Australia.
- **Engagement with Indigenous Australians**, from a forest management and timber business enterprise development perspective, together with workforce development and skills and training, considered first to be a stand-alone initiative.

- **Negative perceptions of forestry** and the way that impacts attractiveness of the industry as a destination employer, including how forestry employment is portrayed in modern social media, compared with the high skills, technological driven occupations that are the modern reality.
- **Attracting and retaining a committed workforce** for the future, where investments in skills, training and other workforce developments are a key driver.
- **Improving operating infrastructure,** where the concept of infrastructure is broadly defined and includes all of the physical requirements (capital) across the supply chain.
- **Increasing engagement with social media**, in order to reach an audience that does not consume traditional industry media.

This context conversation was extensive and created a series of inter-relations and dependencies in the minds of the participants, allowing for the key themes to be identified and confirmed.

Durable and integrated themes

Discussion about the context in which the industry is operating was followed by a focus on major issues or themes participants understand are important for the industry to address over the next three to five years.

The enduring themes for the industry were quickly agreed to be:

- Resource Security
- Workforce Planning & Development
- First Nations Australians traditional knowledge and economic development
- Manufacturing, value adding, product & process innovation.
- Infrastructure and Supply Chain

There was agreement the cross-cutting theme of Communication continues to be fundamental to the work of the Hub.

Overall, participants agreed (and most appeared to come independently to this realisation) that these themes might include stand-alone activities and workplans, but that the successful advancement of each, required integration with the others. The graphic below presents a means of considering how this might be viewed.

S&C Queensland Forestry Hub: Strategic Themes 2023
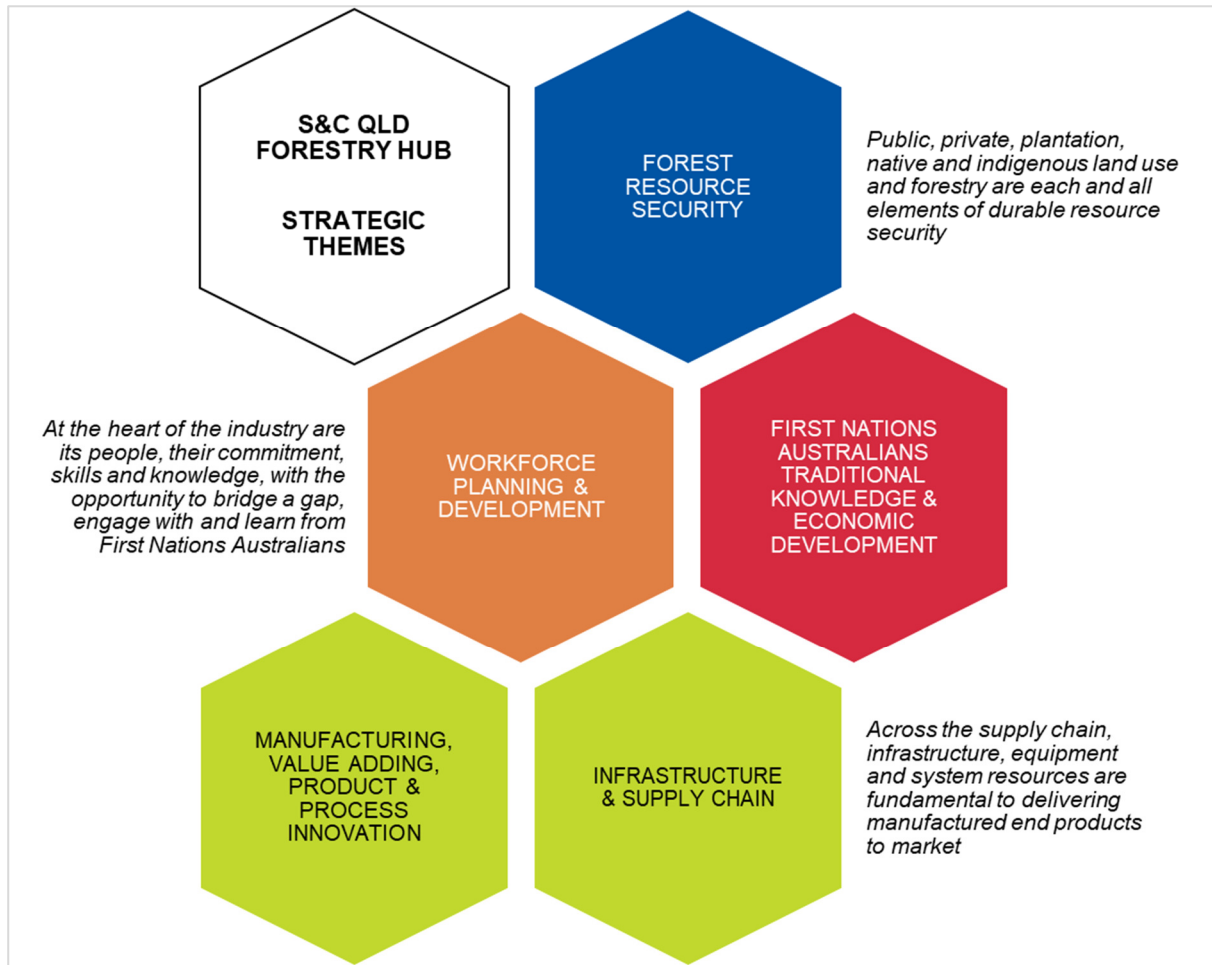
These topics or themes formed the basis for the subsequent strategy development activities.

