

**JOINT COMMITTEE ON AGRICULTURE AND THE MARINE
17 NOVEMBER 2020**

**OPENING STATEMENT
IMELDA HURLEY, CHIEF EXECUTIVE, COILLTE**

Thank you Chairman,

Good afternoon Deputies and Senators and thank you for the opportunity to engage with the Committee. With me today is Mark Carlin, Managing Director of Coillte Forest. The Committee have highlighted a number of issues for discussion and we look forward to addressing these while providing some context around the challenges facing forestry and the measures that can be taken to resolve these issues.

In particular and as requested, I am going to focus on the current licencing issues which are impacting the sector as well as the matter of Ash Dieback. I will also address the need for an appropriate and fit-for-purpose regulatory framework as well as the potential impact of Brexit.

It is less than a year since Mark and I addressed the previous Joint Committee. As the composition of the Committee has changed, I will begin with a short overview of Coillte.

Coillte currently manages an estate of 7% of the land area of Ireland, comprising of over one million acres of which 90% is forested. Today, we are the largest forester and timber producer in Ireland, the largest provider of outdoor recreation in the country, we facilitate and develop renewable energy projects and we carry out nature conservation and biodiversity enhancement projects. We understand the importance of forests for wood, for climate, for nature and for people.

Coillte produces about 75% of Ireland's timber supply with all of our timber being sustainably produced. Given our scale, we facilitate the bulk of the 12,000 rural jobs which the Irish forestry sector enables. Our forests are a critical source of construction timber, necessary for the roofs and floors of our homes, for pallets to move essential goods around the world, for the MDF and OSB extensively used in buildings and furniture and for fencing on our farms and in our gardens. The criticality of our industry is evident in that we were deemed an essential service during the very tight COVID-19 related 'lockdown' of last April and May.

Perhaps most importantly, Coillte is a part of every rural community and we provide unparalleled outlets for these communities including 3,000 km of trails and numerous recreation facilities. We attract 18 million visitors each year. This year, we know that our visitor numbers are much higher as Irish citizens seek to get close to nature during the Pandemic, thereby supporting their physical and mental health.

Over the last 30 years, Coillte has continually evolved, embraced change and brought new thinking to the management of Ireland's forestry estate. We will continue to do this as we

look ahead and recalibrate, to ensure that we have the right balance as we manage our forests for the future.

One thing that has remained steadfast over the years is the need for Coillte to remain financially strong. Financial strength not only allows for economic benefits to accrue to communities all around Ireland, and to the Exchequer, but also allows us to deliver a social benefit and to make an important contribution towards tackling climate change. Coillte and forestry are central to tackling climate change because actively managed forests provide multiple benefits when it comes to climate action.

When it comes to planting, Coillte operates on the principle of “the right tree in the right place for the right objective”. Twenty percent of our lands are managed with biodiversity as its primary objective. Our Coillte Nature division is operated on a not-for-profit basis and is dedicated to the restoration, regeneration and rehabilitation of nature across our forest estate.

I very much welcome the appointment of Minister McConalogue and Minister Hackett and we look forward to working with them in evolving a vision for forestry that responds to the challenges we face in the century ahead. While the current forestry programme will continue until the end of 2021, Coillte will be a proactive participant in the stakeholder group that is being established to help develop its successor. It is imperative that any new programme focuses on providing a balanced approach to the multiple benefits of forestry and to a regulatory approach that works for all stakeholders.

The ambitions for Irish forestry are clearly outlined in the Programme for Government and include the implementation of MacKinnon Report recommendations and increasing afforestation to 8,000 hectares per annum. Additionally, with the volume of harvest ready timber set to rapidly increase over the next ten years, our industry is expected to double in size and has the potential to create a substantial number of sustainable green-tech jobs. As the new forestry programme is developed, the important role of wood production in providing sustainable building materials must be strongly reflected in any new strategy.

Having outlined the criticality of our sector, I must point out that the current licencing crisis is of extreme concern to everyone in the forestry sector. And it is a crisis. The Forestry (Miscellaneous Provisions) Bill 2020 is an important step in putting in place a forestry appeals process that is fit-for-purpose, that allows the FAC to sit in multiple divisions and to be in a position to determine appeals swiftly and efficiently. Coillte welcomes the implementation of this Bill and thanks the members of the Oireachtas for its speedy passage.

