

industry skills outlook

2011



forestworks
LEARNING AND SKILL DEVELOPMENT

FOREST, WOOD, PAPER & TIMBER PRODUCTS INDUSTRY

Key drivers of change



The forest, wood, paper and timber products industry is evolving. The form it takes will be determined by the actions that we take – or do not take – today.

Social priorities, environmental concerns and economic influences – these are the key drivers of change in today's world and they play a critical role in the future of the forest, wood, paper and timber products industry and in the skills and knowledge required.

Changes in global demand for wood resources and products and a greater awareness of the importance of national resource security are key issues contributing to industry change.

Factors causing change include:

- A growing demand for forest products from developing countries
- The increasing use of wood in non-traditional applications
- The alignment of wood procurement with legislation
- The importation of large volumes of low-priced timber and manufactured wooden goods
- A significant shortage of softwood in the processing sector

As the result of unprecedented global and national socio-economic changes, the forest and timber products industry is evolving. This is a definitive time, as the form our industry will take and the skills and jobs it offers will be determined by the actions that we take – or do not take – today.

Climate change and opportunities

Forests are one of the world's few truly renewable resources with the potential to grow in value for generations to come. They not only store carbon, but the products that are derived from them, compared to alternative materials, are lower in embodied carbon (measured by lifecycle carbon emissions).

Increasing global action, particularly in Europe, to slow down climate change by using forestry and forest products is broadening the market's awareness of the use of wood.

Non-traditional applications for wood fibre in Australia include:

- bio-energy
- bio-fuels
- bio-products
- bio-chemicals from purpose-planted forests

Successful new uses for wood fibre and residues in the medium to long term are likely to be those that can integrate the carbon benefit to create a more attractive price structure across a wide product range. This will drive job growth and skill development in the industry.

Successful new uses for wood fibre and residues should integrate the carbon benefit and have a more attractive price structure.



A forecast of growing scarcity impacts on new market development and jobs

Social, political and market trends show a future scarcity of commercial wood resources in Australia. Faced with the prospect of a shortage of resources, companies in the industry are naturally reluctant to invest in new technologies. These decisions are affecting the development of new markets for wood and wood fibre-based commodities. Therefore the creation of more interesting, higher skilled and attractive jobs will be affected as well.

Meeting our market with consumer-driven strategies, including technical and communication skills

Traditionally, the purchase of wood-based products has been driven by their cost, their multi-functionality and their aesthetics. Today, environmental concerns are an increasing, but not dominant, factor for many purchasers.

To cater for changing consumer demands, the industry needs to clearly demonstrate its products are not only environmentally sustainable but that they are, in many cases, a better choice than alternative products in terms of their environmental impact. An industry with people with technical skills and an understanding of timber and timber engineering in the carbon-constrained economy can educate its customers, including designers, architects, builders and end-users.

All industry sectors and associated organisations need to work together to actively and effectively promote and communicate the environmental benefits of the industry and its products to as wide an audience as possible.

Without the right technical skills, knowledge and a unified approach in communicating the message

that wood is 'naturally better', the industry is at risk of being falsely perceived. Consequently, a reduced demand for products will mean that sustainable product prices are more difficult to achieve.

Eliminating uncertainty with effective policies

A sustainable future relies on the minimisation or elimination of uncertainties that hinder investment in the industry and its people. Industry enterprises and associations need to work together to encourage government to commit to creating policy settings that encourage investment and, consequently, stimulate the development of healthy workforce development through the creation of more interesting, higher skilled and attractive jobs. The current review into the industry by the House of Representatives Standing Committee into ARFF is a very good example of this approach at work.

Together we can develop and implement a plan that encourages investment in domestic downstream processing and providing an adequate supply of wood for Australia's future needs.

Such a plan would also:

- Recognise and promote the benefits of the Australian forest industry in mitigating climate change and reducing emissions
- Recognise the renewable and sustainable nature of our industry and its resource
- Outline a complementary research and development policy
- Recognise the capacity for the industry to create and develop high quality jobs in regional Australia and define the skills and training environment to allow industry to deliver the plan

All industry sectors must accept the responsibility of actively and effectively promoting the environmental benefits of the industry and its products to as wide an audience as possible.



1 Skilling for the future is... a responsibility for the whole industry

Skilling for the future is:

1. **A responsibility for the whole industry**
2. **An objective for the VET sector**
3. **An responsibility and commitment from Government**



The key elements in successful industries and organisations are improved production, innovation and adaptation. To maximise their effectiveness, all three elements need to be supported by a skilled workforce. In fact the skills and knowledge of all levels of the workforce are critical to achieving any degree of innovation and improvement.

Productivity gains are generally the result of a combination of improved production techniques, management and work practices, and organisational change. They are also often linked to innovation and development. To be most effective, existing and new knowledge and skills are needed across all positions within an organisation. Every employee needs to be capable of contributing to sustainable and innovative work practices.