Toward action and workplans

Analysis of industry strengths and opportunities was coupled with exploration of challenges and risks, in an effort to ensure the overarching strategy of the Hub is integrated by progressing the industry and its development, while at the same time addressing underlying deficits.

Finally, in smaller working groups, the workshop focussed attention on the following key themes, identifying specific elements of the proposed workplan for the Hub. It was noted that in the absence of First Nations' representatives, it was appropriate to conduct a separate planning exercise for the Hub's First Nations Engagement.

Forest Resource Security

Resource security is the most significant issue for industry and the starting point for the next phase of work for the Hub. The challenge identified by the working group is that resource security is mainly an issue of securing against a sovereign risk, by protecting access to State Forests.

Private native forest (PNF) access and maintenance of existing plantations, as well as development of new plantations are part of the jigsaw puzzle of ensuring there is ongoing adequacy of resource for the industry.

Success criteria for resource security
- Stakeholders understand benefits of sustainably managed native forests
- Information is available to support developing a clear understanding of sustainably managed native forests

- Education, extension activities and capacity building programs support a clear understanding of resource security
- Stability of legislation and regulation around forestry management supports security of resource

Potential projects identified in the workshop

1. Developing the Category 'F' concept and lobbying for its inclusion in the Vegetation Management Act or other relevant legislation (e.g. Forestry Act)
2. Engaging with policy makers on the importance of the '25 year' plantation permanence obligations being sufficiently certain to encourage increased landholder confidence
3. Develop an extension program to support forestry on private property, supported by farm forestry including silvopastoral advice and a program of capacity building
4. Quantifying and demonstrating the financial and natural resource management benefits for farmers of better integration of wood production trees integrated with agricultural activities (e.g. beef)
5. Develop a decision support system for growing trees under different conditions and on different sites, possibly in the form of one or more decision trees, including:
   a. Spatial, species and environmental conditions assessments
   b. Investment & Economic Modeling
   c. Wood manufacturing and value adding
   d. Carbon benefits and biodiversity
6. Developing a program of property level assessments of natural assets, including assessment of native forest and other natural assets, linked to potential markets. Ideal partners would include AgForce and the AgCare Program
7. Undertaking a global timber resource assessment, to inform domestic and international supply opportunities
8. Continue to develop alternative methodologies for carbon and biodiversity recognition and trading, addressing and recognising the co-benefits of:
   a. Timber/farm forestry including native regrowth management
   b. Primary & secondary processing, and value adding socio-economic benefits
   c. Carbon sequestration
   d. Biodiversity considerations
   e. Agriculture and grazing
   f. The role of environmental offsets
   g. First Nations' interests
9. Advancing consideration of technologies suitable to determine the quality of hardwood species (avoiding removal of non-commercial or poor or lesser quality trees) and potential for value-adding processing.

