



IRISH TIMBER GROWERS ASSOCIATION

17 Castle Street, Dalkey, Co. Dublin
Tel: +353-1-2350520 Fax: +353-1-2350416
Email: itga@eircom.net
www.itga.ie

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Irish Timber Growers Association submission on the Forestry Bill 2013 in relation to its potential impact on the sector

The Irish Timber Growers Association (ITGA) was established in 1977 and is the national representative body of private woodland owners in Ireland. The membership of the Association mirrors the wide range of different timber growers in the country and current membership includes farm forest owners, forestry co-operative members, private woodland estates, forestry investors and forestry pension funds. This wide range of membership allows the Association take a broad view of the industry and issues facing the sector.

The Association welcomes the opportunity to comment on the Forestry Bill 2013 in relation to its potential impact on future wood mobility and afforestation.

The private forestry sector is set to make a significant contribution to the rural economy and employment, particularly given the substantial growth in the volume of timber forecast to come from private growers with the potential economic benefits of this to the State. The COFORD All-Ireland Roundwood Production Forecast 2011 to 2028 illustrates the increasing production potential from Irish forests which will almost double to 7 million cubic metres, from the current 3.79 million. The harvest from private forests is forecast to increase 10 fold within this timeframe.

Given the acknowledged requirement to increase wood mobility and also future afforestation and the imminent requirement to thin existing woodlands, the Irish Timber Growers Association stresses the importance of a facilitating Forestry Bill. The return on the State's investment in private forests will be secured where there is a strong afforestation programme and also where woodland owners undertake ongoing thinning and bring roundwood to the market. Any future Forestry Act must play a role in achieving these core aims and the Forestry Bill affords great opportunities for facilitating the sector. The Forestry Bill 2013 is timely, ITGA however, is of the opinion that as it is currently drafted it is unlikely to increase afforestation rates or facilitate future wood mobility within the sector. In all likelihood, it would negatively impact on these objectives.

The following points are made in relation to the Forestry Bill 2013;

1. Industry objectives

The Forestry Bill 2013 does not specifically address the expansion of the forest estate and critically there is no reference to an objective to provide timber to meet the needs of our timber industry. The Bill should include as its major economic objective the supply of wood to industry which must be a primary aim.

2. **Barriers to wood mobility and new costs to industry**

The Forestry Bill will result in significant additional costs to the exchequer, business and future potential timber growers. These costs will act as a barrier to wood mobility and afforestation in the future. The Bill states in 24-(1) that ‘the Minister may charge such fees as may be prescribed for the following:

- a. an application for a licence, approval or registration, or
- b. any other service provided under the relevant statutory provisions, ...’

Any such prescribed fees will add cost and financial burden to owners and the industry and will result in reduced Felling Licence applications and consequently decrease wood mobility in the sector, thereby negatively impacting on forestry’s contribution to rural development and employment.

This introduction of fees in the Bill contradicts the assertion on page 1 of the Forestry Bill 2013-Explanatory Memorandum which states, ‘It is not envisaged that the new Forestry Bill will result in any significant additional cost to the Exchequer or business. There is unlikely to be a significant increase in costs associated with enforcement and compliance by the State. It is envisaged that enforcement and compliance can be accommodated within existing resources.’ For the reasons outlined below the Irish Timber Growers Association challenge these assertions.

3. **Felling Licences – meeting the needs of future growth**

The harvest from private forests is forecast to increase 10 fold within 15 years. The retention of a similar General Felling Licence procedure as is currently in place and outlined in this Bill will prove costly and an administrative burden to both growers and the Forest Service. This will also act to discourage future afforestation.

ITGA maintain that for standard forest plantations a Felling Licence should be for a considerably longer period than 5 years as is proposed in the Forestry Bill 2013 [17-(3)] and should include all thinnings up to the final felling of a forest. The requirement to apply or reapply for a Felling Licence every 5 years is unnecessary and administratively costly for all parties. Given the limited resources of the Forest Service, if the future forecast roundwood volumes come on stream the application process is likely to take considerable additional time due to the increase in Felling Licence applications to be dealt with. This will ultimately discourage wood mobility from the forest to timber processors. In this regard, there should also be time limits built into the legislation within which the Minister must respond to Felling Licence applications and other processes.

