GIPPSLAND
FORESTRY HUB
Promoting the Forestry Industry

Gippsland Forestry Hub
30 Year Strategy

for a growing, sustainable industry supporting communities to thrive

GREENWOOD STRATEGY

This document is a summary of the Gippsland Forestry Hub Strategy prepared by Greenwood Strategy Solutions Pty Ltd.
The complete strategy document is available at www.gippslandforestryhub.com.au.

Photo credits: Braden Jenkin © Sylva Systems Pty Ltd
Additional photos: VicForests (page 3), Hancock Victoria Plantations (page 7), Australian Sustainable Hardwoods (page 17)

Australian Government
Department of Agriculture, Water and the Environment

It's with pleasure that I present this 30 year Strategic Plan on behalf of the Gippsland Forestry Hub.

We all know how important the forest and wood products industry is to Gippsland's economy. The forest growing, harvesting, transport, processing and manufacturing sectors in Gippsland employ some 3,400 people directly, mostly regional. For the industry to continue to thrive and therefore continue to make a positive contribution to our Gippsland community, a well thought out industry plan that acknowledges the industry's current strengths, yet embraces change is necessary. The long-term nature of growing and managing Gippsland's forest and the required capital investment by its processing and manufacturing sectors necessitates the need for a long term view.

The Gippsland Forestry Hub membership base of industry, educators and government has been formed to provide a coordinated voice to focus on the industry's future. This 30 year strategy and further action plans will guide the sustainable growth of our industry for decades to come in Gippsland, so that the industry can continue to do what it does best today and much more into the future.

Our plans and goals need to be generational, to endure the lengths of multiple forest rotations, so that when trees mature, they are available for further processing and manufacturing on a sustainable basis and also provide the other benefits such as healthy living and carbon storage well into the future.

Simon Gatt
Chair
Gippsland Forestry Hub

The Gippsland Forestry Hub

The Gippsland Forestry Hub was formed in 2020 after a successful submission to the Commonwealth Government under its National Forest Industries Plan: Growing a Better Australia – A Billion Trees for Jobs and Growth policy framework.

The GFHub is committed to innovation and growth, plantation expansion, research and development, education, training and employment possibilities, infrastructure and, importantly, community engagement.

The committee is representative of and includes key stakeholders. It is working with state and local governments, the agriculture sector, the broader Gippsland community, and other key stakeholders to undertake assessments of production forestry and future timber needs, processing capacity and infrastructure limitations.

There are exciting challenges ahead as identified in this strategic plan and I feel privileged to be a part of the GFHub, identifying opportunities for a growing and sustainable industry into the future whilst supporting local regional communities to thrive.

Lesia Clark
General Manager

About the Hub

The Gippsland Regional Forestry Hub (the Hub) was established in 2020 and is funded by the Commonwealth Government as part of the National Forest Industries Plan: Growing a Better Australia – A Billion Trees for Jobs and Growth. The Hub is one of ten similar entities located in key forestry regions throughout Australia.

The Hub's stated aims are to identify opportunities for a growing industry into the future to make the forest and forest products industry sustainable while supporting local and regional communities to thrive, improve public perceptions, support the community and raise awareness in the region of the career opportunities and employment pathways in the industry.

The Hub identified the need to develop a 30 year strategy for Gippsland's forest and forest products industry to provide a clear and deliverable framework for ensuring that the industry is set up to meet these aims.

The Hub engaged Greenwood Strategy to develop the strategy in line with its responsibilities to the Commonwealth funding arrangements under the National Forest Industries Plan policy framework.

Why a 30 Year Strategy?

Gippsland is large and diverse. Covering a 450-kilometre span from the densely populated west at the edge of metropolitan Melbourne (characterised by intensive agriculture and increasing lifestyle migration) to the more sparsely populated east of the region (where broad-acre agriculture and the native forestry industry dominate the economy). Between these two extremes, central Gippsland's economy is dominated more or less equally by forestry (plantation and native), coal extraction and electricity production and agriculture.

Gippsland is experiencing a period of considerable change, driven by shifts in State Government policy, demographic change, changes in agriculture and agricultural markets, and aging industrial infrastructure. The forest and forest products industries are experiencing considerable upheaval in the region, driven predominantly by the 2018 decision to cease native forest harvesting by 2030, which brings with it a high degree of uncertainty for the sector in relation to a transition to the as yet to be defined alternative fibre supply. The region has a long and proud history as the centre of a major forest industry base and the sector must now redefine its future in order to transition to a sustainable and viable future.

This changing environment brings threats and opportunities for the forestry and forest products sector in the region. A 30 year strategy will provide an important framework to guide the sector in its journey to adapt, survive and thrive to continue its role at the centre of Gippsland's economy and community.

