




Save Our Forests

The social, economic and environmental case against selling Coillte assets

Ireland is set to become the first country in Europe to give up its public forest estate. This publication describes the disastrous economic, environmental and social impact this could have on our nation.

IMPACT
Coillte Branch



“For one
sweet grape
who will the
vine destroy?”

William Shakespeare
The Rape of Lucrece



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A call to action

This publication, produced by IMPACT's Coillte branch, is a clear and disturbing description of the potential social, economic and environmental impact of current plans to sell the harvesting rights – the right to fell and sell timber – from Ireland's state-owned forests. It's also a call to action, which we hope will inspire individuals and organisations to campaign together to urge the Government to rethink its plans.

Save Our Forests outlines the disastrous economic, environmental and social consequences of the proposed course of action, including the likely erosion of public access to forests. It also makes the compelling case that, in current market conditions, these consequences are entirely disproportionate to the relatively small sums of money the Government could hope to raise from a sale.

Importantly, it makes the point that this is happening without any formal consultation with stakeholders, including rural communities and the people who make 18 million visits to Coillte forests each year. Save Our Forests is a first step in addressing the scant understanding, let alone debate, about the irrevocable consequences of Government plans for Irish forestry and those who depend upon it for their living, environment or recreation.

IMPACT'S Coillte branch has a long history of informed commentary on forestry matters. Readers will note that there's no mention here of staffing or industrial relations issues arising from the Government's proposals. Rather, Saving Our Forests is written out of respect and concern for our forests and the huge benefits they give us, as individuals and communities and as a nation.

We hope it will encourage you to speak up for Irish forests and forestry and join the campaign to save our forests.

Shay Cody
IMPACT general secretary





Summary of main points

Introduction

Government plans to sell the rights to fell and sell trees in state-owned forests would terminate a century of Irish public forestry and make Ireland the first country in Europe to give up its public forest estate.

The proposals could have disastrous economic, environmental and social consequences, including the loss of public access to forests.

The potential consequences are entirely disproportionate to the relatively small sums of money the Government could hope to raise from selling Coillte's long-term 'harvesting' rights at this time.

There has been no consultation with stakeholders, who include rural communities, walkers, sports and leisure societies, youth groups, environmentalists, and thousands of workers in Coillte, the forestry products sector and tourism.

The impact on rural Ireland

The proposals would destroy the character and quality of forests and, in a country with no legal 'rights of way' over private land, limit countryside access for walkers, cyclists, school groups and the general public.

Any Government attempt to force private companies to allow access would likely be costly and/or ineffectual.

Similarly, the maintenance of almost 23,000 kilometres of forest roads would be put in jeopardy, with the country facing either their rapid and permanent deterioration or significant maintenance costs.

The cost of maintaining the residual shell of Coillte, with its associated environmental and social obligations, would also be costly.

The economic impact

Difficulties in valuing Coillte's long-term harvesting rights mean any price achieved could significantly underestimate the true worth of the State's assets.

The transfer of Coillte assets to the private sector would seriously jeopardise the forest products sector, which employs 12,000 and generates €2.2 billion of activity and €286 million of exports a year.

Together with the downgrading of Irish forests and forest roads, the loss of access to forests would have a huge impact on the tourism sector. Visits to Irish forests are currently worth €270 million a year.



Wood supply for domestic markets would be jeopardised, while the potential loss of internationally-recognised certification would undermine prices for Irish wood products.

The State would also be giving up unforeseen future business opportunities.

The environmental impact

The erosion of public access to forests would be a huge social and environmental loss.

It is difficult to see how Ireland's internationally-recognised forestry standards could be maintained under the proposals. It is unclear how the Government intends to address reforestation, species mix, environmental design, forestry inventories, and other regulatory and environmental issues.

It would be difficult and/or costly to regulate concession-holders.

Ireland risks losing its internationally-recognised Forest Stewardship Council certification, with adverse effects for consumers, tourism and other industries, and the environment.

Once lost, it will not be possible to rebuild Ireland's reservoir of forestry expertise on which the future viability of Irish forestry depends.

Forest privatisation

The privatisation of state forests is very rare in developed countries. It has only happened to any significant degree in New Zealand, where large areas of forest still remain in public ownership.

Privatisation in New Zealand led to high levels of foreign ownership, outflow of profits, access problems, wide variations in quality standards, job losses, and a contraction of the local sawmilling and wood-processing sector.

In Sweden, where 65% of the state forestry company fell into private ownership, 100% is now restored to public ownership.

The British Government recently abandoned plans to sell English forests following public pressure.



Introduction

Ireland is set to become the first country in Europe – and probably the developed world – to give up its public forest estate. This publication describes the disastrous economic, environmental and social impacts this could have on our nation.