However, while the new legislation is important, it is only one of a number of key steps required to resolve this crisis, a crisis which has seriously challenged the sector throughout this year. Right now, timber supply is at critically low levels, so low that jobs have already been lost, with many more still under threat.

Coillte normally sells our annual timber harvest through a combination of an Annual Contract with each customer and a series of Timber Auctions. Our Annual Contract transacts half the timber that we supply to sawmills each year. This event takes place every October, and is of

fundamental importance to Coillte's customers because it provides them with security of supply for the year ahead. Due to a lack of licenced material, we have had to cancel this October's Annual Contract Event. Alongside this, we are also unable to schedule any Timber Auctions, which are critical to our customers to procure the remainder of their timber supply requirements.

The reality for Coillte today is that we are doing everything we can to keep the timber supply chain across Ireland functioning, to ensure the Department has all required information to process our licence applications, while at all times remaining in constant contact with our customers on what is now a case of managing emergency supplies. Right now, we are doing this with very significant difficulty and are operating on a very short term basis.

This issue has arisen because the rates at which new licences are being issued, roads permitted and appeals heard are currently all below what is required to meet both our and our customers' requirements.

For the forestry sector and timber market to function effectively, Coillte's annual harvest programme for 2021, must be fully licenced by the end of 2020. Currently, Coillte only has 16% of its timber licenced and available for next year with a further 2.3 million cubic metres of additional material needing to be licenced by the Department before the end of this year. In order to achieve this, the current licencing rate needs to almost triple.

Additionally, approximately one quarter of our 2021 harvest programme is dependent on road permits being issued by the Department. The current rate of issue of these permits is inadequate and is, already in many instances, preventing us from accessing licenced timber.

Our timber supply challenge is further compounded by the fact that approximately 700,000 cubic metres of Coillte's forestry licences are currently under appeal to the FAC. The hearing rate for our appeals, while recently increased, is still currently not sufficient to clear the backlog of Coillte appeals within what we consider to be the required timeframe for our industry to function normally.

All-in-all, the new legislation, was only one of a number of steps required to address this crisis. In order to make a further significant positive impact, the FAC needs to be resourced such that all our appeals are determined by the end of January and, to ensure that going forward, all appeals are determined within a two month turnaround timeframe. Additionally, the Department needs more resources to meet the required tripling of our current forestry licensing rate. Without these resources, we will remain in crisis throughout 2021.

I now want to turn to Ash Dieback. Along with the entirety of the forestry industry, Coillte is determined to manage this disease effectively and to do whatever we can to restore Ash to our forests and hedgerows.

At all times the goal is not only to see the species survive, but implement measures to allow it to thrive. That has led Coillte to be part of the search for provenances of Ash that are resistant to the disease. We form part of the Ash Society of Ireland which was set up by the

Department to find ways to save Ash. We have identified 200 provenances of Ash from throughout Europe that had resistant strains to Dieback.

This includes three Irish strains from which trees Coillte has taken clones. Last year, we planted 600 of these new strains and we plan to expand this to 3,000 plants within two years. The goal is to plant these across our estate to repropagate Ash with trees that are resistant to the disease. The fight against Ash Dieback is a long one but we believe we are starting to make some good progress.

Before concluding, I want to come to the Brexit challenge. Our sector is increasingly concerned of the prospect of a "hard Brexit". Approximately 60% of Irish forest products are exported to the UK. Any disruption to supply chains would likely have severe employment impacts. This is particularly so for the panel products sector, which would face tariffs of 6%, thereby significantly undermining their competitiveness against domestic UK suppliers.

Finally, as the licencing crisis has highlighted, Ireland needs a regulatory environment that supports the continued development of the entire forestry sector. The current system imposes serious constraints on afforestation efforts as well as on the efficient operation of the forestry and timber sector. It is timely for the Department, in full consultation with the forest products sector, to complete a root and branch review of forestry regulation in order to ensure that procedures and processes are fit for purpose going forward and that the right balance can be achieved.

As an immediate priority, it is critical that the building blocks are put in place to restore confidence in Irish Forestry. The Department has a critical and positive role in achieving this, by processing the current forestry licences at pace and by the FAC clearing the appeals backlog as a matter of urgency.

I look forward to discussing these matters further with the members.

Thank you.