Developing the Strategy

Development of the Gippsland Regional Forestry Hub 30 Year Strategic Plan project has involved:

1. Preparation of a comprehensive description of the forest and forest products industries in the Gippsland Region, from seedlings to end products, including consideration of historic, current and potential future state. This description includes a detailed analysis of the challenges and opportunities for development of the sectors in the Region.
2. Development and recommendation of strategic themes and priorities for action forming the basis of the 30 year strategic plan.
3. Extensive stakeholder consultation to further develop and refine recommendations and actions for delivery of each strategic priorities, supported by industry, to provide short (5 year), medium (10 year) and long (30 year) term focus for the Hub to deliver against.

Acknowledgment of and role of Traditional Owners

The Gippsland Forestry Hub acknowledges the Traditional Aboriginal Owners of country throughout Gippsland and their ongoing connection to this land and we pay our respects to their culture and their Elders past, present and future. The Traditional Owners can play a significant and integral role in implementing this strategy as potentially part of the forest and forest products industry and provision of significant knowledge in land management.

Supporting regional overview

The strategy in overview

A long-term view for a vital industry

Purpose

The purpose of this strategy is to develop a long-term plan for a thriving and sustainable industry. It aims to achieve this by actions which:

» make the forest and forest products industry sustainable

» identify opportunities for a growing industry into the future

» support local and regional communities to thrive, improve public perceptions of the industry and support the community, and

» raise awareness in the region of the career opportunities and employment pathways in the sectors.

Vision

The Hub's strategic vision is to work with industry and stakeholders to develop and implement solutions for the forest and forest products sector for today, tomorrow and the next 30 years.

Strategic intent

The strategic intent is for the Gippsland forest and forest products industry to identify, develop and implement innovative solutions that support the continued growth of the forest and forest products sectors in Gippsland with broad community support and industry buy-in, supported by a well-resourced and functioning Hub.

Strategic themes

Four strategic themes have been developed to guide the work of the Hub and provide a focus for the industry to move to its preferred state over the next five, ten and thirty years.

Fibre security for a thriving industry

To improve understanding of current and future potential secure fibre availability in the region and better inform decision making in relation to available fibre.

In particular it is imperative that the Hub develop a clear understanding of the short and medium term implications of the State Government's policy position to cease public native forest harvesting, the potential transition issues associated with its timing and the proposed segue to plantation timber, as well as what are the potential options available for maintaining and increasing secure timber availability into the future.

There is also an imperative to better understand and quantify the demand/supply dynamics for the region and how downstream markets influence that balance.

Innovation for a world class, sustainable industry

To examine and capitalise on the natural advantages of Gippsland with respect to maximising the supply chain value of fibre produced from the region and identify the education, training and skills requirements for an innovative, progressive forest industry, focused on increasing domestic processing and product value.

A trusted and reliable source of information

To ensure that robust, defendable, reliable and accurate information is used as the basis for influencing and informing government and commercial decision-makers and the broader community, with Gippsland's forest and forest products industry speaking with a coordinated voice.

Contributing meaningfully to Gippsland's community and economy

To recognise and enhance the contribution of the forest and forest products sectors to Gippsland's economy and community. The industry will embrace change while positively influencing the direction of that change and continuing to deliver economic activity, employment and additional indirect regional benefits.

Forestry in Gippsland – challenges and opportunities

Gippsland has a long and proud timber industry history. Production forestry is the most common land use by area and comprises 34 per cent of in the region's land base.

Production forestry comprises management of both public native forests and privately owned plantations (softwood and hardwood) across the region, primarily for timber production as well as a range of other complementary uses, particularly recreation.

The total plantation area is approximately 90,000 ha, representing about 23 per cent of Victoria's total plantation estate.

Gippsland is also a significant and productive agricultural region, contributing some $2.2 billion in farm output each year. Agricultural land accounts for approximately 28 per cent of the region's land base.

Although predominantly a primary production and industrial region, Gippsland's urban and semi-urban footprint is also expanding with the eastern push of outer-metropolitan Melbourne into the region as well as increasing lifestyle migration to south and west Gippsland.

Gippsland has many positive attributes which support the future expansion and enhancement of the forest and forest products sectors. These include a productive agricultural land base and suitable climate for growing trees, good quality transport infrastructure and proximity to major markets and ports in Melbourne and an established industrial economy with opportunities to add considerable value through the supply chain.

Future opportunities for the forest and forest products sectors in Gippsland are also constrained by key issues including state government policy which will see a significant reduction in available fibre resources by 2030, uncertainty about whether or not a replacement plantation fibre resource can be established, the availability of affordable and suitable land for plantation establishment, competition from alternative high value land uses and a diverse regional community which expresses mixed levels of support for the industry.

In summary, the forest and forest products industry in Gippsland faces a suite of challenges and opportunities. Some of these are shared with other key forestry regions and some are unique to Gippsland. There exist opportunities to work closely with other regional forestry hubs on shared challenges and opportunities but those which are unique to Gippsland require identification to enable Gippsland specific solutions.

