

Joint Oireachtas Committee on Agriculture

3 November 2020

Opening contribution by Mark McAuley, Director of Forest Industries Ireland

1. Opening remarks

Thank you for the opportunity to come today and discuss the contribution forestry and timber are making to our economy, society and environment and also some of the deep challenges that the sector is facing at present.

2. Introduction

Forest Industries Ireland is an all island body constituted within Ibec. Our member companies cover the whole supply chain. There are nurseries that grow the saplings; we have forestry consultants who work with farmers and landowners to plant and manage their forests; we have factories that convert the forest crop into construction timber, panel products, fencing materials, packaging and biofuel.

3. The forest and timber sector

For many decades, the state and our people have invested in increasing afforestation in Ireland. In return, Ireland has an industry that provides 12,000 jobs throughout our rural communities. The economic contribution is of the order of €2.3 billion per annum.

Over the coming years, the private forests planted in the 80s and 90s will come to maturity and deliver a major supply increase onto the market. This is a further opportunity for Ireland.

Today, we work with more than 20,000 farmer forest owners. Most of them have made the decision to plant a portion of their farm. They get a steady and reliable income, and it delivers a valuable crop when the forest matures. Increasingly too, farmers are interested in the environmental contribution that their forests make.

In Ireland, our forests produce timber at three times the rate of Scandinavia. They are a major carbon sink. Forestry in Ireland is therefore already a big part of this island's fight against climate change. Irish forests are capturing 3.6 million tonnes of CO₂ yearly. The total carbon store is over 300

million tonnes. This is testament to the policies of successive governments to plant trees and create a vibrant forest sector.

All over the world, forests have been identified as the most scalable opportunity to absorb CO₂. In Ireland we have learned a lot. We are increasing diversity and balance in our forests. We are providing more leisure and recreational opportunities for our citizens. We are increasing the provision of one of nature's great renewable raw materials.

4. The timber construction opportunity

We should increasingly seek to use our own timber as a mass-market construction material. Wood can displace cement and steel in our built environment. It is doing so today throughout the world. The world's tallest timber building was completed in Norway this year. It has 18 stories of apartments. Wood is being used to remodel, expand, and extend the life of existing structures using the existing foundations.

In Ireland too, we should embrace greater use of timber. This requires changes to our building regulations. The Government can take a lead by enabling more timber housing and procuring new greener schools and civic buildings which use Cross Laminated Timber as the backbone of their structure.

5. Forest policy

Ireland's forest policy is constantly evolving on the ground. To continue this into the future, we must plant more and continue to improve forest management. We have done well to climb back from less than 1% forest cover 100 years ago to the 11% of today. Now is the time to redouble our efforts and build a coalition of farmers, foresters and policy makers to drive continued forest development. Farmers are the foundation of future policy. Industry and government must rise to the challenge of rewarding these farmers. Without enthusiastic participation from all, we can't maintain the positive growth of forestry in this country. We need to support our farmers and rural communities. We want them to feel encouraged to see forestry as a positive option on their farms, both for the sake of the environment and for a reliable family income.

We all want to find ways to diversify the forest estate. Already, over 30% of the trees we plant are broadleaf. We want to increase the creation of native woodland. We can do this in a way that goes hand in hand with the creation of conifer forests and the economic value they contribute. The greatest driver of broadleaf planting in Ireland right now is planting alongside Sitka Spruce.

This sector is calling for a renewed vision for forestry in Ireland – one based on economic development, climate change goals, biodiversity, and social values. We need stakeholders to come together and agree the way forward, rather than have different groups pulling in different directions. Forestry and timber can make a great positive impact on climate change. If we get it right, it will work for everyone.

6. Current crisis in the sector

I have started with a positive vision today, but I must tell you that there is a deep crisis in the forest sector right now.

Tree planting has been decimated and our sawmills have run out of timber. Jobs have been lost and companies are in danger.

This has been caused by the introduction of a new regime for forestry licensing and a failure of this new regime to provide the licences that are needed to plant trees and fell timber.

The sector is completely undermined by this. There are simply not enough new licences being delivered by the Forest Service and there is a huge backlog of appealed licences in the Forestry Appeals Committee.

Licence backlog in the Department

The central issue is the shortage of felling, afforestation and roads licences being supplied by the Department of Agriculture. There is backlog of around 2,000 applications awaiting approval and the run-rate of licences being issued is about a quarter of what the sector needs. It is absolutely essential that the Department finds a way to quickly deal with the backlog and dramatically increase the supply of licences. The licensing system needs reform and must be capable of delivering licences

within 120 days of application – this is the core industry requirement. The Department has not been able to deliver on its licensing targets and the industry believes the system needs complete reform if it is ever going to work. The industry is 100% reliant on a functioning licensing system. Without this, we are at nothing and no government ambitions on forestry and timber will ever be delivered. People have lost their jobs and companies are in danger.

Further delays at the Forestry Appeals Committee

The problem with licensing is exacerbated by a further backlog of **500** projects under appeal in the Forestry Appeals Committee (FAC). The FAC deals with appeals against felling, roads, and planting licenses. Again, the run-rate for decisions is far too low and is only a fraction of the rate required.

The recent Forestry Act set out a path to reform the FAC and deliver much greater output. The industry is still waiting on proper implementation of the provisions in the Act. We discussed this issue in detail last week with Minister Hackett and her officials, and we remain unconvinced that the FAC will be able to deliver if it keeps going the way it is going. It is likely that we will still be waiting for many months for most of these appeals to be decided. The fact of the matter is that this is where our timber is stuck and where our planting projects are stalled. The damage is enormous and is getting worse all the time. The FAC must be reformed in line with the legislation and start dealing with appeals at a rate of 100+ per month. Since the start of the year, the FAC has only processed circa 26 projects per month.

The long delays at the FAC, coupled with inadequate licence approvals in the first instance have led to timber to our mills now running out of timber and our afforestation programme being on its knees. Forestry companies, contractors and hauliers have already lost their jobs and machines been sold off; irreparable damage is being caused to the sector

The system is broken, and the Department needs to recognise this and stop prevaricating. Urgent actions is needed now.

Required Actions

In terms of the actions required I would underline three things:

1. Rate of FAC Appeals Processing: The FAC needs to implement the Forestry Act – work in multiple divisions, deal with appeals jointly, and be resourced sufficiently. It can be rigorous and fair to all parties, and at the same time as be much more productive. The Minister needs to stay close to this process and ensure that it happens. The FAC holds a million of tonnes of timber that we need, and we need to get it out of there.
2. Rate of Licensing Approvals: The speed, resources and capability within DAFM must improve urgently to increase the rate of forest licensing approvals to multiples the current level. Targets continue to be missed. The backlog in ecology has grown to 2,000 files. The system is in failure and this must be recognised. It will not be change until there is an admission that it is failing and will never be able to deliver the required output.
3. Longer term reform: In the longer term, the regulatory system must be revised, and we should move away from a licensing model to a regulatory model that does not require a fresh licence for every activity. This is unnecessary and is not replicated in other countries. We need a more sensible approach that can be both rigorous and efficient.

7. Conclusion

The forest sector is in a fantastic position to deliver for our farmers and for rural Ireland. We will grow and prosper and create many more jobs around the country; all the while delivering for our environment and providing fantastic recreation for our people. We can achieve this if the current crisis in licensing is resolved quickly and the industry can return to normal operations. Failing this we are going over a cliff. It is a crisis that can still be solved and a disaster that can be avoided.