The full detail of the Government's plans for its State forestry body Coillte, and the forests it manages and develops, have not yet been revealed. However, the Government has said it is considering selling the harvesting rights of Coillte's forests for between 50 and 80 years. The Government argues that this is not 'privatisation' because the land under the trees would remain in State ownership. But the environmental, economic and social damage would be similar.

The country is in a hugely difficult budgetary situation and that means all ways of raising revenue are being considered. But the immediate, long-term and possibly irrevocable consequences of ceding control of Coillte or its assets – including the likely loss of much or all public access to our forests – are entirely disproportionate to what, in current international market conditions, is likely to be a small short-term budgetary injection. Those same market conditions make it difficult to envisage how the Government could attract buyers if effective social, environmental and regulatory conditions are attached to contracts.

There are very many stakeholders in Coillte and the forests it stewards. They include rural communities in every county in the State, 12,000 people who work in the Irish forest products industry and thousands more in tourism and sectors indirectly dependent on forests and forestry, Coillte staff, national and local youth groups, sporting and social societies, environmentalists and the people who make 18 million visits to Irish forests each year.

The immediate, long-term and possibly irrevocable consequences of ceding control of Coillte or its assets are entirely disproportionate to what, in current international market conditions, is likely to be a small short-term budgetary injection.

IMPACT is concerned at the total lack of public consultation and discussion with these groups and others, who will be directly affected by decisions that are about to be taken.

Trees and forests play an essential role in our planet's sustainability. Forests support a complex of dependent organisms, absorb carbon dioxide, scrub atmospheric pollutants, moderate climate, give shelter and shade, provide a tranquil refuge for recreation and produce a potentially inexhaustible supply of wood both for energy and structural use. In doing so, they also support significant employment and economic activity in forest maintenance, tourism and recreation, and the Irish timber industry.

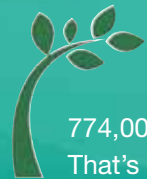


The Coillte forest estate is one of the most impressive achievements of the Irish state. It's a uniquely valuable economic, environmental and social asset. It's a sustainable and versatile source of renewable economic wealth and public benefit. It's a rich legacy, established by a determined and persistent national effort and the toil and vision of past generations. If managed wisely by present and future generations, the forests will continue to yield generous public benefits for generations to come.

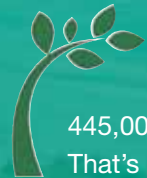
The intergenerational commitment implicit in the creation and stewardship of forests means they are best owned by altruistic and long-surviving institutions like the great land owning families, monasteries or nation states. That's why, in the modern age, virtually every developed country in the world maintains – and enjoys the benefits of – a substantial public forest estate.

Although the economic, environmental and social impacts of a sale of Coillte assets or harvesting rights interact in complex ways, we have attempted to distinguish between them in this publication, which aims to inform the public and policy-makers of the impending hazard and its dismal consequences for our economy, environment, countryside and society.

Forestry in figures



774,000 hectares of forest
That's over 10% of Ireland's land area



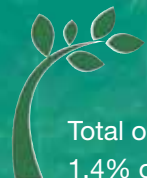
445,000 hectares of public forest
That's about 6% of Ireland's land area



329,000 of private forests
17,000 owners



2.7 million cubic metres of timber
produced in 2011
2.2 million produced by Coillte



Total output €2.2 billion
1.4% of GDP



12,000 people employed
€286 million of exports

A terminal threat

The dismantlement of Coillte by outright sale, dispersal of territorial lots, or by sale of sections of the timber harvesting rights for 50-80 year terms as proposed by the Government would, in effect, terminate a century of Irish public forestry. Even if Coillte land remains in State hands, the sale of long-term harvesting rights would effectively cede control of this great national accomplishment and entrust its fate to less answerable – and probably less responsible – hands. This would diminish Ireland as a progressive nation, break faith with past generations, and deny present and succeeding generations their forest heritage and all its environmental, social and economic benefits.

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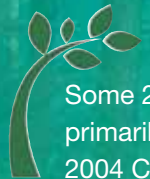
In countries across the globe, the state is almost always the largest single forest owner. Typically, forests are managed either directly by state-owned companies (eg, Sweden, Finland and Ireland) or by an agency of a government ministry (eg, Britain, France and Austria). Privatisation of state-owned forests is extremely rare. Even in New Zealand, which is sometimes held up as an example of 'successful' privatisation, the State remains by far the largest owner of forests. In the 1990s, the ownership of Sweden's state forests passed through a series of mergers and transfers that reduced the State holding to 35%. In 2001, the Government acquired the remaining 65% and restored a fully state-owned company, which remains the largest forest owner in Sweden. Recent proposals to privatise British state forestry were abandoned following a public outcry.