A 30 year strategy for a thriving, sustainable Gippsland timber industry

The Hub has developed four strategic themes which reflect the existing and emerging opportunities and challenges for the forest and forest products industry in the region. Consistent with the Hub's 30 year outlook, the Strategy considers each of these four themes across the short, medium and long term. Overriding these four strategic themes is the imperative for the Hub to clearly establish its role and the way it works to support an industry which contributes directly to the economic, environmental and social sustainability of a thriving Gippsland economy.

Gippsland Forestry Hub – Role and governance

SHORT-TERM

The principles for the short-term strategic focus are to fully understand the value of the industry to the region (economic, environmental and social) and identify opportunities for short-term value improvement.

MEDIUM-TERM

The principles for the medium-term strategic focus are around development of an agile, responsive sector capable of identifying and acting on opportunities for sustained growth.

LONG-TERM

The principles for the long-term strategic focus relate to ensuring that the sector can drive value growth for both the industry and the regional community, with the forest and forest products sector recognised and accepted as an integral part of the region's profile.

Fibre security for a thriving industry

VISION:

Gippsland is home to a world class multi-faceted forest estate with secure access, capable of supporting a thriving, innovative and growing forestry and forest products sector. Gippsland's regional transport and related infrastructure will be capable of supporting a world-class, innovative and dynamic forestry and forest products processing and distribution sector that generates efficiencies and enhances community safety.

Innovation for a world class, sustainable industry

VISION:

Gippsland is home to a world-class and innovative forest products primary and secondary processing sector.

A reliable and trusted source of industry information

VISION:

All levels of government, the community and the industry itself embrace, actively support and advocate for a sustainable, viable and innovative forestry and forest products sector in Gippsland. Support is based on accurate and reliable information presented in a coordinated and collaborative way on behalf of the industry.

Expanding the contribution of forestry to Gippsland's economy and community

VISION:

The forestry and forest products sectors are recognised and acknowledged as an integral, value-adding part of the entire Gippsland community and economy. Gippsland is a preferred employment location for forestry and forest products sector employees, and forestry education, training and skills development.

Gippsland Forestry Hub role and governance

Context

The Hub has been funded until August 2022, with significant expectations for delivery in line with the Commonwealth Government's policy framework and the aspirations of industry partners. It is important in this context that the Hub's role and the way it operates are clearly defined and understood by relevant stakeholders.

Strategic aim

To ensure that the Hub's systems, structure, composition and processes for delivering outcomes are appropriate and in place, creating a foundation for any subsequent arrangements and workstreams to support Gippsland's forest and forest products industries.

Objectives

SHORT TERM

To enable the Hub to effectively deliver against its mandate requires:

- Clearly defining the Hub's purpose, limitations and expectations of what it will deliver.
- Clarifying the composition of the Hub's membership, management and governance structures.
- Developing clear messaging from the Hub to industry, all levels of government and the broader Gippsland community.
- Adequate funding to achieve its mandate.

Fibre security for a sustainable and thriving industry

Context

Fibre is essential to the future of industry

Fibre includes all available and potential wood sources, whether hardwood or softwood plantation, or native forest regrowth, and including both logs and residues.

Secure and reliable access to fibre is essential to support a sustainable and thriving forest products sector with aspirations for growth. The Gippsland region has proven capacity to support growing, harvesting and distributing wood and wood products from native forest regrowth and plantation forests and has long been recognised as a major forest industry region in Australia.

Currently, demand and supply in Gippsland are reasonably evenly balanced (with some movements in and out of Gippsland). However, there is increasing demand-side pressure for all forest products and stakeholders have indicated that current forest product processing capacity considerably exceeds available fibre supply. Further, stakeholders noted that markets for their products are continuing to improve. This suggests that regardless of available raw timber products, Gippsland's processors consider that the market is ready and willing to accept whatever processed and manufactured wood products are available. However, in Gippsland there are currently two major growers and three major customers for forest products, and a considerable proportion of fibre is dedicated to the production of fine paper from native hardwood forests and structural sawn timber and packaging from softwood plantation forests.

Regardless of the state of markets, there are and continue to be material threats to fibre security in the region.

The role of fire

Recent fire history in the region (particularly since the mid-2000s), has resulted in significant short to medium-term reductions in the capacity of the region's forests to maintain supply at historic levels. This is the case for both native and plantation forests. The issue of landscape level fire resilience for the forestry and forest products sectors is one of vital importance which requires attention and solutions from both within the sector and outside it. This is particularly important, given the exposure of forests to land management decisions made and implemented by other regional land-owners and land-uses within a complex and intertwined matrix of public and private land managed for agriculture, mining, conservation and timber production. Adding to this is the challenge of peri- and semi-urban expansion around many of Gippsland's population centres which increases the risk of ignitions and the associated risk to communities as a consequence of large fire events.