Creating and maintaining a skilled workforce requires the cultivation of technical, non-technical and general skills, assessed against national standards. These skills must be accompanied by an ongoing skills development strategy.



Improved production, innovation and adaptation are the key elements in successful organisations and they need to be supported by a skilled workforce.



An evolving industry requires continually developing skills

As it evolves the forest and timber products industry is adopting and adapting new technologies, products and practices, all of which require specialist skills.

To maintain and develop a skilled workforce requires effective learning strategies and trainers who can work with industry. Like many investment activities that improve productivity, workforce development requires continuous investment. Access to government funding and training programs can provide additional support.

In the forest and timber products industry, there are limitations to what a person can learn outside of employment as most basic technical skills and knowledge are best learnt in a real workplace. Training in this industry is frequently delivered 'on the job' rather than before employment commences. Given the low participant numbers and high equipment costs for off-site training, onsite 'on the job' training is expected to continue as the norm.

To develop a skilled workforce requires effective learning strategies, experienced educators and a continuous investment in skill development.

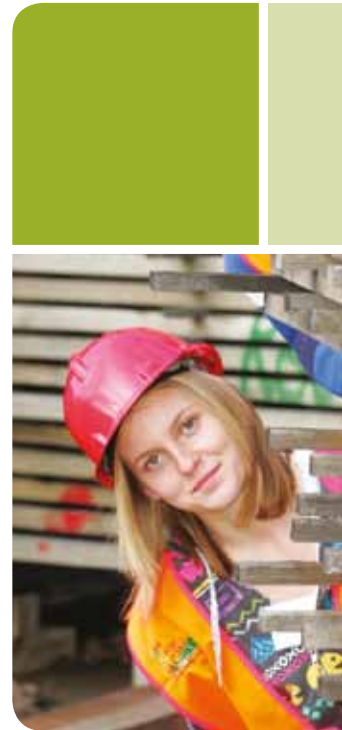
Developing a learning culture leads to more productive work and careers

To attract, develop and retain appropriately skilled employees, learning and skills development that leads to national qualifications needs to become a stronger part of our industry's culture

Skills development through nationally recognised structures allows employees to transfer the acquired knowledge to re-training and other employment and career pathways.

To attract people into the industry, we must offer them the opportunity to grow through the various stages of their careers. Recognisable, transferable, benchmarked skills are as important for an individual's achievement as they are for the future of the industry and economy. Equally important for people currently working in the industry, and potential new entrants, is the identification and development of new career pathways. This should be complemented by contemporary job descriptions and support to achieve qualifications.

To attract people into the industry, we must offer them the opportunity to grow through the various stages of their careers.



2 Skilling for the future is... an objective for the VET sector



The goal of the VET sector is to create skills and knowledge for sustainable careers and productive workplaces. Training provider networks that deliver to small markets in our industry are frequently challenged in achieving this objective. To overcome this limitation they need to form partnerships and maintain relations with enterprises in order to use existing 'subject experts' and share delivery with other providers.

Workplace partnerships are essential for RTOs in our industry to achieve both commercial and non-commercial outcomes and ForestWorks is committed to helping create and maintain these partnerships.

Employers expect RTOs to deliver up-to-date workplace knowledge or experience. RTOs in this industry generally employ from 'off the floor' and deliver most of the training at a workplace

level. This enables them to keep in touch with industry's current practices.

However, in a future with new opportunities for the industry and roles for new, highly skilled workers, the skills of trainers are likely to fall behind. This is particularly likely if there are limited opportunities and ability to access up-to-date technology and practices.

A workforce development plan for VET trainers, supported by career programs and industry exchange programs, is required to ensure that the VET workforce maintains the currency and relevance of technical skills. In addition, VET practitioners will need to embrace both electronic and web-based delivery models to satisfy the needs of both learners and enterprises.



Workplace partnerships and networks are essential for RTOs and ForestWorks is committed to facilitating and maintaining them.



3 Skilling for the future is... a responsibility and commitment from Government

The availability of a more highly developed workforce will help the industry develop an economically sustainable structure and maximise our environmentally sustainable contribution to communities and the economy.

To support workforce development within this industry, we recommend Federal and State Governments continue to participate in:

Building a skilled workforce able to address new challenges created by emerging technologies and workplace practices

With more emphasis on supporting, with funding at a sustainable level, administered workforce planning strategies, such as skills audits and gap training

Alleviating the shortages of strategically important skills, without which the industry cannot evolve or operate efficiently

With more emphasis on reconsidering the volume-based criteria by which the national skills shortages under National Skills Needs List and Skilled Occupation List are identified and recommended for priority allocation of subsidies, and removing volume criteria in areas of need

Easing the LLN barrier that a considerable number of learners experience when starting in this industry, or in their career progression

With more emphasis on supporting RTOs and training programs with funding models that allow the learners access adult LNN specialist support through their training provider throughout their career

Increasing the funding available to this industry for training to deal with factors of regionality, low participant numbers and high equipment costs

With more emphasis on allocating funding to deliver 'at work, flexible delivery', which is based on the cost of qualifications (including units of competency) and not on volume of participation or on 'one size fits all' approaches



Our industry is now supported by a qualification for sustainability skills



Sustainability is rapidly becoming a key consideration for all organisations. Many of today's most successful industries and businesses are those taking advantage of existing opportunities and working to create new opportunities for themselves.