It is unthinkable that Ireland would buck this international trend. Coillte is a highly regarded forestry company both at home and in Europe. It is an efficient and consistently profitable commercial company, which owns and ethically manages almost half a million hectares of healthy forest in certified compliance with rigorous international sustainable forest management principles. It supplies raw material to a vibrant indigenous wood processing industry and delivers significant non-timber economic and public benefits locally and nationally, including open access to forests and the upkeep of many forest roads, both of which are essential to tourism and the businesses that benefit from domestic forest use.

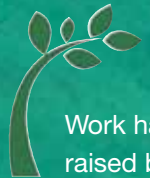
Access and environment



Coillte manages ten forest parks, 150 recreation sites and over 2,000 kilometres of walking and cycling trails.



Some 20% of its forest estate is managed primarily for biodiversity enhancement. Since 2004 Coillte has restored over 570 hectares of raised bog, 2,000 hectares of blanket bog and 550 hectares of priority native woodland, with financial assistance from the EU.



Work has started on a further 636 hectare raised bog restoration project.



Coillte's native woodland restoration project received an EU award in biodiversity and priority habitat restoration in 2011 – for being among the top six 'Best of Best' EU LIFE Nature projects.

The impact on rural Ireland

If Coillte or its assets are sold it is likely that most, if not all, of the new owners or harvesting concession holders will be based overseas, remote from the local community and culture. Both the timber and the profits arising from timber harvesting would likely be repatriated.

Policy and operational decisions would also be likely to lack empathy with local needs, culture and economies. Coillte's current 'good neighbour' policy could not practicably be imposed on, or reconstructed by, a remote and fragmented ownership. Our forests would inevitably become disconnected from communities.

Local partnerships, consultation and other interactions routinely conducted by Coillte, and reciprocated with readily volunteered local support in the event of forest fires and emergencies, would not survive the changed conditions. There would be a major impact on access to forests and the maintenance and use of forest roads. Both these issues are dealt with in this section. The impacts on the economy, environment and forestry standards are dealt with in later sections.

Forest access

Coillte is the largest provider of outdoor recreation in the State and there are over 18 million visits to its forests each year. In a country without public 'rights of way' over private land, the erosion of access to Coillte land would destroy the character and quality of forest recreation and significantly restrict the area of open countryside available to walkers, bikers, school groups, tourists and the general public. It is impossible to imagine how the State could maintain public access to Coillte lands after harvesting rights were sold to private companies set on the commercial exploitation of timber.

In a country without public 'rights of way' over private land, the erosion of access to Coillte land would restrict access to much of the public countryside for walkers, cyclists, school groups, tourists and the general public.

Forests are a source of inspiration and pleasure and a place to refresh the mind and body. Their value has intensified with growing urbanisation, improved living standards and the accelerating pace of modern life. Increasingly, the medical professions recognise the positive impact of the wholesome outdoor experience of forest recreation on people's health, well-being and quality of life.



Coillte's maintenance of access to open forests and the recreation facilities they provide to all ages and all levels of fitness, are presumed by forest visitors to be virtually immutable. The loss of this access would be disastrous for the Irish population and would severely diminish the attraction of Ireland as a tourist destination.

Given the popularity of forest recreation, the Government may attempt to embody the principle of public access in prospective sale or concession agreements, if only to obviate negative reaction. However, prospective buyers would be unlikely to agree to this without significant incentives, which are unlikely to be affordable at present. It would also require substantial policing, again at significant cost. In any case, commercially-driven owners or concessionaires could not be relied on to interpret access liberally, or to undertake the expenditure necessary to maintain forest land for safe and optimum recreational use.

These difficulties have already been experienced in the multiple-owned privatised forests in New Zealand. The New Zealand Forest Owners Association, which represents private owners, said in its 2003 annual 'facts and figures' publication that "the majority of forest owners *allow* public access" but that there are restrictions "in the interests of conservation, fire prevention and safety." It said each owner had "specific guidelines and visitors are advised to contact the local company office before entering the forest." The size of the majority was not indicated, but the fact that only half of the forests were certified as being sustainably managed (2011 figures) provides a clue.

By 2005, references to access had disappeared from the Association's 'facts and figures'. At best, this suggests a less than enthusiastic welcome even among those owners who permit access. This may not matter much in New Zealand's thinly populated country with five million hectares of state-owned natural forest. In Ireland, it would matter a lot.

There would likely be a rapid and permanent deterioration of thousands of kilometres of forest roads. Either our rural communities and tourist industry will suffer as a result, or the State would have to meet the significant cost of road maintenance.

Forest roads

Coillte owns almost 23,000 kilometres of well-maintained forest roads. This is another valuable community, tourism and forestry asset that opens up otherwise inaccessible, remote and scenic places, as well as providing operational access to the forests themselves. The road network is the product of costly investment in construction and maintenance.



