

## Meeting Future Market Demand March 2015

If Mr. Abbott and his Federal Government seriously “want the timber industry to have a vigorous and dynamic future, not just a past, and also for the timber industry to be a vital part of Australia’s economic future, not just something that was a relic of our history” (Abbott March 4 2014), well they had better put their money where their mouth is and invest strategically and wisely in timber training.

The order in which the ‘Meeting Future Market Demand’ paper presents the issues the industry is facing is a case in point. It puts Industry skills and training last, as Issue 8! Training **must** be Issue 1 if the trends that can be gleaned from Table 1 pp14 are to be reversed.

Just what are those trends?

1. A huge imbalance between timber products exported (\$2.3 billion) and timber products imported (\$3.1 billion) (ABARES 2014)
2. A huge disparity between the values of timber finished products imported compared to the amount of raw products exported.
3. The bottom line: The total value of timber product imports was \$4.6 billion in 2013-14, which was an increase of 11.7 per cent from 2012 -13 (ABARES 2014). We are losing the imports war.
4. We are importing ever-increasing amounts of wood panel products by the ship load from Asia and NZ.
5. Paper and paperboard products and miscellaneous product imports have skyrocketed also.

How can we drive the timber industry to be sustainable, to utilise cutting-edge technology, to create competitive advantage and to innovate’ if there aren’t the funds to train people to certify the timber, to operate the computerised moulders, to manufacture innovative timber composite products of the future and to invent and export the timber processing technology of the future, such as timber 3D printers. Quite simply, NO TRAIN NO GAIN!

The level of investment by the Federal Government in timber industry training has waned over recent years to the point where many RTOs (Registered Training Organisations) have shutdown, changed direction or contemplated their future because the funding has not kept pace with the economy and demand. Many have become untenable simply because the training rate has not increased, or has in fact decreased, in 10 years for our industry, whereas the cost of goods and services has risen by 42.1% (Reserve Bank Australia 2015) in that time. The training rate hasn’t even had any cost of living adjustments. More and more businesses have to conduct in-house no-name home brand training for their employees because they don’t have access to VET industry-specific training anymore.

Both private and public RTOs suffer from a total lack of funding to equip their training centres with the up-to-date technology to train for the future. Since 2010 there have been NO grants available under the National Skills Centre Funding, so how does the government expect RTOs to facilitate their training programs if they can't afford the facilities, the maintenance and the technology that's required?

Skills shortages abound right across the board in the timber industry, across all sectors from growing trees, to harvesting them, to carting the logs, to processing them and to marketing timber. We are not training or employing enough new people for the industry to have a sustainable future. Without people the industry will quietly drift off into the sunset and all manufacturing will be lost off shore forever, just like the automotive industry. Mr Abbot must keep his promise on this one for 70,500 (jobs) reasons in 28 towns and communities.

Forestry and Timber training right now stands at the crossroads.

The Federal Government and the FIAC must take action now if they want a viable industry in the future or not. They got it right by providing the Industry Skills Fund for businesses, but they quite simply forgot all about how and where these businesses can gain the skills and knowledge needed for the future.

Be honest, be upfront Mr Abbott, YES or NO.

Remember NO TRAIN, NO GAIN!