The forest and timber products industry is proud of its commitment to sustainability. It has long valued the sustainable nature of the timber resource and our forestry processes. The viability of the industry has always depended on a productive and well managed environment and continuous improvement of resource efficiency.

The Advanced Diploma of Forest Industry Sustainability is a flexible, enterprise-based qualification. It offers managers, technicians and workers with an up-to-date, comprehensive and strategic working knowledge of all aspects of sustainability in the forest and timber products industry. In the years to come, these skills will enable enterprises and industries to meet sustainability requirements at all levels and, importantly, demonstrate the leadership in sustainable work practices, techniques and businesses.



With the development of the Advanced Diploma of Forest Industry Sustainability, the industry now has the chance to demonstrate its sustainability credentials, as well as the means to pave the way for new ventures.





The framework of the forest and timber products industry skill 'ecosystem' for sustainable workforce development



Workforce development is not a simple process. It is influenced by the dynamics of social, economic, technological and regulatory forces around enterprises and industries.

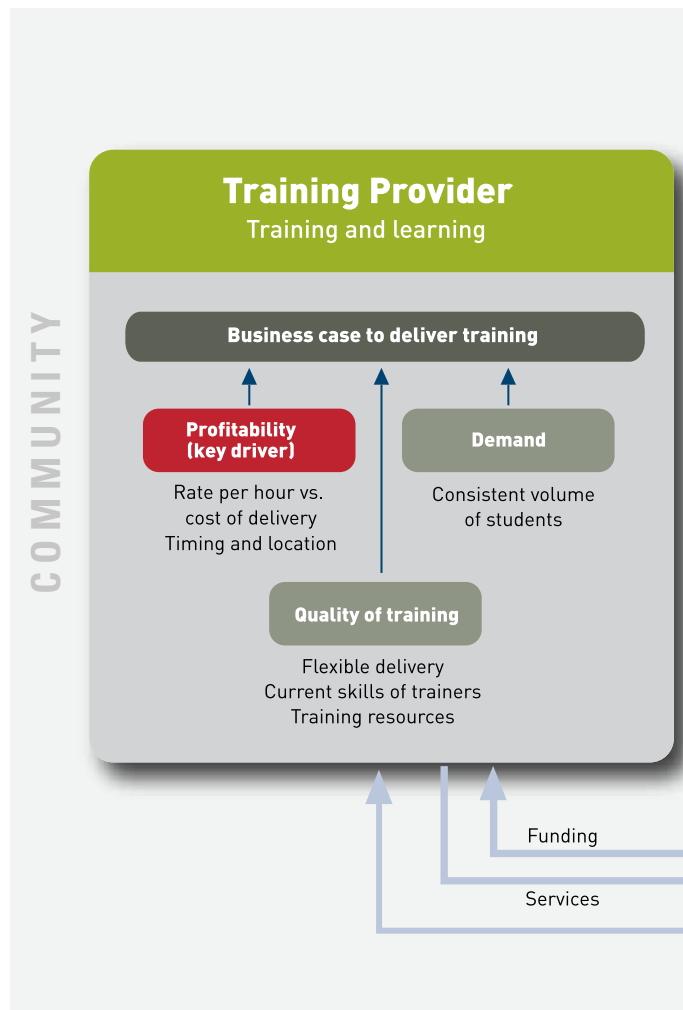
To effectively and sustainably achieve workforce development, enterprises need to integrate themselves into a skill 'ecosystem'. Each organisation and individual within the ecosystem is dependent upon the other for continued growth.

ForestWorks' role is to manage the integration, complexity and interconnectivity of the ecosystem, ensuring clear communication and productive interaction between all components.



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 ForestWorks, *Industry Skills Scan 2011*, 28 Feb 2011
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Independent and expert skills facilitator

Advice
Research
Skills Networks
Skill Standards & Qualifications

Information
Advice
Funding

Information
Advice

Information Advice

Enterprise

Workforce development

Business case for workforce development

Confidence to Invest (key driver)

In business
In people
In technology

Resources

Skills and knowledge
Finances
Government funding
Facilities

Motivation

Efficiency
Quality
Profitability

Workforce Commitment

Attractive jobs
Careers
Development

Government and VET Sector

DEEWR / State Training Authorities

VET System

Aims for VET

Skills for productivity & economic growth
Return on investment
Supportive of disadvantaged groups
Skilled VET workforce
Skills development for employment

Mechanisms

Australian Quality Training Framework
State and Federal Programs and Funding
Australian Qualification Framework
Industry Skill Standards - Training Packages

Funding

COMMUNITY

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Promoting sustainable forest management
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