

# Strategic Plan 2023–2028



***In the spirit of reconciliation, Forest & Wood Products Australia acknowledges the Traditional Custodians of Country throughout Australia, and we acknowledge their connection to the land and their custodianship of Country and forests. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.***

*Published by:*

*Forest & Wood Products Australia Limited*

*Office location: Level 11,*

*10 – 16 Queen Street, Melbourne VIC 3000*

*ABN: 75 127 114 185*

*Telephone: +61 3 9927 3200*

*Email: [info@fwpa.com.au](mailto:info@fwpa.com.au)*

*Website: [www.fwpa.com.au](http://www.fwpa.com.au)*

*This work is copyright. All material except the FWPA logo and photography may be reproduced in whole or in part provided that it is not sold or used for commercial benefit and its source (Forest & Wood Products Australia Limited Strategic Plan 2023-2028) is acknowledged. Reproduction for other purposes is prohibited without the written permission of Forest & Wood Products Australia Limited.*

# Plan on a Page

## Vision

The Australian forest and wood products industry will grow in value as a result of increased demand for its innovative, sustainable and competitive products and services.

## Mission

FWPA collaborates with government and industry to deliver transformative RD&E initiatives and market development programs to drive growth in the Australian forest and wood products industry.

## Outcomes

### 1. Consumers

Improve perceptions of forest and wood products through the development and promotion of their economic, environmental and social advantages

### 2. Supply chain customers

Increase the demand for, and value of, wood products in the built environment and industrial markets

### 3. Growers and processors

Improve the resource base, reduce risk and increase productivity and utilisation along the value chain

### 4. Industry capability

Attract people to the industry and enhance workforce capability and decision making

## Objectives

- Develop and promote the industry's sustainability credentials
- Further build The Ultimate Renewable™ program
- Lead the industry's transition to the circular economy:
  - *end-of-life uses of timber products*
  - *biomaterials*
  - *bioenergy*

- Be the trusted source of information on the use of wood products
- Develop systems and standards that increase the use of wood products
- Provide leadership in the development and promotion of timber design and construction practices

- Increase estate productivity and reduce the risk for forest growers
- Optimise the forest to finished wood product value chain:
  - *optimise data sharing*
  - *maximise the use of the sector's by-products*
- Develop new tools for resource grading standards
- Support the monetisation of carbon and other ecosystem services

- Identify key education resource and industry skill gaps and develop appropriate materials:
  - *teaching and learning resources*
  - *relevant leadership, mentoring and post-graduate programs*
  - *adoption of teaching resources for schools, universities and the VET sector*
- Provide additional industry data to support stakeholders' decision making

## KPIs

- Improved consumer perceptions of the environmental friendliness of wood
- Improved consumer perceptions of wood as a preferred material

- Increased positive attitude toward wood products by design and build specifiers as preferred material
- Availability of enhanced building standards and codes that support the use of wood products

- Adoption of new tools to increase estate productivity and reduce risk
- Increased conversion of forest resource to highest value-added wood products

- Improved perceptions of the forest and wood products industry as a career destination of choice
- Increased use of industry statistics for decision making by members

## Foundational Platform - High performance service delivery

Provide leadership as the industry services company

## Objectives

- Maintain full compliance with the Statutory Funding Contract
- Develop a high performing, values aligned and capable FWPA workforce
- Deliver consistently high levels of stakeholder satisfaction:
  - *develop and implement an effective stakeholder engagement plan*
  - *conduct independent performance reviews and impact assessment - report back to stakeholders*
- Collaborate with other RDCs and peer organisations
- Pursue and promote best practice operations with a focus on Indigenous participation, diversity and inclusiveness

## KPIs

- Achieve high levels of perceived value for money with stakeholders
- Achieve high levels of perceived value for money for members



# Contents

Foreword	5
Introduction	6
About FWPA	7
FWPA's role	7
Funding	7
Related collaborative programs	8
The RDC environment	8
A snapshot of the operating environment	9
What stakeholders told FWPA	10
FWPA's Vision, Mission and Values	11
Targets for 2028	12
Outcomes and Objectives	13
<b>Outcome 1 - Consumers</b> – improve perceptions of forest and wood products through the development and promotion of their economic, environmental and social advantages	14
<b>Outcome 2 - Supply chain customers</b> – increase the demand for, and value of, wood products in the built environment and industrial markets	15
<b>Outcome 3 - Growers and processors</b> – improve the resource base, reduce risk and increase productivity and utilisation along the value chain	16
<b>Outcome 4 - Industry capability</b> – attract and retain people to the industry and enhance workforce capability	17
<b>Foundational Platform</b> - High performance service delivery – provide leadership as the industry services company	18
Financial forecasts	19
Monitoring and evaluation plan	20
How the plan was developed	21
Alignment with Australian Government priorities	22
Portfolio balance	23
Acronyms used in this document	24

# Foreword



FWPA has operated under a rolling 5-year strategic plan since 2009. In 2020, the Board decided to commence a 'clean sheet of paper' review, rethink and rewrite of the company's strategy. Although the existing strategic plan has provided appropriate guidance and has met the needs of the company and the industry, there have been major changes in some of the drivers impacting our industry. As an organisation, FWPA needs to anticipate, adapt and respond to these changing dynamics to continue to provide services to the industry. FWPA has also entered into a new funding contract with the Commonwealth of Australia so now is the right time for a new strategic plan.