In Ireland's generally damp conditions, timber harvesting and removal is very damaging to forest roads, which normally don't have hard surfaces. Private owners of harvesting concessions would have no incentive to maintain roads above the minimum standard sufficient for heavy duty rough terrain vehicles.

This would likely lead to rapid and permanent deterioration of thousands of kilometres of forest roads and the contraction of their access and capital value. Either our rural communities and tourist industry will suffer as a result, or the State would have to meet the significant cost of road maintenance.

Maintaining the remnants

Similarly, the residual shell of Coillte could not continue to sustain itself when stripped of essential harvesting revenues. Responsibility for the substantial territorial remnant and its associated environmental and social obligations would become a serious economic liability. Without substantial state investment in the asset, the remnant of Coillte would face a sombre and difficult future.

No consultation

Over the last three years, seven invitations for public consultation on various forestry issues have been listed on the Government's Forest Service website. But there has been no invitation for public consultation on the issue that matters most – a decision as important as the abrupt termination of state forestry in Ireland.

This anomaly may well be fuelled by fear of a public backlash. In 2011 the British Government set up an Independent Panel on Forestry Policy in England to advise on future direction of forestry policy, including privatisation. The panel received over 42,000 responses to its call for views, held a stakeholder event which attracted representatives of 60 national organisations, and conducted ten visits across the country to meet individuals and community groups. Plans to privatise the forests were shelved on foot of the public's opposition.

Plans to privatise English forests were shelved on foot of the public's opposition. In Ireland there are no obvious plans for consultation before potentially irrevocable decisions are taken by Government.

In Ireland there are no obvious plans for consultation with communities, customers, staff, suppliers and other stakeholders before potentially irrevocable decisions are taken by Government. Stakeholder's views about the future of their forests are, apparently, not to be sought or taken into account.

Delivering for the taxpayer



Coillte is Ireland's state-owned commercial forestry company. It was established in 1989 to take over the public forest estate previously run directly by government.



The company is organised into three divisions. Coillte Forest manages the forests. Coillte Panel Products manages the wood panel manufacturing businesses. Coillte Enterprises is responsible for land development, forest nurseries, renewable energy and identifying business opportunities.



In 2011 Coillte produced 2.2 million cubic metres of timber, planted 14 million trees and built or upgraded 375 kilometres of road.



Coillte made almost €20 million profit in 2011 and paid €10 million to the Government, its sole shareholder. Its turnover was €259 million.

The economic impact

Coillte's international corporate standing, and the scale, reliability and quality of its timber supply, are fundamental to the reputation, stability and earnings potential of the Irish timber sector. The proposed downgrading of Coillte and fragmentation of ownership of the wood supply would have negative economic and employment consequences, including consequences for pricing, which would also affect wood sales from the private forest sector.

The Irish forestry products sector is estimated to be worth €2.2 billion a year and visits to forests are estimated to generate over €270 million a year. The downgrading of Coillte would inevitably have a damaging impact on its often unseen contribution to national – and particularly rural – employment and economic activity, including in the tourism sector.

Forest valuation

Valuation of forest assets is a notoriously difficult process. The long timescale of the forest growing cycle, the question of appropriate discount rates, the unpredictability of future timber prices, the impossibility of assessing the value of currently non-marketable forest outputs, and potential future applications for wood, combine to make it impracticable to determine a realistic valuation, particularly over the long 50-80 year period being considered.

The downgrading of Coillte would inevitably have a damaging impact on its contribution to national, and particularly rural, employment and economic activity, including in the tourism sector.

This means that, in any market conditions, it is inevitable that attainable prices will significantly understate the true worth of forest assets. The fact that we are currently in a long and deep international recession means it is likely that the current market price for Ireland's forestry assets is very low relative to its present economic (let alone social and environmental) value to the state.



The wood processing sector

The Irish forest products industry employs 12,000 people and is estimated to be worth €2.2 billion a year (2010) with exports worth €286 million (2011). The transfer of the Coillte wood resource to alternative owners poses a serious threat to this sector.

Experience elsewhere demonstrates a tendency on the part of international logging companies to export wood in unprocessed log form. Even when local processing is stipulated in the concession agreements, creative ways of circumventing this requirement can be – and are – contrived. This means that there is no certainty that the Coillte wood supply would continue to be available for purchase by Irish processors if foreign buyers take up harvesting concessions.

Uncertainty and deficiencies in the continuity of wood supply would seriously affect employment, investment and innovation in the industry, with consequent negative impacts on local communities and private forest owners.

In any case, disruptions of wood supply could result from other measures. Coillte does not withhold supply from Irish businesses regardless of market conditions. Private concession holders, on the other hand, are unlikely to place wood on the market when prices are low. They are likely to divert supplies to higher priced destinations when opportunities arise. Uncertainty and deficiencies in the continuity of wood supply would seriously affect employment, investment and innovation in the industry, with consequent negative impacts on local communities and on private forest owners' ability to market their wood.