Workforce Planning & Development

Demonstrating a sophisticated understanding of the different aspects of what is often described as a 'labour and skills' deficit, the specific working group identified that a 'whole of life' approach is required to plan for and develop the workforce required for the future.

Specifically related to training activities, the lack of Registered Training Organisations (RTOs) for key functions needs to be addressed by new entities, or by new, industry-led practices to guide the future.

Success criteria for workforce planning and development

- Attracting and retaining required workers becomes easier for industry
- Promotion of careers and opportunities in the forestry and wood products industries identify attractive, advanced and sustainable work and career opportunities
- Flexibility of work, to support work/life balance continues to develop
- New 'fit for purpose' training and assessment arrangements are easy to access and widely implemented
- Training opportunities commence in and around schooling

Potential projects identified in the workshop

1. Based on a regional perception study, develop a regionally specific careers promotion campaign – including suitable collateral – to highlight available industry careers and the pathways to enter them, including outreach to local schools and others to increase regional understanding of the options

2. Develop business level workforce planning tools to support effective recruitment and workforce development, potentially based on the materials available from Jobs Queensland

3. Support business level workforce planning activities by linking similar businesses, some of whom are engaged in workforce development activities, to support those who are yet to commence these activities

4. Develop a 'flexible work practices' tool kit demonstrating how to improve flexibility as a tool to support attraction and retention of a long-term workforce, including case studies on how to undertake effective consultation and how to model flexibility into employment design

5. Establish a registry of linkages to activities/entities like (but not limited to) the following and develop a partnerships pilot with some entities:

   • Local community and other organisations who are potential recruitment sources, with access to a diverse range of employment candidates

   • 'Free' training opportunities

   • Training grants and scholarships

   • 'Local' training providers and other industries with similar training needs

6. Develop collaborative training models for key qualifications, including the Cert II in Forest Operations and the Cert III in Forest Growing and Management

7. Undertake a follow-up business level survey of occupations, skills and training needs and develop an immediate recruitment, training and development roadmap, with one output to be case studies able to attract a wide and diverse workforce

8. Continue the process to identify potential and capable trainers and assessors to create a cohort of people with a Certificate IV in Training and Assessment, as part of creating capability to address thin markets

9. Investigate successful businesses or industries known for their people-centred culture and sustainable workforce management. Analyse their strategies, policies, and programs that promote a positive work environment and foster professional growth. Identify best practices that can be adapted and implemented in the industry and regional context

10. Conduct surveys, interviews, or focus groups with employees to gauge satisfaction levels, identify factors influencing retention, and gather feedback on work environment and professional development opportunities. Identify areas for improvement and strategies to enhance employee satisfaction and retention

Manufacturing and Infrastructure

Although retained as separate themes, it was generally agreed in the workshop that supply chain infrastructure, includes the technologies, capital and processes for manufacturing, especially more advanced manufacturing.

This conversation arose as part of a discussion about the growth in pre-fabrication, as a response to an otherwise inefficient housing supply chain. The workshop agreed this was particularly important in the context of the recent and ongoing emphasis on expanding the nation's stock of social and affordable housing.