The current Felling Licence system is prone to delays and the absence of any timelines is a major weakness in the Forestry Bill. There should be workable timeframes and timelines included in the Bill to facilitate planning by forest owners and the industry.

4. **Management Plans**

In the Forestry Bill 2013, the Minister may require an owner to submit a forest management plan and may approve, reject or revoke a plan, or a revised and updated plan and attach conditions at any time to the Plan as outlined in Section 10 of the Bill. This requirement interferes with a landowner’s right to manage their forest to achieve their own objectives. This requirement to supply a management plan which must then be approved is a further administrative barrier to wood mobility which will also increase management costs to forest owners. Also, the Minister would not be obliged, under the Bill, to give reasons for rejecting, revoking, or requiring the revision of management plans which further acts to impact

negatively on wood mobility, confidence in the sector and ultimately may act to reduce future afforestation rates.

5. Inventory information

The potential for the Minister to issue and serve a notice on a woodland owner as specified in Section 13.1- (a) requiring him or her to furnish to the Minister within 28 days a detailed forest inventory 'and such other information as may be specified in the notice' would further add to owners costs and administrative burdens.

6. Felling Licences and financial losses to growers

Where the Minister refuses or suspends, amends, or revokes a Felling Licence or approval, as he would be entitled to do under the Forestry Bill 2013, [Section 7(2) & (3)], thereby resulting in the timber grower not receiving revenue from timber sales, the legislation must provide for appropriate compensation to that grower for their resulting financial loss. Most growers afforest their lands with the expectation of securing a future financial return. Where no such compensation is addressed in the Bill to reimburse growers for their loss, future potential growers will understandably be reluctant to afforest their lands. Compensation in the Bill must also be provided where legislation or regulations involve, direct or authorise the destruction of a grower's trees.

It is very difficult for a business to operate effectively where, after a licence or approval has been granted, that licence or approval could subsequently be varied, suspended, amended, or revoked by the Minister. The potential for conditions of an approval or licence to be varied after that licence is issued is of concern to the sector. Growers enter into a contractual obligation with mills to supply timber. They would subsequently be in breach of such contracts and face potential liability where such provisions applied preventing them from meeting the contract terms.

Section 7 (4) is of serious concern where, after initially granting a licence or approval, it can be subsequently suspended or revoked but where it can be specified that all the original conditions must remain in force. Felling licence conditions have cost implications and these are generally funded from timber sales proceeds. If a licence is suspended or revoked so too should any conditions attaching to it.

7. Reforestation

The reforestation requirement after felling acts as a barrier to afforestation and in the Forestry Bill [Section 17] it should not be mandatory for growers to have to replant after felling.

8. Impact of subsequent Regulations

In order to encourage wood mobility, the afforestation of more lands, and to ensure that the new Forestry Bill will not result in additional costs to the Exchequer or business, the Bill should be subject to an Economic Impact Assessment. Also, before any new Regulations that would be enabled by the Bill are enacted there should be a requirement for a Regulatory Impact Assessment. It is important to include such safeguards for a private sector at this early stage in its development.

9. Onerous and excessive reporting requirements

The requirements for the reporting by forest owners as included in the Forestry Bill [Section 13-(1)] will add cost and an administrative burden to woodland owners and act as a disincentive to afforestation. The reporting requirements as provided for in the Bill are excessive and onerous on growers.

10. Power of Authorised Officers

The extent and increase in the powers of Authorised Officers in the Forestry Bill [Section 22] are of concern to the sector and likely to impact in a negative manner on forest owners and industry.

11. Unachievable vegetation and vermin control

The requirement to undertake the destruction of vegetation or vermin by owners as proposed in the Forestry Bill [Sections 14 & 15] would be particularly costly. Ultimately the control of vermin may not be economically achievable. Such a provision will act as a disincentive to landowners committing their land to forestry.

12. Committees

It is important that any Committees established under the Forestry Bill [Section 8] are representative of the various sectors within the industry including timber growers. Such a provision would act to improve communication in the industry.