There is a significant opportunity for industry and particularly land managers to work more closely with Traditional Owners, utilising their knowledge of natural systems and fire behaviour in the region, to explore the role of alternative approaches of thinning and harvesting in native forests to assist management of fuel loads and mitigation of fire risk.

Transition from native forests to plantations

The most pressing short-term issue with respect to reliable and sustainable access to fibre resources in the region relates directly to the State Government's decision to cease harvesting public native forests by 2030. This decision is premised on the State Government's publicly expressed assessment that industry can effectively and completely transition to a plantation fibre base within that period of time. It is clear, based on objective analysis and the informed views of stakeholders consulted, that a complete transition from native forest to plantation fibre is not feasible within the timeframes envisaged. The reasons for this are multi-layered. For example:

» First, the timeframes involved in establishing a commercial plantation estate capable of providing either hardwood or softwood plantation logs suitable for use in a complementary fashion by Gippsland's forest processors is much longer than the eight to ten years allowed by the State Government's policy decision. Additionally, the wood properties of many suggested long-rotation species are as yet undetermined - fast grown trees in a plantation environment will have different properties at the age of 30 to 40 years than the same species grown or regrown in a natural forest environment on a longer rotation.

» Second, the assumptions around a future expanded plantation estate imply the addition of between 25,000 and 50,000 ha of new plantations in the region. A range of factors are likely to prevent this occurring, including availability of suitable land, the cost of suitable land and existing negative community sentiment towards potential industrial plantation expansion. The latter can potentially be overcome and the Hub is expected to have a role here. However, the availability and cost of land will be an ongoing issue.

» Third, the reduction in forest management, service provision (silviculture, harvesting and haulage) and processing capacity in the region that will result as native forest actors exit the industry due to lack of secure and available resource that resource cause a gap which may be difficult to recover from in future.

Alternative fibre sources

Nevertheless, there is broad recognition that opportunities exist to supplement future fibre supply from the region while also delivering broader community, economic and environmental benefits. In particular, stakeholder consultation revealed that, while it is recognised as a challenging pursuit, active engagement with the agricultural community, as well as State and Commonwealth Government agencies, to develop and implement a program to integrate commercial tree plantations into farming settings is both desirable and possible.

Similarly, there exist opportunities to explore the potential for expanding the role of private native forests in the region, with a view to complementing and potentially replacing public native forest timber supplies, focusing on high-end, quality manufactured native hardwood building and furniture componentry.

Beyond agriculture and privately owned natural forests, there are a range of other landowners in Gippsland that may have an interest in participating in an expanded fibre supply role for the region's forest products sector, whether through plantations or native forests. These include utilities such as Gippsland Water, and the Traditional Owners of the region.

There is also the question about whether fibre can be feasibly (commercially) transported from other regions to support a growing and innovative forest and forest products sector in Gippsland. This raises the issue of potential infrastructure developments to facilitate such intra- and interstate trade in fibre. While Gippsland's infrastructure is generally considered adequate for the current requirements of moving logs within and products out of the region, a number of stakeholders identified the potential for infrastructure investment (for example in rail and intermodal facilities), which may improve opportunities for wood-flows into the region to address real and potential fibre availability issues into the future. This is predicated on the availability of surplus fibre in other regions which requires an objective assessment.

Finally, there is an emerging view, similar to other Australian forestry regions, that expansion of the forest estate and potential fibre availability must consider non-wood forest products and benefits. These include the potential carbon offset value of newly established plantations, alternative multiple use opportunities for public native forests and agricultural co-benefits from integrating trees into farming (e.g. pasture and stock productivity, soil quality, water quality, biodiversity and alternative income streams). There are barriers to achieving this, particularly in relation to carbon markets relying on the ability to participate in the Commonwealth Government's ERF; this is currently challenging in Victoria (specifically in Gippsland) due to lack of agreement regarding the materiality of impact of tree plantations on water availability.

Contractor and services availability, capability and capacity

A critical aspect of secure fibre availability is the capacity of the region's contractor and services sector to support the establishment of plantations, the management, harvesting and haulage of forest products and the distribution of processed and manufactured wood products.

Gippsland has a mature services environment which is well balanced with the current market. There is a concern that the fibre availability changes currently mooted, in respect of the public native forest estate, are creating a degree of uncertainty which will result in a depletion of service capacity in the region to support the future growth aspirations of the industry; certainly for the native forest sector and possibly flowing on to the plantations sector.

There is also a concern that the loss of qualified and experienced fire fighters (many contractors operating in native forests act as specialist firefighters over summer), as well as plant and equipment, associated with ceasing native forest harvesting will result in reduced ability to manage fire risk and respond to wildfires in the region.

Policy and regulatory impediments

There is a perception that State Government policy and local government regulation (directly related to forestry, through local government responsibility for enforcement of the Code of Practice for Timber Production Code, and more broadly through land-use planning regulation) are both serious impediments to the potential expansion of forestry on private land in Gippsland. This is additional and separate to the State Government's policy decision with respect to public native forest harvesting.