The development of the new strategic plan required a review of the company's current performance plan and an assessment of the operating environment. Most importantly, it required the input of our members and I thank all those who provided their valuable time and essential input to ensure the new plan is relevant, achievable and appropriately focused. I also thank Forest Hill Consulting for helping to guide management and the Board through the process.

Iterations of the strategic plan were developed and discussed with target groups including the FWPA Board, employees, members, the reference group and industry stakeholders. These stakeholders include the Australian Forest Products Association (AFPA), Engineered Wood Products Association of Australasia (EWPAA), Australian Timber Importers' Federation (ATIF) and Department of Agriculture, Fisheries and Forestry (DAFF).

The product of this comprehensive process is a strategic plan that draws on the shared expertise of the industry. This plan sets a direction and outlines four priority outcomes that are supported by the industry and people the plan serves. These priority outcomes are: market growth; pipeline development; resource; and industry capacity and decision making.

The plan provides for flexibility and response to inevitable future changes and developments, and we look forward to ongoing support and input from our stakeholders. I commend this new strategic plan for FWPA to you.

**Craig Taylor**  
**Chair**

# Introduction



As the new CEO of FWPA, an early priority for me has been to review our strategic plan with the advantage of a 'fresh pair of eyes' to ensure we have a compelling vision informed by a broad set of industry stakeholders.

It has taken some time to ensure internal input and ownership of the process, and for me, in my visits to members and stakeholders around Australia, to hear first-hand their views and expectations of FWPA. Common themes expressed were the desire for greater transparency and accountability, and a long-term focus on driving demand growth for our products based on their inherent environmental advantages. With that in mind, the plan has been restructured with a clear long-term growth focus, with our success as a services company tracked through a set of specific and measurable KPIs across our programs and activities.

The past two years have certainly shown that industry development is far from linear and is subject to disruption. The measure of a good strategic plan is its ability to retain long-term relevance in the face of such volatility, while allowing for adjustments to be made within that framework as circumstances dictate. I look forward to continuing improvement in our consultation with, and reporting to, the industry to ensure the company remains nimble and its programs remain as relevant as possible.

Our responsibilities to government are also reflected in this plan. FWPA recognises our duty as a taxpayer co-funded organisation to deliver measurable value and takes very seriously its governance accountabilities and its role in informing and advising decision-makers in government.

I thank our industry partners for their help in the development of this plan, and for their ongoing feedback and input to our thinking as we develop our suite of programs and activities. We will continue to focus on delivering impactful and meaningful outcomes for the industry and the Australian community.

**Andrew Leighton**  
**CEO**

# About FWPA

## FWPA's role

Forest & Wood Products Australia (FWPA) is the services body for the forest and wood products industry. It is one of 15 rural research and development corporations (RDCs) serving Australian agriculture.

The scope of FWPA's activities is established by the *Forestry Marketing and Research and Development Services Act 2007* (the Act), the company's constitution and its Statutory Funding Contract 2021-2031 (SFC) with the Commonwealth. The Act allows for FWPA to be declared as the Industry Services Body for the Australian forest and wood products industry and for the Commonwealth to enter into the SFC with FWPA.

This in turn allows FWPA to receive and expend levy funds paid by the industry for research and development (R&D) and marketing activities and matching payments from the Commonwealth for R&D.

The definitions of R&D and marketing are sufficiently broad as to allow FWPA to undertake a very wide range of activities. FWPA may not engage in agri-political activity at either State or National level, or fund an industry representative body to do so, but it can undertake research to support policy positions (for example). FWPA is also prohibited from representing the industry.

## Funding

FWPA is funded by levies paid by wood processors, forest growers, and Australian importers of forest products. State and territory governments owning forest assets make voluntary levy-equivalent contributions to FWPA. The Commonwealth Government provides matching funding for eligible expenditure on research, development and extension (RD&E).

FWPA's total funding as a proportion of industry gross value of production (GVP) is relatively low by the standards of other RDCs. In 2020/21, FWPA's total levy income was \$4.8 million compared to the gross value of production (GVP) for forest growing of \$2.6 billion (i.e. 0.18%) or approximate GVP of the whole sector of \$8 billion (i.e. 0.06%).

From July 2022, the forest grower levy will increase from 5 to 13.5 cents per cubic metre over a three-year period. This represents a considerable increase in collective industry investment, expected to raise around \$3.45 million plus matching funding of up to \$2.55 million. This additional revenue will be reserved for forestry RD&E and will be invested with the guidance of FWPA's Grower Research Advisory Committee (GRAC).

Since 2016, FWPA has been able to provide government matching funding for voluntary contributions (VCs) to FWPA R&D activities. This mechanism has proven to be very successful in enabling FWPA and its members to extend their R&D activities. The amount of additional government funding available to match VCs is presently limited by regulations, to \$1.659 million per year. Other RDCs have access to Government funding equalling the full difference between RDC levy income and 0.5% of sector GVP.

