

Minister McConalogue opening address

Joint Oireachtas Committee

25th January 2023

Thank you for the invitation to today's meeting. Minister Hackett and I welcome the opportunity to discuss the Forest Strategy and the overall direction of forestry policy with members of the Committee.

We are discussing the Government's approach to expanding, protecting and developing our forests and woodlands for the benefit of the environment, farmers and the rural economy.

We are going to be short, concise and to the point. It is important to have as much time as possible for discussion on the matter.

In light of recent events and events associated with forestry over the past decade, I feel the need to be frank.

When Minister Hackett and I came to office, the forestry sector was on life support.

Confidence had been eroded. Licenses were backed up. Afforestation rates had collapsed.

A broken appeals system had ground licensing to a halt with 6,000 licences waiting over 120 days for approval. That number has reduced by nearly 5,000 now. This came as a result of a Court Ruling which required significantly more scrutiny on each application which delayed every single application.

The situation was dire.

Minister Hackett and I, working closely with our Department officials, set about to fix that problem but with the problems were so deep-rooted that it took time. Like any business, we rolled up our sleeves, we identified the problem and we have fixed it through investment, hard work and determination.

I'm not going to go into statistics apart from just one to show just how more efficient the licencing system has become. In 2022, the Department of Agriculture issued 4,713 licences, which over 1,200 more licences issued than applications received.

We have seen real progress here, but we have more to do.

The culmination of our determination and hard work in the forestry sector is our new €1.3bn forestry programme. This is the most farmer-focussed Forestry Programme ever devised by the Department.

This is Rolls Royce programme aimed at supporting farmers. It is fully exchequer-funded and is therefore subject to EU State Aid approval. We are engaging intensively with the European Commission in order to secure this approval as soon as possible.

The new Programme will do four things:

1. It will see farmers get 20-year premiums and non-farmers get 15-year premiums.
2. It will see premiums increased by up to 66%.
3. It puts farm families at the very centre of it.
4. It will help us achieve an annual afforestation rate of 8,000ha per year to hit our climate targets.

Farmers will also receive single farm payment on afforested land; other landowners will not receive this payment on afforested land.

Now, regarding the recent announcement of the agreement between Coillte, the Irish Strategic Investment Fund and Gresham House.

At the outset, the structure of the deal between Coillte, ISIF and Gresham House is not our preferred option. Our preferred option is for farmers to plant forest on their own land and that is what we have designed the new Forestry Programme to achieve. But this fund is an option Coillte has put in place to help us reach our hugely ambitious forestry targets.

The total area of new forests planted through the fund will deliver roughly 3.5% of the 100,000 hectares of new forests Coillte has committed to enabling between now and 2050.

Of the State's overall national target of 450,000 hectares of new forests by 2050, the fund will plant less than 1% of that total.

Coillte and ISIF have entered into binding contractual arrangements in respect of this initiative, which has commenced its work, the afforestation element of which is expected to last for five years.

As the Committee knows, the Government had asked Coillte to get back into afforestation in order to help the country meet its ambitious forestry targets. The independent semi-state company, through its strategy vision, which was launched in early 2022, set target of 100,000ha of afforestation by 2050.

Coillte said it is examining all options to identify partners and mechanisms to enable this ambition. Working within its remit as an independent semi state company and, engaging in an independent tendering process, Coillte established its strategic fund. This is not a decision that required Government sign-off.

Building afforestation momentum in a sector that has essentially been in cardiac arrest is necessary but there are various options to reach our ambitions.

That is why Minister Hackett and I have asked Coillte to closely examine how they can work more closely with the State as well as farmers and local communities.

We are stating clearly here today. This type of strategy is not our preferred option for strategic partnerships in the sector. Again, our preferred option is for farmers to plant trees on their own land which is what we are incentivising through the new €1.3bn Forestry Programme. We want all strategies to be based around working in partnership with farmers to support their ambitions for forestry.

But we also must be realistic. For various reasons, forestry plantations are not where we want them to be. Afforestation rates have not reached their heyday of the late 90s and early 2000s for a raft of reasons.

We have hugely ambitious climate targets with forestry planting at the very centre of these ambitions.

Forestry is truly the ace up the sleeve as we face into a decade where we will need to reach up to 8,000ha of forestry planting each year. We have 11.6% of the country under forestry at the moment with a target of reaching 18% by 2050.

So, therefore, the state, the sector and the industry must pull all possible levers to get us to our hugely ambitious targets.

We have focussed efforts on delivering a Forestry Programme for our farmers and landowners. That is our ambition.

We have a new vision for forestry. It a game changer for reaching our climate targets, it will deliver for farm family incomes, it will create a vibrant industry in rural Ireland and it will be the envy of the world.

CONCLUSION

I am heartened to see the cross-committee support for forestry and improving our afforestation rates in the country.

We have much work to do about changing the perception around forestry. Increasing our afforestation rates will be good for the environment, for our climate targets and, critically, for farm family incomes.

Farmers are at the heart of our new Forestry Programme. We want farmers and existing landowners to be the primary beneficiaries of the €1.3bn Forestry Programme and that will be the case.

We are at the dawn of a brilliant, bright and exciting future of forestry. We are all looking forward to working together to seeing Ireland become a leader in the forestry sector.