Strategic aim

To improve the understanding of current and future potential secure fibre availability in the region and to better inform decision making in relation to available fibre.

There is an imperative to better understand and quantify the demand/supply dynamics for the region and how downstream markets influence that balance.

In particular, in support of the forest and forest products industry, it is imperative that the Hub develops a clear understanding of the short and medium-term implications of the State Government's policy position to cease public native forest harvesting, the potential transition issues associated with its timing and the proposed segue to plantation timber, as well as what are the potential options available for maintaining and increasing secure timber availability into the future.

Objectives

SHORT TERM

- Conduct a gap analysis of available information. This should determine what information is available and what information is required about current, future and potential supply of fibre for the region.
- Understand the current, future and potential supply and demand balance for fibre supply in the region.
- Analyse and describe the fibre supply implications of the proposed transition from public native forest to private plantation supply for the region's industry, quantitatively and qualitatively.
- Assess and determine the potential of alternative fibre supply solutions for the region, including:
  - Reviewing and assessing policy and regulatory barriers to expansion of fibre supply.
  - Review and undertaking a gap analysis of previous work related to potential land availability and suitability for alternative fibre supply, including plantation expansion and private native forestry.
  - Integration of commercial forestry into farming systems.
  - Further resource expansion options, including on other public and utilities land, and with Traditional Owners in the region.
- Explore the role of alternative approaches to effective fire prevention and management in relation to secure long-term fibre supply.
- Analysing regional infrastructure requirements, impediments and opportunities, including consideration of solutions which facilitate the movement of fibre and wood products between regions.

MEDIUM TERM

- Understand the specific future requirements for alternative resource which provides definitive statements of the state of current knowledge, including:
  - Species (site requirements, management and wood properties).
  - Plantation investment opportunities.
  - Opportunities for private native forestry.
- Developing an actionable plan for implementing commercially viable farm forestry that can contribute to future resource requirements, including understanding barriers to farm forestry adoption and uptake.
- Determining with clarity what will happen with respect to native forest timber supply up to and post 2030.
- Firmly establishing the role of carbon and environmental services in supporting the investment thesis for new plantations and management options for native forests.
- Addressing the longer term implications of fire regimes, fire occurrence and fire management (including responses) with respect to sustaining a viable productive forest footprint with the support of the Gippsland community.
- Understanding inter-regional wood flow opportunities with adjacent Hubs, including:
  - Understand regional supply/demand dynamics and therefore surplus of specific products.
  - Identifying inter-regional infrastructure barriers.
- Working with State and local governments, as well as other sectors, to develop a regional infrastructure strategy which supports the industry and increases efficiency.

LONG TERM

Gippsland is home to a world class multi-faceted forest estate with secure access, supporting a thriving, innovative and growing forestry and forest products sector. Gippsland's regional transport and related infrastructure is supporting a world class, innovative and dynamic forest and forest products processing and distribution industry, that generates efficiencies while enhancing community safety.

Innovation for a world class, sustainable industry

Context

A different mandate

While Gippsland is recognised as one of Australia's most significant forest industry locations, it is also viewed by some as exhibiting less commercial and economic maturity when compared to regions such as northern Tasmania, the Green Triangle and the region encompassing north-east Victoria and the south-west slopes of New South Wales, particularly in relation to solid wood processing.

An important observation, supported by stakeholder consultation, is that the wood and wood products industry in Gippsland has been operating with a focus on primary production and commodity products. In itself that is not a criticism and is not necessarily different to any other of Australia's key forestry regions where production has focused primarily on structural sawn timber or hardwood woodchip for export to offshore processors.

A unique opportunity

However, it is recognised that Gippsland is in a unique position with respect to its broader industrial and manufacturing capacity, favourable industrial land zoning arrangements, physical proximity to metropolitan Melbourne (and by default, markets further afield) and relatively high-quality infrastructure to support movement of goods from the region and movement of skills into the region.

More than paper and structural sawn timber

The potential for Gippsland to evolve as a significant innovation hub, supporting a move of industry from a commodity and primary processing focus to a more sophisticated manufacturing and industrial model of operation is very real, driven by these natural advantages. A focus on innovation, improving supply chain value and increased domestic manufacturing of higher value goods for export within and outside of Australia, is likely to hold a great deal of appeal to policy makers within the Victorian and Commonwealth Governments.

Pushing further down the supply chain may also have a materially positive impact on the ability of processors within the region to access fibre resources more economically from regions outside Gippsland. There already exists precedent for Gippsland processors and manufacturers sourcing hardwood sawlogs from other states as well as an emerging recognition that more sophisticated manufacturing of higher value building and furniture componentry is potentially less reliant on specific fibre types (for example consistency in species or log size). However, it must be noted that this is currently being undertaken for strategic reasons and to ensure sufficient resource availability – the availability of constrained log supply from other regions and states may only be feasible at small volumes and in the short-term.