Success criteria for manufacturing and infrastructure

• Infrastructure developments are fit for specific purpose, integrated to other elements of the supply chain and efficient and scalable

• Project considerations focus on maximising public funds and delivering co-benefits where possible, as well as meeting specific market demand

• Product diversity is pursued as a means to utilise resource efficiently, and is supported by scaled infrastructure and support services across the supply chain

Potential projects identified in the workshop

1. Undertake a comprehensive overview of infrastructure (road, bridges, storage and loading facilities) upgrades required for the industry's effective operation

2. Analysis of regional value-adding processing and prefabrication opportunities, undertaken through the lens of local species, scale, end-markets and coupled with the national experience of what has previously been successful and what has not, with emphasis on regional and Queensland opportunities, including:
   - Remote, worksite accommodation
   - Hybrid timber/steel prefabrications
   - Timber components for steel structures
3. Undertake analysis of emerging (pre-commercial?) opportunities for value-adding and prefabrication, going beyond the more traditional EWPs and bioenergy formats, taking into account regulatory factors at a Federal, State and Local government level)
4. Undertake research to ensure recognition of the importance of supply chain residues in a total manufacturing strategy, regardless of the end-use of the residues, including products like biochar and other forms of bioenergy
5. Industry level analysis of the 'timber turnkey' solution to the turnkey model used for steel prefabrication in housing and general construction.

Guidance for Strategy Development

The following schematic follows loosely the model deployed by the Hub for the 2021 and 2022 strategy. It is supplied in this form to facilitate understanding and discussion.

Although the synthesis of the materials presented, the workshop and subsequent feedback, this guidance for strategy development can be considered by the Hub as an input into its strategy decisions, rather than a strategy, in its own right.

To complete the strategy, it is recommended the Hub undertake the following steps:

1. Identify traditional knowledge base (resource management, traditional timber usage, socio-economic specific issues) and engage directly with First Nations stakeholders to the Hub, to develop suitable project proposals for the themes and projects set out later in this document.
2. Consider the Themes and Specific Strategies to determine if they are appropriate.
3. Prioritise specific Potential Projects, based on their importance to the Hub.

Themes	Specific Strategies	Potential Projects	Action Notes
Forest Resource Security	1.1 Improve resource security	1.1.1 Development of the Category 'F' concept to support its possible inclusion in the Vegetation Management Act or similar legislation. A research project of this type would design the concept in a collaborative manner, engaging stakeholders extensively, allowing them to subsequently determine if it is appropriate to pursue as a potential legislative amendment.	
	1.2 Expand farm forestry's role	1.2.1 Development of an extension program to support expansion of forestry on private property, supported by specific farm forestry including silv-pastoral advice, and an implementation activity program to support capacity building. 1.2.2 Development of a decision support system for growing trees under different conditions and on different sites, possibly in the form of one or more 'decision trees', including parameters addressing: • Spatial assessments • Economics • Carbon benefits and biodiversity 1.2.3 Development of a program or consistent framework for property level assessments of natural assets, including assessments of native forest and other natural assets, linked to potential markets, including timber, carbon and biodiversity markets. 1.2.3 Development of relevant research into the net financial and other natural resource management benefits of better integration of wood production trees into agricultural activities (e.g., beef), as a mechanism to improve understanding and education for adoption by farmers	Potential partners include AgForce and the AgCare Program This could constitute a single project, operating in three phases or with separate elements
	1.3 Increase revenues and recognised co-benefits from farm forestry	1.3.1 Continuation and extension of efforts to develop alternative methodologies for carbon and biodiversity recognition and trading, addressing the co-benefits of at least the following: • Timber/farm forestry, including native regrowth management • Carbon sequestration • Biodiversity considerations • Agriculture and grazing	Links to 1.2