The risk of losing internationally-recognised Forest Stewardship Council (FSC) certification in any new regime would also undermine the quality of – and prices for – Irish wood products (see separate section below).

Loss of future business opportunities

Loss of either ownership or harvest rights would deny Coillte the prospect of exploiting the economic opportunities arising from future developments and applications of wood, wood products and forest land.



Wood is an attractive material for the future development of energy, construction and innovative applications. That's because it is renewable and environmentally benign at a time when governments, industry, retailers and consumers are placing more value on the sustainable use of materials and replacement of fossil fuels. In its 2012 'Climate Change Risk Assessment', the Forestry Commission England predicted that these factors will result in rising wood prices.

There is also the possibility of higher wood volume yields due to extended growing seasons and the fertilizing effect of elevated carbon dioxide concentrations arising from global warming, providing the new owners with additional bonus supplies of wood.

The scale and diversity of Coillte forest land, in terms of location types and special topographical or other characteristics, means the organisation can provide access to specific siting requirements of mobile phone transmission masts and electricity wind generators. These are recent, but previously unforeseen, site uses which dramatically increased revenue from the forest. The probability of further, now unforeseeable, high value site utilisation cannot be ruled out. Under new ownership of land or trees, it would be very difficult for Coillte to realise such enhanced value of its sites in future.

Tourism

Coillte is continuously upgrading and extending forest access, on its own and in partnership with tourism agencies and others. The company has recently added new and exciting long and mid-distance looped trails, cycling routes, mountain biking tracks and other innovations with facilities equal to the best international standards that enable Ireland to satisfy increasing tourist and domestic demand for forest-based recreation.

Visits to forests are currently worth €270 million a year.
This could not be maintained, let alone expanded, if
access to forests and forest roads was lost.

These developments utilise the capacity of the forest to benefit the economy both locally and nationally. Coillte's 2011 annual report estimated that visits to forests were currently worth €270 million a year. This could not be maintained, let alone expanded, if access to forests and forest roads was lost.

Furthermore, under new ownerships that lack the expertise, incentive or disposition to develop forests as a domestic and international tourist asset, the prospects for innovation, maintaining and extending facilities and realising new social and economic benefits are virtually non-existent.



The cost of maintaining multiple ownership

The Government's preferred policy appears to be that Coillte land would remain in public ownership with harvesting rights licensed to a number of private timber companies. The complexities of conducting relations with numerous concession owners will create major new administrative and regulatory burdens with significant new costs. Coillte would have to try to ensure compliance with the terms of the concession tenures and other obligations, and with good, sustainable, forest management principles.

The complexity and cost of ensuring contract compliance would be increased if concessions govern issues like public access rights and road maintenance. Not only would this broaden the scope of the task, but would also require some form of complaints, investigation and arbitration role if it were to be effective in maintaining existing (or even acceptable) rights to access.

It is far from clear how a new role in the arbitration of disputes, or the administration of an appropriate regulatory process for deciding and imposing penalties and remedies, would be operated. There is little evidence that the associated costs – or where they would fall – have been factored into Government thinking.

Similarly, there is no evidence that questions of managing unsold or unsaleable concessions, or the consequences of insolvency, dereliction or other negligence of concession owners, have been considered.

Security of supply

We have already discussed the possibility that supplies of Irish wood to the Irish processing sector would be impossible to guarantee under a 'concession' regime, and that this would put jobs and businesses at risk. The State itself would face similar issues of security of supply.

Wood supply for energy, building and other essential applications would not be guaranteed to the State in the event of a calamitous international military or trade conflict, or any similar event. In such a situation, Ireland might not be able to buy timber at all. At any rate, it would be forced to buy at very high prices.

Trees slow climate change



Forests play a huge role in mitigating climate change. Gases like methane, nitrous oxide and other compounds play an important role in regulating the temperature of the earth's atmosphere. These are frequently referred to as greenhouse gases.

Human activity, like burning fossil fuels, increases the concentration of greenhouse gases in the atmosphere. This creates the effect commonly known as global warming or the greenhouse effect.

Trees counter the greenhouse effect because they absorb carbon as they grow. Each hectare of forest can absorb up to two tonnes of carbon a year, depending on tree species.

Carbon remains locked up in wood used for furniture, building and other permanent uses. Although wood releases carbon when it decays or is burned, wood burned from managed forests like Coillte's – where felling does not exceed growth – is carbon-neutral because new trees are growing and absorbing carbon.

As a signatory of the Kyoto Agreement, Ireland is committed to reducing carbon emissions. Well-managed Irish forests help do this storing carbon – they stored 2.2 million tonnes of the stuff in 2010.