# About FWPA

## Related collaborative programs

The past five years have seen the establishment of a number of national research and development initiatives supported by the Australian Government to bolster innovation in the forest and wood products sector and other related agricultural sectors:

- The National Institute for Forest Products Innovation
- The National Centre for Timber Durability and Design Life (initiated by FWPA)
- Agriculture Innovations Australia
- Plant Biosecurity Research Initiative

FWPA collaborates with and/or co-funds all these centres to gain access to additional research capacity as well as further leveraging its levy investments. The centres provide leverage for FWPA investment from (variously) Australian and State governments and universities, and help to address concerns about long-term capacity and capability in the industry. It is important that the activities of these centres are coordinated with those of FWPA and not duplicative.

## The RDC environment

The agricultural innovation system in Australia is evolving. In 2019, the Government released the report 'Agricultural Innovation – A National Approach to Grow Australia's Future' by Ernst & Young (EY). The report provides a blueprint for the evolution of the agricultural innovation system to meet the National Farmers' Federation goal of a \$100 billion agricultural industry by 2030. The EY report strongly emphasises greater leadership of the innovation 'ecosystem', collaboration across sectors, private investment and the adoption of digital technologies and data.

In 2020, the 15 research and development corporations (RDCs) established Agricultural Innovation Australia (AIA). AIA is a not-for-profit, public company established to 'facilitate joint investment and collaboration in cross-industry agricultural issues of national importance'. It is expected that FWPA will be an investor in AIA-managed programs of common interest (such as climate) with other RDCs.

A further focus of strengthening the agricultural innovation system is greater communication with stakeholders. FWPA has released its 'Best Practice Guide to Stakeholder Consultation' to action this requirement – see the following link:

***Best Practice Guide to Stakeholder Consultation***



# A snapshot of the operating environment

The key opportunities and challenges for the industry were analysed for FWPA in a dedicated background document developed as input for the strategic plan\*. They are summarised below. \*Greenwood Strategy March 2021

Theme	Opportunities	Challenges
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Capitalising on the momentum of The Ultimate Renewable™ campaign, supported by natural capital accounting and the opportunities associated with responding to circular economy developments.</li> <li>Capitalising on the sector's carbon credentials.</li> </ul>	<ul style="list-style-type: none"> <li>The ability of competing products to demonstrate sustainability credentials.</li> <li>Society's perceptions of the sustainability of forestry.</li> <li>Inability to fully capitalise on carbon credentials.</li> <li>Practical problems with the role of wood products in a circular economy.</li> </ul>
<b>Fibre availability and security</b>	<ul style="list-style-type: none"> <li>Exploration of alternative ways of working with a changing fibre resource base.</li> <li>Focus on both productivity and utilisation of the existing fibre resource base.</li> </ul>	<ul style="list-style-type: none"> <li>Difficulty with expanding the available fibre base because of economics and regulation.</li> <li>Global demand and supply chain challenges limiting the availability of imports.</li> <li>Industry progress with responding to the opportunities and challenges of a changing fibre resource base.</li> <li>Threats to future resource availability, including fire and climate change.</li> </ul>
<b>Markets and trade</b>	<ul style="list-style-type: none"> <li>Increasing the use of domestically produced fibre in alternative wood production approaches that reduce reliance on imports and respond to emerging technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Potential for long-term suppression of imported wood products, which puts pressure on price and supply chain viability.</li> <li>Potential for a significant decline in construction activity as the impact of HomeBuilder grants wanes and interest rates rise, partially offset by the Housing Supply and Affordability program in the October 2022 Federal budget.</li> </ul>
<b>People and skills</b>	<ul style="list-style-type: none"> <li>People, young people in particular, want to work in the forest and wood products sector.</li> <li>There is a big opportunity to capitalise on this and focus efforts to attract, retain and train potential employees in a more centralised and coordinated fashion.</li> </ul>	<ul style="list-style-type: none"> <li>Many interests are attempting to solve the issue of skills and employment in the sector in isolation.</li> </ul>
<b>Communication, promotion and social licence</b>	<ul style="list-style-type: none"> <li>Industry promotion initiatives, focused on wood, are working – better than in other parts of the world and better than other sectors.</li> <li>Addressing concerns about the impacts of timber production in a way that reduces pressure on commercial and political decision-makers to act on perceived social licence issues.</li> </ul>	<ul style="list-style-type: none"> <li>Connecting consumer's preference for wood with the sustainability credentials of timber production in a way that satisfies the concerns about environmental values.</li> </ul>
<b>Technology and innovation</b>	<ul style="list-style-type: none"> <li>A fibre resource well suited to and well located for application in emerging and globally proven alternative uses.</li> </ul>	<ul style="list-style-type: none"> <li>Industry conservativeness and reluctance to invest capital in products yet to be proven in Australian markets.</li> </ul>
<b>Compliance and regulation</b>	<ul style="list-style-type: none"> <li>There is an opportunity to revisit the way that standards are developed and applied for the use of wood in construction, which can deliver more responsive and timely outcomes for new and redeveloped products.</li> </ul>	<ul style="list-style-type: none"> <li>There are regulatory barriers to expanding the fibre resource base, and regulatory and compliance barriers to the adoption of wood in the market</li> </ul>

Since the Greenwood report was released in 2021, further domestic and global volatility issues have arisen that could have some impact on the operating environment. These include rising inflation with central banks lifting interest rates as a result, the war in Ukraine, a change in Australian Government with an increased focus on environmental issues, significant labour shortage and general supply chain difficulties. The latter two are likely to have the biggest short-term impacts on the forest and wood products sector.

