



Media release

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Unprecedented reduction in research threatens innovation and competitiveness in Australia's forest industry

There has been a dramatic and damaging reduction in the level of research and development in the forest industry in Australia over the last 5 to 7 years according to three former CSIRO research leaders - Dr Glen Kile AM, Dr Sadanandan Nambiar AO and Alan Brown AM.

In a paper published today in the peer-reviewed journal *Australian Forestry* the authors analyse the reasons for the decline, and its impact on innovation in Australia, and calls on industry to again invest in its own future.

Three-quarters of the wood now used by industry in Australia is derived from plantations; those plantations have been developed through research on genetics, site management and pest control. Our understanding of the ecology and threats to native forests has evolved through research. Research has contributed significantly to the processing of forest products. Forests, and allied industry, will not sustain production and competitiveness in the absence of R&D.

“Research needs investment”, says Dr Nambiar, “and the decline in research investment is the result of privatisation of assets through the sale of plantation cutting rights, the loss of vertical integration, and the change in plantation ownership to international timber investment organisations.

This situation has been further exacerbated by low industry profitability, cost cutting and the failure of managed investment scheme companies. We have lost much of our industry R&D capability and opportunities for innovation.”

Dr Kile agrees and adds that “the major loss of human talent is serious; we see researchers trained through the cooperative research centre program remaining unemployed while the remaining research cohort is ageing, and we fear that the critical skills that made us world leaders in some areas are rapidly being lost.

Industry investment in R&D is low – in 2013/14 it was only \$3.1 million, provided through the R&D body Forest and Wood Products Australia with half of this amount was provided by the Commonwealth. This is a pitiful state in an industry with an annual turnover of more than \$20 billion.

The fragmentation and serious decline of R&D capacity in Australia is a major weakness and a risk to business compared to other timber producing countries such Canada, New Zealand, Finland, Chile and Brazil.”



Alan Brown calls for a plan for the future. “The sector has not developed a response to the changed circumstances in which it finds itself, nor a strategy for investing in its own future in terms of R&D.

If industry is not prepared to increase its investment, further erosion of the national R&D capacity is certain as public organisations continue to withdraw resources in response to the minimal industry co-investment.

We believe that there is a need for new strategic partnerships between industry and R&D providers, linked with a renewed national vision for industry development supported by dependable and sustainable funding”.

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Read the full article here:

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