Emerging products and technologies

Whether in Australia or internationally, there is increasing focus on the potential for emerging products and technologies from forest fibre resources which can transform the way that wood is used for construction and industrial purposes. Examples of this range from engineered wood products through to cellulose-based products. Currently in Australia, there has been limited progress with developing capacity in these non-traditional technologies. Gippsland, with its natural industrial, economic and geographic advantages, presents a unique opportunity to explore these potentially significantly high-value alternatives to traditional forest products. While this would represent a significant shift from the current commodity focused forest economy, there is no other Australian forestry region that has the advantages of economic proximity to a major metropolitan centre with an international-scale port, combined with industrial and manufacturing capacity and skills.

Research capacity – Federation University and Gippsland NIFPI Centre

Gippsland is endowed with tertiary education capability in Federation University. An innovation and supply chain value strategy for the sector in Gippsland should aim to leverage this asset in favour of continued evolution of the sector to underpin its longer-term future.

Gippsland is also home to a National Institute for Forest Products Innovation (NIFPI) Centre. The NIFPI is a national program, with centres in key forestry regions supported by state and Commonwealth funding arrangements. The NIFPI is focused on promoting and encouraging innovation in Australia's forest and wood products industry by fostering collaboration to identify and fund projects which deliver maximum industry impact.

The Gippsland NIFPI Centre has recently been established and is in the process of identifying its priority focus areas. There is considerable opportunity for the Hub to guide and support industry engagement with the NIFPI through this 30 year strategy.

Skills, training and education

Innovation and growth rely heavily on the capabilities, education, skills and training basis for the industry.

A number of stakeholders identified the need to build on the region's previous efforts and success in relation to understanding the skills, training and education requirements for the industry in the region, focusing from high school to post employment training. An important focus is the rapidly changing requirements for operators, in particular, with an increasing focus on dexterity and fine motor skills for operating increasingly sophisticated and high-cost machinery.

Another area of focus for stakeholders relates to the availability of professionally trained and educated specialists. This logically covers forestry professionals. However, there is recognition that if the Gippsland forest industries are to move further down the value chain and focus on increased domestic manufacturing of higher value products, then a wider range of professional skills will be required in the region; for example, tertiary educated engineers specialising in disciplines such as programmable logistics, manufacturing and electronics, will be increasingly sought after.

Educating, training, attracting and retaining highly skilled and capable employees in Gippsland to drive the industry's innovation agenda is an important task. The Hub has an opportunity in the short term to focus on better understanding what education, skills and training are required to support the changing industry needs.

Strategic aim

To examine, define and leverage the natural advantages of Gippsland with respect to maximising the supply chain value of fibre produced from the region and identify the education, training and skills requirements for an innovative and, progressive forest industry, focused on increasing domestic processing and product value.

Objectives

SHORT TERM

- To understand the requirements of the current processing sector and opportunities and challenges for responding to change.
- To understand the enabling factors to foster innovation and adoption of emerging technologies match to fibre resources.

MEDIUM TERM

- Identify likely candidates for practical emerging processing technologies and product development that suit Gippsland's current and forecast fibre supply with respect to quality, type and quantity.

LONG TERM

- Gippsland is home to a world class, sustainable and innovative forest and forest industry.

A reliable and trusted source of industry information

Context

One of the most important Hub functions is its communications and information sharing mandate. This requires a careful consideration of what the Hub's communication mandate means and how it can best implement this important role. All the Hubs are well placed to play a coordinating role in the way that information is gathered, vetted and shared to benefit the national sector.

Stakeholder consultation identified considerable expectations of the Hub with respect to its role in this space. In some instances, these expectations were inconsistent with the Hub's role and objectives. In particular, as a Commonwealth Government funded entity, the Hub is precluded from undertaking industry advocacy and lobbying.

The challenges of communication and making available accurate and reliable information to support the industry's strategic aspirations, are shared across the sector at state and national levels. That means there are opportunities to work closely with other Hubs as well as other industry organisations on this important issue.

However, there are also regionally specific issues which can and should be addressed directly by the Hub.

Addressing knowledge gaps

Decisions made in the absence of robust and good quality information can lead to poor outcomes on the ground. For example, there is a strong view held widely by stakeholders, that the State Government's decision to cease native forest harvesting on public forests from 2030 and transition to plantation fibre from 2024 is based on inadequate information and imperfect and un-objective advice. The natural consequence is a general sense of insecurity and frustration within the region's industry and deep concern about the implications for the industry's longer-term viability.

The Hub must play a key role in identifying knowledge gaps and providing accurate and reliable information, assessment and analysis to inform decision-makers.