Well-managed forests also help the environment in other ways. For instance, they reduce and slow down the discharge of rainwater in river catchments, which reduces flooding.

The environmental impact

The potential environmental impacts, including on forestry standards, of a sale of Coillte or its long-term harvesting rights are perhaps the most profound of all. In turn, these would increase and amplify the adverse economic impacts outlined above.

Public forests lost

There is scarcely any country in Europe, or the developed world, that does not have a substantial public forest estate. The sale of Coillte or its long-term harvesting rights would leave Ireland as the only developed country without one.

Throughout Europe, state and publicly-owned agencies remain by far the largest owners of forest. The continent's publicly-owned forests are typically composed of large scale management units. Private forests are much smaller – almost half of them are less than 20 hectares in size; a quarter are less than five hectares.

It is difficult to see how even acceptable standards of ongoing and day-to-day forestry practice in the envisaged future forest scenario will be maintained.

The public forests, with their scale and diversity, provide a secure source of timber, competent management, quality access, recreation, consultation and interaction with the public, public information, respect for the landscape, responsiveness to public concerns and social and cultural change, as well as innovation, vision, leadership and long term perspective. If Coillte is dismantled or dissolved, Ireland (excluding Northern Ireland) would be in the invidious position of being alone in the developed world without its own public forests.

Forestry standards

Maintaining forestry standards is challenging even in the well-ordered, responsive and professionally-competent and coherent organisational environment of Coillte. But Ireland has achieved and maintained excellent standards through good leadership, hard work, and the development of expertise and a culture of excellence over decades.

It is difficult to see how even acceptable standards of ongoing and day-to-day forestry practice in the envisaged future forest scenario will be maintained. Who would be responsible for the generation and maintenance of essential and reliable forest inventory data? Who would determine and regulate forest management regimes, or decide and document appropriate management prescriptions for each forest block? Who would pay for the necessary regulation and enforcement of standards?



At present, the legal obligation to reforest felled areas falls on Coillte as the landowner. If responsibility for reforestation is placed on the concession holders, important long term decisions – in areas like tree species mix and environmental and landscape design – will be entirely at the discretion of the new operators. The accumulated impact of deficiencies in these areas over the envisaged 50-80 year contract period could be immeasurable.

It is difficult to see how Coillte (or some other competent and viable state body) would maintain such functions or effectively regulate concession holders on these matters. In any case, such regulation would certainly come at a significant cost to the State if standards were to be kept to an acceptable level.

An end to forest certification?

Coillte enjoys internationally-recognised Forest Stewardship Council (FSC) certification, which is an independent endorsement that Coillte practices sustainable forestry. Sustainable forestry balances economic, environmental and social objectives in accordance with exacting standards, which are subject to rigorous and regular external auditing. This gives consumers of wood products, and the general public, assurances that Coillte forests are managed ethically and responsibly. It also enables Coillte-derived wood products to attract higher prices in affluent and environmentally-aware markets.

Coillte practices sustainable forestry, which balances economic, environmental and social objectives in accordance with exacting standards that are subject to rigorous and regular external auditing.

There is considerable doubt about the likelihood of retaining certified status in the proposed new context. Certification of large forest areas is an expensive and onerous commitment, requiring systematic vigilance, intensive and well-considered strategic planning at all levels, environmentally-sensitive forest operational compliance, transparent process recording, stakeholder consultation and responsiveness to community concerns.

New owners or logging concessionaires will inevitably concentrate on securing returns to finance their investment costs and generate profits with, at best, minimal interest or expertise in social and environmental matters. The loss of independently-validated ethical forestry credentials would be an appallingly regressive and embarrassing outcome, which would impact on our environment and economy.



Lost and gone forever?

If Government plans for Coillte go ahead, it will not be possible to rebuild a national reservoir of forest expertise. The future viability of Irish forestry depends on the continuous availability of qualified expertise and competent service providers. Here, as elsewhere in Europe, the scale and complexity of their forestry mandate makes publicly-owned forestry organisations essential agents in the cultivation and advancement of national forestry capability. In this context, the demise or drastic diminution of Coillte would be extremely detrimental – and probably irrevocable.



Forest privatisation

The privatisation of state forests is very rare in the developed world. A phenomenon of the last 20 years, it has only happened to a significant degree in New Zealand and to a lesser extent in South Africa and the Australian state of Victoria. Even in these places, large areas of natural forest remain in state ownership.

The British Government recently abandoned a proposal to sell off the state-owned forests in England as a result of public pressure. In the early 1990s the ownership of Sweden's state forest passed through a succession of mergers and transfers resulting in the reduction of the state's holding to 35% by the end of the decade. But the Swedish Government re-acquired the remaining 65% in 2001, thereby returning to the position of a fully state-owned forestry company.

The privatisation of state forests is very rare.
Even where it's happened, large areas of natural
forest remain in state ownership.