# What stakeholders told FWPA

The following quotations illustrate the main sentiments raised by stakeholders who were asked, in a survey to inform the development of this plan: **What are the words you would use to describe the sector as you would like it to be in 10 years' time?**

*'Respected; recognised as science based and responsible; innovative developer of new products (non-fossil fuel and plastic based); recognised as an important element of climate change response initiatives (carbon sequestration)'*

*'Vibrant, diverse, innovative, "the ultimate renewable"; profitable, sustainable; legitimate and transparent in terms of UN SDGs [United Nations Sustainable Development Goals]'*

*'Inspirational and entrepreneurial, collaboration between ALL stakeholders, high end and high yield value adding, world renowned cutting edge / applied research, engineered and construction material of choice'*

*'A growing, progressive part of the new circular economy, essential for climate change, recognised by all as an environmentally friendly and sustainable crop that supports wildlife diversity'*

*'FWPA needs to continue to lead the industry as it has done with its work on building standards'*

*'Lead the world with respect to valuing carbon in a forestry perspective'*

*'Softwood plantation area expanded significantly. Industry recognised for role in carbon sequestration, which can be monetised. Productivity increased'*

All the responses from the same question in the industry survey were compiled into a word cloud, which is reproduced below. The words that appeared most frequently are in the largest type size. The word cloud provides a useful representation of what stakeholders saw as the major issues facing the industry over the next decade.

These and other responses to the stakeholder survey have informed the development of this strategic plan.



# FWPA's Vision, Mission and Values

## Our Vision

The Australian forest and wood products industry will grow in value as a result of increased demand for its innovative, sustainable and competitive products and services.

## Our Mission

FWPA collaborates with government and industry to deliver transformative RD&E initiatives and market development programs to drive growth in the Australian forest and wood products industry.

## Our Values

FWPA fosters a workplace that is progressive and works to reflect the needs of its people, stakeholders, and wider industry.

FWPA staff and directors will always act according to the following values:

### **Accountability**

- Take responsibility for behaviour that affects other people.
- Be open to suggestions and responsive to feedback on improving performance.

### **Diversity**

- Foster a workplace that is free of harassment, discrimination and is accessible and inclusive of people with a variety of skills and backgrounds.

### **Excellence**

- Set or adopt best practice standards in all that we do.
- Be solutions focused with a commitment to evidence.
- Pursue and embrace innovation through reflection and critical analysis.
- Celebrate success and actively learn from failures.
- Strive for continual improvement in the company's economic, social and environmental sustainability.

### **Integrity**

- Cultivate trust, fairness, and honesty in our relationships with each other and our peers.
- Be ethical and honest in the use of the resources we are entrusted with.
- Always act in the best interests of the company and its membership.

### **Respect**

- Treat one another and the wider community with courtesy and consideration.
- Seek and value opinions expressed through open dialogue.
- Consider the environment and the broader community in our day-to-day activities.

### **Safety & Support**

- Ensure a healthy and safe workplace for all.
- Actively engage with others to better understand their needs for safety and support.

### **Teamwork & Collaboration**

- Work together internally and with stakeholders to achieve the highest standards of outcomes.
- Use our drive and passion to energise, engage and inspire others.
- Engage regularly with all our members and stakeholders.
- Create a culture of warmth and belonging.

# Targets for 2028



The following high-level targets for key performance indicators (KPIs) have been set for FWPA to achieve by 2028. This section should be read in conjunction with the section on 'Monitoring and Evaluation' that also identifies the mode of measurement for each KPI.

## Consumers | Outcome 1

- Improved consumer perceptions of the environmental friendliness of wood (70% of consumers agree that wood is the most environmentally friendly building material)
- Improved consumer perceptions of wood as preferred material (80% of consumers view wood as a preferred material for relevant situations)

## Supply chain customers | Outcome 2

- Increased positive attitude toward wood products by design and build specifiers as preferred material (83% of specifiers surveyed view wood as a preferred material for construction)
- Availability of enhanced building standards and codes that support the use of wood products (Two new industry product standards developed and published per year)

## Growers and processors | Outcome 3

- FWPA influencing positive outcomes from the adoption of new tools to increase estate productivity and reduce risk (60% of growers surveyed agree FWPA research outputs have been adopted and provide commercial benefit to growers)
- FWPA influencing positive outcomes relating to increased conversion of forest resource to highest value-added wood products (65% of processors surveyed agree FWPA research outputs have been adopted and provide commercial benefit to processors)

## Industry capability and decision making | Outcome 4

- Improved perceptions of the forest and wood products industry as a career destination of choice (60% of consumers find the forest and wood products industry a desirable industry to work in)
- Increased use of industry statistics for decision making by members (increase contributors by 5% annually to 149 contributors)

## High performance service delivery | Foundational platform

- Deliver high levels of perceived value for money with stakeholders (60% rate FWPA as 'above average or excellent')
- Deliver high levels of perceived value for money with members (66% rate FWPA as 'above average or excellent')



# Outcomes and Objectives

During the period of the plan, FWPA will deliver on its mission through the achievement of four primary outcomes and one foundational platform:

## Outcome 1

Improve perceptions of forest and wood products through the development and promotion of their economic, environmental and social advantages.