A coordinated industry voice

There is clearly an appetite within the region's forest industry players and stakeholders for a coordinated voice which can provide objective and evidence-based conclusions and messaging for the industry in Gippsland. A large number of stakeholders noted an aspiration for the Hub to provide this coordinated, unified voice. While the Hub is specifically excluded from an advocacy role, there is a gap in contemporary, high-quality, well-founded and science-based research and information about the industry and its positive role in Gippsland which can be addressed by the Hub within its remit.

Skills, training and education

Well educated and highly trained forest industry employees and contractors with appropriate skills are essential in the provision of expert advice to both inform industry development and support engagement with governments, businesses and the broader community to ensure that decisions which affect the future of the industry (and therefore the region) are based on sound science and robust, factual information.

The industry in Gippsland has a strong history of engagement from high school level through to sub-professional and tertiary education providers. The Hub is in an excellent position to capitalise on those existing relationships and previous engagement, with the explicit purpose of engaging the training and education system in the importance of this theme.

Community support and promoting a sustainable industry

The Hub has a critical role in collecting, vetting and communicating accurate and useful information regarding the forest and forest products industry which can be used for communication and information sharing. There is also an important role in developing an information base as well as tools and processes for improving the industry's social license and engaging the broader community to promote the sustainability credentials of the forest and forest products industry and ensure that community opinion is influenced by facts and science.

Strategic aim

To ensure that robust, reliable and accurate information is used as the basis informing government and commercial decision-makers and the broader community, with Gippsland's forest and forest products industry speaking with an informed and coordinated voice.

Objectives

SHORT TERM

- Identifying opportunities to work with other regional forestry Hubs and organisations on the shared industry issue of communications and social license.
- Consider community engagement at three levels (immediate neighbours, local community and broader community).
- Developing a clearer, more accurate understanding of community awareness, perceptions of and knowledge about the industry in Gippsland.
- Make use of these insights to improve community knowledge and perceptions of forestry in Gippsland.
- Engagement with Gippsland's Traditional Owners to understand and respond specifically to those communities' forestry sector perspectives and needs.
- Identifying policy and regulatory barriers to maintaining and expanding the forest and forest products industries in Gippsland, including:
  - Water policy barriers to uptake of carbon opportunities, particularly in relation to water interception and its impact on ERF participation.
  - Forest management regulation frameworks.
- Developing and enhancing the sharing of knowledge to ensure local government has a clear understanding of its impact on Gippsland's forest industry, the risks and benefits, based on facts and science.
- Determining the implications of negative perceptions of risk associated with perceived poor management of public land through benign neglect, including in relation to managing fire risk.

MEDIUM TERM

- Developing and enhancing the sharing of knowledge to ensure the Gippsland community has a clear understanding of the role of the Gippsland forest industry, the risks and benefits, based on facts and science.
- Community engagement by and for the forestry and forest products industry evolves from a focus on resolving misconceptions and negative perceptions about the sector to active and positive community engagement based on acceptance of the sector as a critical part of the regional community and economy.
- Addressing the issue of ensuring and maintaining plantation as of right to harvest.
- Resolution of the ERF participation challenge and encouragement of investors to take advantage of the benefits included in the CFI and ERF.

LONG TERM

The forestry and forest products industry are recognised and acknowledged as an integral, value-adding part of the entire Gippsland community and economy.

All levels of government embrace, actively support and advocate for a sustainable, viable and innovative forestry and forest products sector in Gippsland.

Recognising and expanding the contribution of the industry to Gippsland's economy and community

Context

Community identity

The forest and forest product industries have been an integral part of the identity of the Gippsland community for a long time. The region has a more than 150-year history of timber production and in many Gippsland towns and localities, the timber industry is the largest, if not the only major employer. Stakeholder consultation overtly demonstrated that Gippslanders, particularly in the central and eastern parts of the region, are exceptionally proud of the industry and the contribution that their communities have made, through the industry, to the local, regional and state economies.

The industry itself recognises the importance of the issue of community identity associated with forestry and the unique responsibility it has to acknowledge, foster and grow its role in supporting the economy and society of the region.

Traditional Owners

The Gunaikurnai people have a long history of connection with Gippsland's forests and with its rural industries, including forestry and timber processing.

As a Registered Aboriginal Party, the Gunaikurnai people have been legally recognised as the Traditional Owners of major sections of crown land across Gippsland; this includes large areas of public native forests.

Recognition and inclusion of the Traditional Owners in the strategy is an important objective for the Hub.

There are opportunities through this strategy for Traditional Owners to participate across the supply chain as potential drivers or partners of opportunities for economic and commercial enterprises progressing the aspirations of the industry for the benefit of all people.

Regional change

There is a broad recognition that Gippsland is experiencing transition across a number of fronts, including mining, power production, agriculture and demographic change, in addition to the necessary evolution being experienced by the forestry and forest products industry.