Promoters of the privatisation of public forests frequently cite New Zealand as a model. New Zealand has a land area three times that of Ireland's, a similar population, and a total forest area of 8.1 million hectares. This is composed of 6.4 million hectares of natural forest (77% of which is state-owned) and 1.7 million hectares (2010) of planted forest.

In the late 1980s and early 1990s New Zealand was experiencing budgetary pressures and embarked on a radical and large-scale privatisation programme, including the disposal of public forests through the sale of trees and other assets, but excluding the land itself on nearly all the planted forests.

The New Zealand experience has many differences to the Irish situation. First, five million hectares of natural forest remained in public ownership after privatisation, providing enjoyment and forest benefits to citizens and visitors. This in a much less densely populated country than Ireland.

Second, the privatised forests are vast, uniform (90% single-species) and undiversified forest blocks of limited appeal. Composed of very fast growing, 30-year rotation, virtually single species pine stands in extremely large blocks – the largest was 190,000 hectares – these forests are quite unlike the mixed and diverse Irish or UK forests in almost every respect.



Third, unlike the pre-privatisation situation in New Zealand, Coillte, as a state company with almost a quarter century of profitable and sustainable forest management experience, operates successfully in open market conditions, supporting a flourishing, innovative, export oriented modern wood processing sector.

In New Zealand limited privatisation resulted in a high degree of foreign (US and Asian) ownership and outflow of profits, fragmentation of ownership, wide variations in standards of management, deterioration in volume and quality of employment, significant diminution in the local sawmilling and processing sector and consequential social problems in affected areas. Issues relating to access were also problematic.

In New Zealand limited privatisation resulted in a high degree of foreign ownership, outflow of profits, wide variations in management standards and a deterioration in the volume and quality of employment.

It was claimed that efficiency improvements, updating of the sawmilling sector and better access to overseas markets were achieved. Some of these economic benefits are attributable to the removal of price controls for local industry, which had previously kept timber prices lower than prevailing international rates. It has been argued that similar economic improvements could have been achieved in the context of the wider reforms through corporatisation, which existed briefly in the form of the New Zealand Forestry Corporation before the full force of privatisation took hold.

Internationally the state remains the predominant forest owner and influence. The growing significance of the environmental and other public interest aspects of forestry are increasingly influential factors in the importance of the role of state forest organisations.



Forest legislation

Coillte functions in compliance with the Forestry Acts of 1946 and 1956, and its establishing legislation, the 1988 Forestry Act. Its voluntary acceptance of the Forest Stewardship Council certification process also commits Coillte to conduct forest management on an economic, environmental and socially sustainable basis.

New players coming into the public forest estate would operate in a very light touch legislative ambience. At the very least, it would be highly irresponsible to introduce new actors into Irish forestry without comprehensive new legislation.

The 1946/1956 legislation is acknowledged to be out of date. New players coming into the public forest estate would operate in a very light touch legislative ambience. There is no legislative framework comprehending the social and environmental obligations that are universally expected of modern forestry. At the very least, it would be highly irresponsible to introduce new actors into Irish forestry without comprehensive new legislation.

Even though the deficiencies in the legislative framework were acknowledged by Government as far back as 1996, the issue of updated legislation has not been addressed.



A future for forestry

Our public forest, which is essential to our future social, economic and environmental wellbeing, is at profound risk. The risks include losing ownership and control, damaging our wood processing sector, and forgoing the economic benefits of forestry including opportunities linked to environmental imperatives.

Government plans risk leaving Coillte a hollow shell, seriously damaging our forestry expertise base, abandoning certified ethical forest stewardship, diminishing the quality of public access and recreation, and becoming the only country without a modern, sophisticated public forest agency.

Dismantling the public forest estate, with all the attendant risks and damage, and disregarding the equity of past and future generations, would constitute an irreparable national setback of unimaginable proportions.

When the long labour of creating the state forest began in Ireland in the early part of the twentieth century, wood production and reduction of dependence on wood importation were the imperative considerations. The significance of the non-wood outputs progressively assumed increasing importance from the middle of the century. The role of the forest in meeting evolving social and environmental needs was gradually realised and attained its current level of fulfilment with the achievement of Forest Stewardship Council certification in 2001.