## Outcome 2

Increase the demand for, and value of, wood products in the built environment and industrial markets.

## Outcome 3

Improve the resource base, reduce risk and increase productivity and utilisation along the value chain.

## Outcome 4

Attract and retain people to the industry and enhance workforce capability and decision making.

**Foundational platform:** Provide leadership as the industry services company.

Each outcome comprises a number of objectives. Key performance indicators (KPIs) or targets related to these deliverables are listed below each outcome.

Consultations undertaken in the development of this plan indicated that stakeholders had a broad range of expectations of FWPA. This partly reflects a diverse member base. There was no clear appetite to limit FWPA's focus within this plan to accelerate a small number of high priorities at the expense of other, still valued, activities. Accordingly, FWPA will continue to engage in a broad range of activities.

Over the term of this plan FWPA management will, with the support of members, explore all opportunities to leverage additional investment funds.

The goal will be to provide greater resources focused on driving market demand for forest and wood products and provide growers and processors with pathways to convert forest resource to the highest value-added wood products. It is important to note this will not be pursued at the expense of ongoing efforts and commitments to increase estate productivity and reduce risk through the value chain. The goal is to provide a balanced approach to achieving FWPA and industry's goal of driving growth in the Australian forest and wood products industry.

## Consumers - improve perceptions of forest and wood products through the development and promotion of their economic, environmental and social advantages

The Australian forest and wood products sector contributes much more to society and the environment than valued construction materials. The sector plays critical roles in sequestering carbon, providing habitat for biodiversity, creating recreational spaces and assisting regional communities to thrive. These benefits are not always well recognised but will be critical in the economics of future plantings and the value of forest products recognised and valued by society.

This outcome is focussed on telling the story of forest and wood products to consumers and the broader society. It also includes activities to further strengthen the sustainability credentials of forest and wood products, especially in regard to the reuse of wood products in the circular economy. Opportunities in the biomaterial and bioenergy segments will also be explored.

### Objectives

Develop and promote the industry's sustainability credentials, including the establishment of the benefits of managed natural estates – private and public.

Further build on our strong B2B and consumer program (The Ultimate Renewable™) to increase the understanding of the benefits of wood.

Lead the industry's transition to the circular economy:

- develop supply chain solutions for end-of-life uses of timber products
- explore biomaterials and bioenergy opportunities.

### KPIs

Improved consumer perceptions of the environmental friendliness of wood.

Improved consumer perceptions of wood as preferred material.



# Outcome 2



## Supply chain customers - increase the demand for, and value of, wood products in the built environment and industrial markets

Wood products offer many technical advantages, including strength, ease of use, insulating properties, cost-effectiveness and, of course, natural beauty. These advantages are in addition to the many environmental and social benefits addressed in Outcome 1. However, there are many well-resourced competitors in the market.

This outcome aims to enhance the competitive advantages of wood through innovation and the provision of supporting technical and commercial information. FWPA will work closely with all parts of the value chain and, in particular, key influencers such as specifiers to understand their requirements and assist them to select fit-for-purpose timber products.

### Objectives

Be the trusted source of information on the use of wood products (WoodSolutions).

Develop and promote systems and standards that increase the use of wood products in the design and build industry, including:

- enhanced product compliance systems favouring the use of wood products
- product standards, guidance documents and building typologies optimised against available resources.

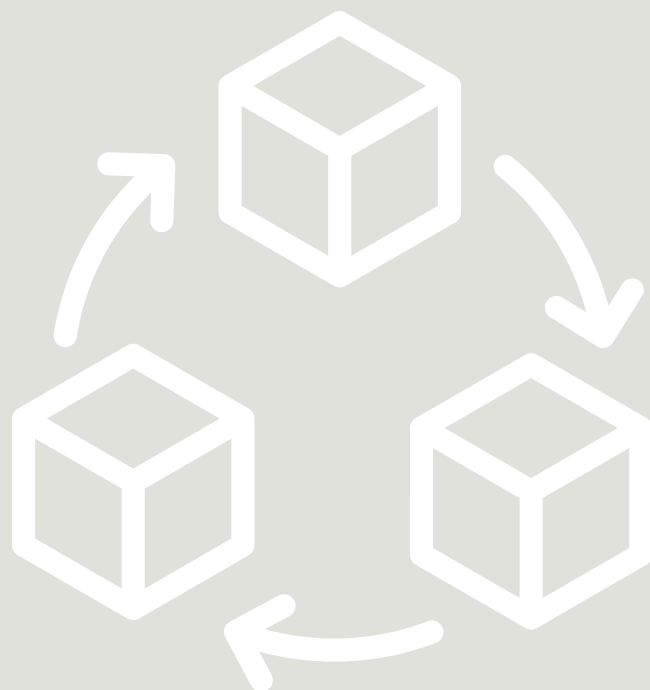
Provide leadership and solutions in the development and promotion of timber design and construction practices to enhance building resilience, including:

- improving knowledge of the fire performance of wood products
- the interaction of timber with water.