Broad scale economic, demographic and social change of this nature represents significant disruption but also new opportunities. In Gippsland these opportunities are most evident with respect to ways in which the forest and forest products industry can identify opportunities to collaborate with other industries in the region, as well as identify and capitalise on emerging industrial, environmental and economic trends that foster an enhanced contribution of forestry and wood products processing to the regional economy.

Regional employment

One of the most significant ways in which the forest industries contribute to Gippsland's economy and community is as a significant employer. This includes direct employment in forest management, silviculture, harvest, haulage and processing, as well as indirect employment by service providers and goods provision.

With an increased focus on maximising supply chain value, and increased domestic processing and manufacturing in the region, there exists real potential for the forest industries to meaningfully assist the transition of Gippsland's economy and to support maintenance and expansion of skilled and specialised employment opportunities throughout the region.

Opportunities could also be fostered to support the establishment of small to medium sized enterprises capable of servicing the evolving industry with the emerging technical and skills requirements. This could provide avenues for development of employment opportunities across Gippsland and particularly in remoter parts of the region and with specific groups such as the Traditional Owners.

Indirect benefits of a thriving forest industry

There are considerable additional benefits for Gippsland to be realised from a thriving industry. These include:

- Maintaining and enhancing capacity for management of fire-risk and response throughout the region.
- Delivering environmental services, such as water yield and quality, complementary income, biodiversity and soil quality improvements through expanding the role of trees in rural landscapes.
- Maintaining and enhancing regional infrastructure to support complementary industry sectors such as agriculture and tourism and recreation.

Community support for forestry

The diversity of Gippsland means that support for and awareness about the benefits to the region of a sustainable, viable and innovative forest and forest products industry is not uniform. The Hub is well placed to work with the industry and broader stakeholders to communicate and build support for the industry through improved awareness about not only the value of the industry but its considerable contribution to Gippsland's regional identity.

Strategic aim

To recognise and enhance the contribution of the forest and forest products sectors to Gippsland's economy and community. The industry will embrace change while positively influencing the direction of that change and continuing to deliver economic activity, employment and additional indirect regional benefits.

Objectives

SHORT TERM

- Understanding the nature and composition of the current workforce, challenges and opportunities and emerging needs for workforce training, skills development, recruitment and retention.
- Understanding the implications of the proposed transition from native forest harvesting on public land with respect to emerging workforce requirements.
- Developing insights into likely future industry requirements as a basis to formulate strategies to access the required supporting skills and experience.
- Developing workforce strategies that are focused on broader inclusion and diversity, specifically in relation to attracting and supporting to opportunity for more females and more indigenous employees in the forestry and forest products sectors in Gippsland.
- Understanding the broader role that the forest and forest products sectors have in relation to underpinning a thriving economy and community and identifying new and emerging opportunities to enhance that role.
- Actively engaging Traditional Owner communities in the further development and implementation of the strategy and in commercial and economic collaborative opportunities throughout the supply chain.

MEDIUM TERM

- Developing future industry workforce solutions based on short-term strategic assessment and forecasts of challenges and opportunities. Specifically addressing:
  - Future required skills
  - Skills transfer
  - Workforce development and progression
  - Access to education, training and skills development infrastructure
  - Innovation and use of technology
- Developing regionally focused workforce development strategies that deliver improved opportunities for local recruitment, training, development and retention of Gippsland residents.
- Identifying and implementing opportunities for the industry to work with the broader Gippsland community to enhance both direct and indirect benefits of a thriving industry.

LONG TERM

- Gippsland is a preferred employment location for forestry and forest products sector employees, and forestry education, training and skills development. The region is a national centre of excellence for the provision of forest and forest industry education, training and skills development.
- The Gippsland forest and forest products industry is recognised and valued for its essential economic and community function in the region.

Delivering the strategy

The Hub will work with industry and stakeholders to develop tactical and operational plans to ensure tactical delivery of this strategy.

The short term focus for these operational plans includes:

1. Resource security, including understanding resource availability challenges and examining opportunities related to plantation expansion (including farm forestry) and private native forestry.
2. Engagement with Gippsland traditional owners to identify and explore opportunities for economic and industry development.
3. Capitalising on Gippsland's natural, economic and industrial advantages to maximise opportunities for increasing manufacturing and value-adding capacity and capability.
4. Identifying and advocating for infrastructure improvement opportunities that can enhance Gippsland's advantages throughout the supply chain.
5. Leveraging Gippsland's ongoing focus on skills, training and people capability, with a focus on Gippsland becoming a national centre for forestry education and training.
6. Continuing to engage the local and broader community to demonstrate the important role of a sustainable forest and forest products sectors to the Gippsland economy, community and natural environment.

Gippsland Forestry Hub 30 Year Strategy

for a growing, sustainable industry supporting communities to thrive

GIPPSLAND FORESTRY HUB

Promoting the Forestry Industry

Website: www.gippslandforestryhub.com.au
Phone: 0429 300 716