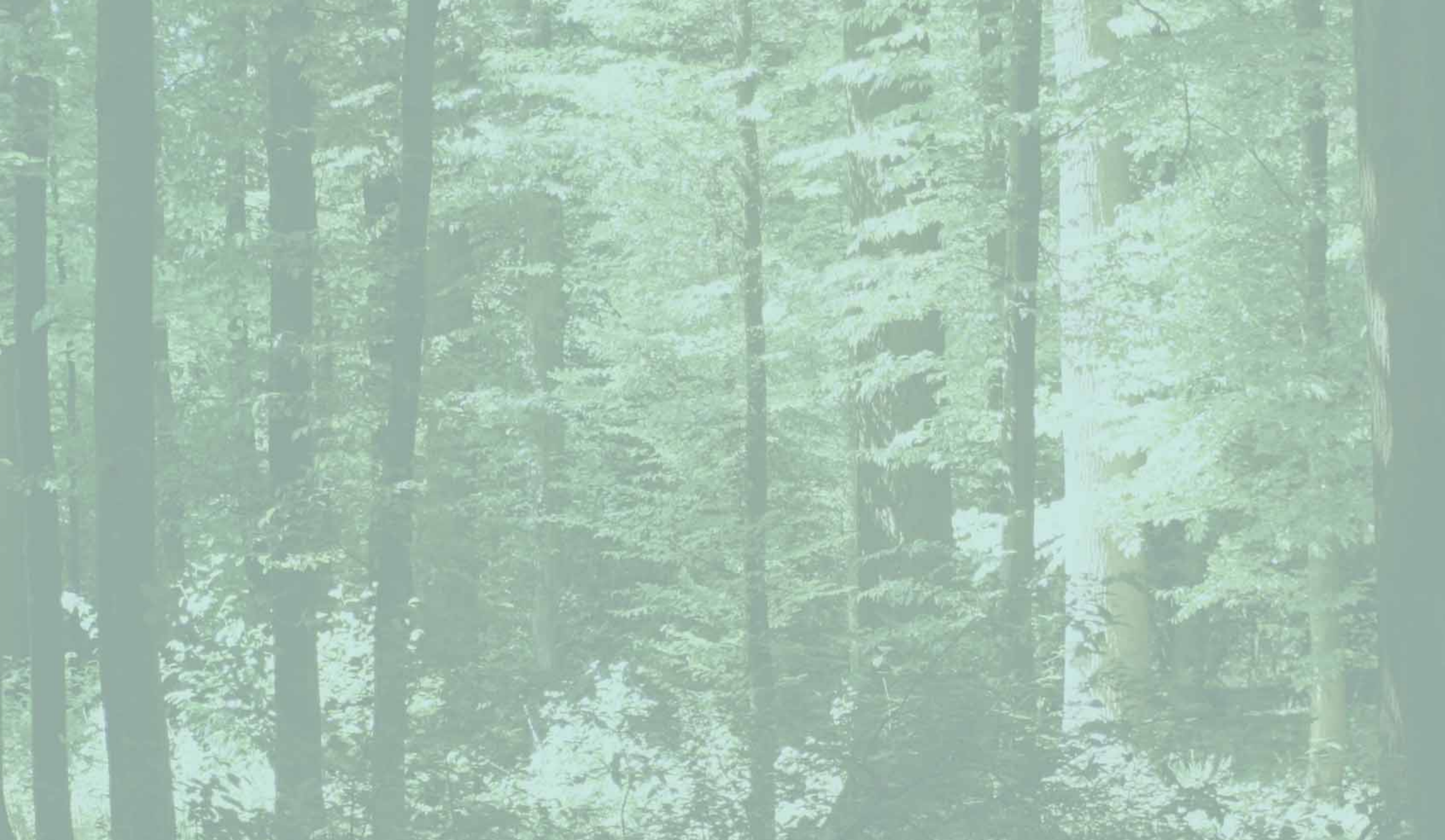
The world is threatened by climate change and rapidly diminishing natural resources, which reinforce the environmental and economic case for sustainable, long-term, state management of our forests to realise long-term social, environmental and economic benefits. These include opportunities for carbon and pollutant storage, carbon neutral energy supply, wood as an environmentally benign and renewable multi-purpose material, as well as other quality of life issues like recreation, public involvement, health, landscape, education, and air and water quality.


The long term and complex nature of this challenge is such that much of the economic component and most, if not all, of the public interest aspects will continue to be more safely and better achieved by a successful, experienced and responsive state organisation like Coillte. This is the international norm.



The proposal to dismantle Coillte, if executed, would unravel a century's work. In many cases, our forests are now in their second and subsequent rotations. As this sequence advances, the structure and appearance of the forest is changing progressively. The felling of blocks provides opportunities through design to effect, among other changes, less geometric shapes, introduce visual appeal, create open areas, further protect wildlife habitats, retain a proportion of wet areas, and diversify tree species and age structure and generally evolve towards a more natural and desirable woodland character.

Twenty per cent of each forest management area is now managed primarily for biodiversity. The results of the past century's effort amount to more than just the simple expansion of the forest area. The creation of environmental and social capital is equally significant and more vulnerable. Dismantling the public forest estate with all the attendant risks and damage, disregarding the equity of past and future generations, ignoring the philosophical, sociological and historical values, would constitute an irreparable national setback of unimaginable proportions.





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