### KPIs

Increased positive attitude toward wood products by design and build specifiers as preferred material.

Availability of enhanced building standards and codes that support the use of wood products.



## Growers and processors - improve the resource base, reduce risk and increase productivity and utilisation along the value chain

Supply is one of the key issues faced by the value chain. There has been a progressive decline in the availability of timber from public natural forest harvesting. The economics of plantation forestry weigh heavily against expansion, and large-scale fires have had a substantial impact on the plantation estate. Forestry also has a far longer investment lifecycle than its major competitor products. Imports are set to play an ongoing role.

While FWPA has no control over plantings or import levels, this outcome seeks to address the issues of productivity and profitability of the resource base and reducing the risks of production. Inherent within this outcome is a need to view our resource base differently. For example, there may be a need to have greater interchange between softwood and hardwood in specific applications or to better utilise our domestic hardwood logs. It should also be noted that there are significant regional differences in the resource base that need to be taken into consideration – in terms of establishment, management and subsequent utilisation. Additionally, depending on policy settings, farm forestry may have a role to play in the future.

As noted in Outcome 1, the monetisation of carbon may also prove to be a critical driver of future plantation expansion.

### Objectives

Increase estate productivity and reduce the risk for forest growers by implementing Grower Research Advisory Committee (GRAC) priorities.

Optimise the forest to finished wood product value chain by developing:

- systems to optimise the benefits of data sharing and utilisation across the value chain
- systems to maximise the use and value of the sector's by-products
- tools to support new and improved resource grading standards.

Develop systems and processes to support the monetisation of carbon and other ecosystem services such as biodiversity.

### KPIs

FWPA influencing positive outcomes from the adoption of new tools to increase estate productivity and reduce risk.

FWPA influencing positive outcomes relating to increased conversion of forest resource to highest value-added wood products.





# Outcome 4



## Industry capability - attract and retain people to the industry and enhance workforce capability and decision-making

In common with every industry, forest and wood products relies on access to a large pool of skilled people with an agile and innovative mindset. The forest and wood product sector needs to be seen as a great place to develop a career. The environmental credentials and sustainability of the industry will be increasingly important to new entrants, linking this outcome to Outcome 1.

This outcome is focussed on enhancing the capacity of people already in the industry, as well as attracting the highest quality new entrants. FWPA's activities under this outcome may include helping to identify skills gaps, developing learning materials, providing access to leadership programs and connecting people (for example, through mentoring) to enhance industry cohesion. FWPA will also play a role in enhancing work opportunities in the industry for Aboriginal and Torres Strait Islander peoples. FWPA recognises that there are multiple players in industry skills development and education so it will have a highly targeted role in this area.

Included within this outcome is FWPA's role in collection, aggregation and analysis of industry data resulting in the presentation of more accurate and timely industry-wide data. FWPA's data sources are crucial to help the industry make better decisions. They are essential in assisting the industry to operate in a more strategic manner, identify key company and sector wide priorities, and more broadly build industry capacity. This FWPA data may include socio-economic indicators of the industry's impact, informing activities under Outcome 1.

### Objectives

Identify key education resource and industry skills gaps and develop appropriate materials and delivery platforms, including:

- develop teaching and learning resources in key subject areas of demand
- support relevant leadership, mentoring and post-graduate programs
- encourage adoption of teaching resources for schools, universities and the VET sector.

Identify and collect additional industry data streams to support stakeholders' decision making.

### KPIs

Improved perceptions of the forest and wood products industry as a career destination of choice.

Increased use of industry statistics for decision making by members.



# Foundational Platform

## High performance service delivery - provide leadership as the industry services company

This foundational platform focuses on FWPA itself. FWPA needs to be an efficient industry services organisation and one that is open, inclusive and flexible to attract the highest calibre personnel. High standards of governance and management are critical to deliver strong returns to industry and government investors. A key principle driving the organisation will be its ongoing desire to consult widely with industry participants in all that it does and to report regularly on its impact.

It is important to industry that FWPA is financially sound. FWPA will rely not just on the contribution of levy payers but will also seek additional resources for its activities from a range of collaborators.

### Objectives

Maintain full compliance with the Statutory Funding Contract.

Deliver consistently high levels of stakeholder satisfaction:

- develop and implement an effective stakeholder engagement plan
- conduct independent performance reviews and impact assessments and report back to stakeholders.

Collaborate with other RDCs and peer organisations.

Pursue and promote best practice operations with a focus on Indigenous participation, diversity and inclusiveness.

Ensure the company is financially robust.

### KPIs

Deliver high levels of perceived value for money with stakeholders.

Deliver high levels of perceived value for money with members.



