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Mr Ian Dundas  
Committee secretary  
House of Representatives  
Standing Committee on Agriculture, Fisheries and Forestry  
Parliament House  
Canberra ACT

**Inquiry into rural skills training and research**

The Forest and Wood Products Research and Development Corporation would like to make the following brief submission to the Inquiry Into Rural Skills Training and Research. The submission deals with two issues (a) the current state of tertiary (Batchelor degree level) forestry or forest science education in Australia and (b) Australia's declining capacity for forest industries research and development. These comments need to be set against the backdrop of an industry with a gross turnover of \$18 billion (ABARE 2004) and steadily increasing production and value.

**1. Tertiary forestry education**

The Corporation notes (Kanowski 2004, Attachment 1) that there are now six Universities in Australia offering undergraduate forestry courses of some type. This proliferation, associated with the deregulation of the higher education system, has developed over the last decade or so when student interest in agriculture and forestry education (but not necessarily market demand) have been in decline in Australia and many other developed countries. Effectively the courses appear to have enrolled collectively about the same number or fewer students that might have been enrolled in the two pre-existing major forestry schools (ANU and University of Melbourne) in the early 1990s (Kanowski 2004). Forestry courses at traditional forestry schools have thus been weakened by decline in student numbers and subsequent removal of specialist teaching resources while it could be argued the new entrants lack the specialized staff and infrastructure to teach high quality courses and capacity to undertake worthwhile research beyond certain limited areas. Some courses are clearly not viable and yet we have a Darwinian struggle for survival.

Whilst not arguing for any particular University the reality would appear to be that Australia can only support one possibly two high quality degree course in forestry or forest science. Unfortunately present arrangements lead to sub optimal outcomes for students and the nation.

At the same time there would appear to be an increasing need for tertiary education in wood products and processing to support our expanding wood

manufacturing industries. Survey data and anecdotal evidence from industry suggests an emerging skill shortage in such areas as wood products engineers and operational managers in high technology processing facilities. While Australia has diploma level courses in this area, there are no undergraduate degrees that arguably are now required as we develop expanded and larger scale wood processing infrastructure. Thus we have a proliferation of investment in forestry education but limited investment in tertiary education for the down stream element of the industry and seemingly little capacity to redirect resources.

## **2. Forest industries R and D**

The Corporation commissioned a report on investment in forest industries R and D that was published in 2004 (Attachment 2). This report showed that over the last 20 years overall investment in forest industries R and D had declined by around 27% in real terms with a decline in forest research of around 20 % and forest products research of 40%. Commonwealth investment declined by 9%, State agencies 22%, companies 30% and Universities increased by 27%. Full details are set out in Attachment 2 and further very relevant commentary is also found in Attachment 1.

The response to declining investment has in the main been downsizing and loss of capability in the sector although it must be said that change has also led to improvements in research efficiency through better focused R and D and substitution of labour with capital. There is also a greater reliance on external and competitive funding that, while not necessarily negative, increases the challenge for maintaining a viable research capacity in a long run business such as forestry. Whilst I cannot be readily quantified there is along term decline in our R and D capacity and ability to innovate in the sector through R and D. Whilst the report at Attachment 2 covers the period to 2001/2002 the trends identified have continued over the last 3 years (e.g. CSIRO Forestry and Forest Products staff numbers appear to have reduced by 20 % over that period).

Another response to declining investment has been the formation of new collaborative arrangements such as Cooperative Research Centres. These arrangements have generally been positive although Round 9 CRC arrangements appear to be particularly complex and diverting of resources from science to lawyers.

The most significant partnership announced in 2004 was the partial, unincorporated joint venture (initial term three years) between CSIRO Forestry and Forest Products and Forest Research (a New Zealand Crown Research Institute). The Corporation is very supportive of the partnership where it helps create a critical mass of skills and improve the customer interface and is advantageous from a research investor perspective where bringing together the best skill sets is important for projects.

Of concern is the proposal to extend the joint venture to incorporate the residual elements of CSIRO FFP and additional elements of FR. If the joint venture is successful, which the Corporation hopes will be the case, then Australia should not be disadvantaged and there are potentially positive benefits. On the other hand if it fails there is risk Australia will lose its national forest industries R and D capacity and become increasingly dependent on overseas R and D providers. It would

seem unlikely CSIRO would seek to re-establish the Division of Forestry and Forest Products and its elements might be dispersed across CSIRO with loss of focus, capacity and networks. This question has been addressed to CSIRO but no explanation has been forthcoming.

The Corporation hopes the Committee may be able to address the imbalances in the tertiary education sector as they relate to forestry and the ongoing decline in our R and D capacity and potentially increased dependence on overseas providers.

Yours sincerely

Dr Glen Kile  
Executive Director

## **ADDITIONAL INFORMATION HELD BY THE COMMITTEE**

**ATTACHMENT TO SUBMISSION NO. 13**

ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH SUBMISSIONS ARE  
HELD IN THE COMMITTEE OFFICE