Themes	Specific Strategies	Potential Projects	Action Notes
		• The role of environmental offsets • First Nations' interests	
	1.4 Improve understanding of sustainable forest management in the general community	See 'Communication'	
Workforce Planning & Development	2.1 Improve perception of regional forest industries and occupations	2.1.1 Based on a regional perception study, focussed on the workforce of the future (school-aged children and young adults) develop a regionally specific careers promotion campaign.	Possible partner is Forest Learning
	2.2 Improve workforce planning, recruitment and retention	2.2.1 Investigate successful businesses or industries known for their people-centred culture and sustainable workforce management. Analyse their strategies, policies, and programs that promote a positive work environment and foster professional growth. Identify best practices that can be adapted and implemented in the industry and regional context. 2.2.2 Conduct surveys, interviews, or focus groups with employees to gauge satisfaction levels, identify factors influencing retention, and gather feedback on work environment and professional development opportunities. Identify and promote areas for improvement and strategies to enhance employee satisfaction and retention. 2.2.3 Develop and support business level workforce planning tools to support effective recruitment and workforce development. 2.2.4 Develop a 'flexible work practices' tool kit, including case studies on how to improve flexibility as a tool to support attraction and retention of a long-term workforce. 2.2.5 Engage with existing processes to trial 'micro-credentialling' as a means of providing employees with appropriate skills in a flexible and inclusive manner.	Potential support from and partnership with Jobs Queensland
	2.3 Address regional 'thin' training markets	2.3.1 Develop collaborative training models for key qualifications, including the Cert II in Forest Operations and the Cert III in Forest Growing and Management. These may include RTOs or specific workplace models.	Likely to integrate to national level initiatives

Themes	Specific Strategies	Potential Projects	Action Notes
		2.3.2 Undertake a follow-up business level survey of occupations, skills and training needs and develop an immediate recruitment, training and development roadmap, with one output to be case studies able to attract a wide and diverse workforce	
		2.3.3 Continue the process to identify potential and capable trainers and assessors to create a cohort of people with a Certificate IV in Training and Assessment, as part of creating regional capability to address thin markets.	
First Nations Engagement	3.1 Establish and advance industry engagement with First Nations Australians	3.2.1 Develop First Nations Knowledge Holders' Strategy	Further consideration required by the Hub
	3.2 Develop appropriate economic partnerships with First Nations economic and community organisations	3.2.2 Develop a framework for engaging with First Nations landowners and land holders regarding potential plantation/native forestry land-use partnership	Further consideration required by the Hub
Manufacturing AND Infrastructure	4.1 Advance prefabrication and competitive manufacturing	4.1.1 Conduct analysis of regional prefabrication opportunities, undertaken through the multiple lens of local species, scale, end-markets and coupled with the national experience of what has previously been successful and what has not, with emphasis on regional and Queensland opportunities, including: • Remote worksite accommodation • Hybrid timber/steel prefabrications • Timber components for steel structures 4.1.2 Undertake research of emerging (including pre-commercial) opportunities for prefabrication, going beyond the more traditional EWPs and bioenergy formats, accounting for regulatory factors at a Federal, State and Local government level). 4.1.3 Support national/industry level analysis of the 'timber turnkey' equivalent solution to the turnkey model used for steel prefabrication in housing and general construction.	
	4.2 Extract increased and integrated value from residues	4.2.1 Undertake research to ensure regional recognition of the volume of supply chain residues, their current use and relative availability and identify scaled utilisation opportunities, including in products like biochar and forms of bioenergy.	

Themes	Specific Strategies	Potential Projects	Action Notes
	4.3 Improve basic regional infrastructure	4.3.1 Undertake and publish a comprehensive overview of road and traffic upgrades required for the industry's effective operation, conducted on a forward-looking basis.	
Communication	5.1 Increase industry's social media presence	5.1.1 Social media information and community education project targeted at potential workforce.	
	5.2 Integrate and standardise communications	5.2.1 Develop an integrated communication strategy for use and application as a framework for all Hub projects, to build consistency, repeatability and reliability.	
	5.3 Coordinate and centralise education communications	5.3.1 Establish a single regional communication portal for industry information and outreach purposes, aiming to provide consistency and uniformity.	