# Financial Forecasts

	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000
<b>REVENUES</b>					
<b>Levies</b>					
Processor Levy	3,008	3,068	3,130	4,103	4,185
Grower Levy	910	928	947	966	985
New Grower Levy	872	1,538	2,179	2,179	2,179
Penalties	8	8	8	8	9
State Grower	388	357	364	372	379
Importer Charge	1,171	1,194	1,218	1,714	1,748
<b>Total levies</b>	<b>6,357</b>	<b>7,094</b>	<b>7,846</b>	<b>9,342</b>	<b>9,485</b>
<b>Other government revenues</b>					
Government matching	6,331	6,989	7,683	9,150	9,264
Government direct project funding	36	36	36	36	36
NIFPI	2,220	2,220	-	-	-
<b>Total other government revenues</b>	<b>8,588</b>	<b>9,245</b>	<b>7,719</b>	<b>9,186</b>	<b>9,300</b>
<b>Industry and other revenues</b>					
Voluntary project contribution	1,250	1,250	1,250	1,250	1,250
Grower research advisory	121	30	-	-	-
Voluntary project admin fees	409	192	188	188	188
New grower management fees	131	231	327	327	327
Interests and others	22	96	102	111	109
<b>Total industry and other revenues</b>	<b>1,932</b>	<b>1,798</b>	<b>1,866</b>	<b>1,875</b>	<b>1,874</b>
<b>Total Revenues</b>	<b>16,877</b>	<b>18,137</b>	<b>17,432</b>	<b>20,403</b>	<b>20,659</b>
<b>EXPENDITURES</b>					
<b>Levies program expenditures</b>					
Outcome 1	1,952	1,991	2,011	3,393	3,393
Outcome 2	2,611	2,663	2,690	4,072	4,072
Outcome 3	4,828	6,036	7,287	7,287	7,287
Outcome 4	1,134	1,156	1,168	1,168	1,168
Outcome 5	1,926	1,965	1,985	1,985	1,985
<b>Total levies program expenditure</b>	<b>12,450</b>	<b>13,811</b>	<b>15,140</b>	<b>17,904</b>	<b>17,904</b>
<b>Other activities expenditure</b>					
Government direct project funding	36	36	36	36	36
NIFPI	2,220	2,220	-	-	-
Voluntary project expenditure	2,500	2,500	2,500	2,500	2,500
<b>Total other activities expenditure</b>	<b>4,757</b>	<b>4,756</b>	<b>2,536</b>	<b>2,536</b>	<b>2,536</b>
<b>Total Expenditures</b>	<b>17,207</b>	<b>18,567</b>	<b>17,676</b>	<b>20,440</b>	<b>20,440</b>
<b>Net Surplus / Deficit</b>	<b>-330</b>	<b>-430</b>	<b>-244</b>	<b>-37</b>	<b>219</b>
<b>Opening Funds Balance</b>	<b>4,162</b>	<b>3,831</b>	<b>3,402</b>	<b>3,158</b>	<b>3,120</b>
<b>Closing Funds Balance</b>	<b>3,831</b>	<b>3,402</b>	<b>3,158</b>	<b>3,120</b>	<b>3,340</b>

Note:

\* Assumes an increase of \$500k in levy revenue agreed by industry and government from 2025-26 onwards

\*\* NIFPI funds completed in 2023-24

# Monitoring and Evaluation Plan



A detailed monitoring and evaluation plan will accompany this document. The following table summarises the key performance measures and how progress against them will be monitored. A copy of FWPA's benefit and impact assessment plan can be accessed through [\*\*this link\*\*](#)

KPIs	Baseline measure	2028 target	Measurement method
<b>Outcome 1: Consumers</b>			
1.1 Improved consumer perceptions of the environmental friendliness of wood	59% of consumers agree that wood is the most environmentally friendly building material	70% of consumers agree that wood is the most environmentally friendly building material	Consumer market research
1.2 Improved consumer perceptions of wood as a preferred material	71% of consumers view wood as a preferred material for relevant situations	80% of consumers view wood as a preferred material for relevant situations	Consumer market research
<b>Outcome 2: Supply chain customers</b>			
2.1 Increased positive attitude toward wood products by design and build specifiers as preferred material	74% of specifiers view wood as a preferred material for construction	83% of specifiers view wood as a preferred material for construction	Specifier survey
2.2 Availability of enhanced building standards and codes that support the use of wood products	New metric	Two new industry product standards developed and published per year	Registered standards
<b>Outcome 3: Growers and processors</b>			
3.1 FWPA influencing positive outcomes from adoption of new tools to increase plantation productivity (yield/ha) and reduce risk	50% agree FWPA research outputs have been adopted and provide commercial benefit to growers	60% agree FWPA research outputs have been adopted and provide commercial benefit to growers	Growers and processors specialist survey – Growers
3.2 FWPA influencing positive outcomes relating to increased conversion of forest resource to highest valued added wood products	55% agree FWPA research outputs have been adopted and provide commercial benefit to processors	65% agree FWPA research outputs have been adopted and provide commercial benefit to processors	Growers and processors specialist survey – Processors
<b>Outcome 4: Industry capability and decision making</b>			
4.1 Improved perceptions of the forest and wood products industry as a career destination of choice	51% find the forest and wood products industry a desirable industry to work in	60% find the forest and wood products industry a desirable industry to work in	Consumer market research
4.2 Increased use of industry statistics for decision making by members	117 different contributors currently	5% annual increase to 149 contributors	Internal portal data
<b>Platform 5: High performance service delivery company</b>			
5.1 Achieve high levels of perceived value for money with stakeholders	50% rate FWPA as 'Above Average' or 'Excellent'	60% rate FWPA as 'Above Average' or 'Excellent'	Stakeholder survey
5.2 Achieve high levels of perceived value for money with members	56% rate FWPA as 'Above Average' or 'Excellent'	66% rate FWPA as 'Above Average' or 'Excellent'	Stakeholder survey



# How the Plan was Developed

This plan has been developed in an iterative fashion over several months. Consultation with industry members formed an important component of the planning process. The following steps were taken in the plan's development:

- Independent review of the Company's performance as required under the funding agreement with the Australian Government.
- The development of a consultation options paper.
- Publicity to industry about the preparation of a new strategic plan and an open survey to elicit sector opportunities, threats, and priorities.
- The preparation of a consultation plan as required, at that time, by Sections 30.3 to 30.5 of the Statutory Funding Contract 2017-21 (SFC) with the Commonwealth. This plan was signed off by the Department of Agriculture, Fisheries and Forestry.
- The preparation of situational analyses of the forest and wood products industry and of the issues faced by FWPA as an industry services body and the changing nature of the rural innovation landscape, by the strategic planning consultants Greenwood Strategy.
- The formation of an industry reference group specifically for the strategic planning process, involving 11 members from industry representative bodies, levy payers and service providers. The reference group provided advice to the FWPA Board on the strategic plan and relevant issues.
- An initial meeting between the Board and the reference group, at which the two situation analyses and the results of the survey formed important inputs to the discussion.
- Development of multiple iterations of the strategic plan.
- A workshop of FWPA staff.
- Circulation of the draft plan to the FWPA Board and Board workshop.
- Circulation of the draft plan to the reference group for any further input.
- Circulation of the draft plan to the Australian Forest Products Association (AFPA), Engineered Wood Products Association of Australasia (EWPAA), Australian Timber Importers' Federation (ATIF) and Department of Agriculture, Fisheries and Forestry (DAFF) for feedback.
- Circulation of the final draft plan to the Board.
- Finalisation of the plan and circulation to industry and DAFF.

# Alignment with Australian Government Priorities

The Australian Government is an important contributor to FWPA through the provision of matching payments for eligible RD&E activities. The Government's priorities have been explicitly considered in the development of this plan. The link between current government investment priorities and FWPA outcomes is shown below:

FWPA Outcomes	National Science and Research	Rural Research, Development and Extension Priorities
1. Develop and promote the economic, environmental and social advantages of forest and wood products	<ul style="list-style-type: none"> <li>• Soil and water</li> <li>• Energy</li> <li>• Environmental change</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> </ul>
2. Build the demand for, and value of, wood products in the built environment and industrial markets	<ul style="list-style-type: none"> <li>• Advanced manufacturing</li> <li>• Environmental change</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> </ul>
3. Improve the resource base, reduce risk and increase productivity and utilisation along the value chain	<ul style="list-style-type: none"> <li>• Soil and water</li> <li>• Advanced manufacturing</li> <li>• Environmental change</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Biosecurity</li> <li>• Soil, water and managing natural resources</li> </ul>
4. Attract people to the industry and enhance workforce capability	<ul style="list-style-type: none"> <li>• Advanced manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of R&amp;D</li> </ul>

# Portfolio Balance



FWPA's Board and management will closely review the overall portfolio from time to time to enable an assessment of the overall balance of the R&D and marketing portfolio.

From an R&D perspective, the focus will be on medium-term / medium-risk projects that will deliver benefits to levy payers and the Commonwealth Government. The portfolio must also include an element of 'social good' projects. A small number of blue-sky (high risk, high reward) projects may be supported should the financial environment allow.

For marketing, the high cost of consumer advertising will limit FWPA focus in that regard. Instead, FWPA will continue to build its B2B brands and strategic partnerships that stakeholders can leverage. At the same time, FWPA will actively explore and promote the sustainability credentials of the forest and wood products sector.

# Acronyms used in this Document

<b>AFPA</b>	Australian Forest Products Association
<b>AIA</b>	Agricultural Innovation Australia
<b>ATIF</b>	Australian Timber Importers' Federation
<b>DAFF</b>	Department of Agriculture, Fisheries and Forestry
<b>EWPA</b>	Engineered Wood Products Association of Australasia
<b>EY</b>	Ernst & Young
<b>FWPA</b>	Forest & Wood Products Australia
<b>GRAC</b>	Grower Research Advisory Committee
<b>GVP</b>	Gross value of production
<b>RD&amp;E</b>	Research, development and extension
<b>RDC</b>	(Rural) research & development corporation
<b>SFC</b>	Statutory Funding Contract 2021-31