

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Céadaoin, 25 Eanáir 2023

Wednesday, 25 January 2023

Tháinig an Comhchoiste le chéile ag 5.30 p.m.

The Joint Committee met at 5.30 p.m.

Comhaltaí a bhí i láthair / Members present:

| Teachtaí Dála / Deputies | Seanadóirí / Senators |
|--------------------------|-----------------------|
| Martin Browne, | Victor Boyhan, |
| Matt Carthy, | Paul Daly, |
| Michael Collins, | Tim Lombard. |
| Michael Fitzmaurice, | |
| Joe Flaherty, | |
| Paul Kehoe, | |
| Michael Ring. | |

I láthair / In attendance: Deputies Marian Harkin, Danny Healy-Rae, Marc MacSharry, Michael McNamara and Carol Nolan and Senator Eugene Murphy.

Teachta / Deputy Jackie Cahill sa Chathaoir / in the Chair.

Forestry Policy and Strategy: Department of Agriculture, Food and the Marine

Chairman: Before we begin, I remind members, witnesses and those in the Public Gallery to turn off their mobile phones.

The purpose of today's meeting is to undertake an examination of forestry policy and strategy. The committee will hear from the Minister for Agriculture, Food and the Marine, Deputy Charlie McConalogue, and the Minister of State with responsibility for land use and biodiversity, Senator Pippa Hackett.

All those present in the committee room are asked to exercise personal responsibility to protect themselves and others against Covid-19. Witnesses giving evidence within the parliamentary precincts are protected by absolute privilege in respect of the evidence they give to a committee. This means that witnesses have a full defence in any defamation action arising from anything said in a committee meeting. However, witnesses are expected not to abuse this privilege and may be directed to cease giving evidence on an issue at the Chair's direction. Witnesses should follow the directions of the Chair in this regard and are reminded of the long-standing parliamentary practice to the effect that, as is reasonable, no adverse comments should be made against an identifiable third person or entity. Witnesses who choose to give evidence from locations outside the parliamentary precincts are asked to note that they may not benefit from the same level of immunity from legal proceedings as a witness giving evidence from within the parliamentary precincts and may consider it appropriate to take legal advice on this matter.

Privilege against defamation does not apply to the publication by witnesses outside the proceedings held by the committee of any matters arising from the proceedings. Members are reminded of the long-standing parliamentary practice to the effect that members should not comment on, criticise or make charges against either a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. Parliamentary privilege is considered to apply to utterances of members participating online in committee meetings when their participation is within the parliamentary precincts. There can be no assurance in relation to participation online from outside the parliamentary precincts and members should be mindful of this when contributing.

The committee will hear from the Minister, the Minister of State, Mr. Colin Hayes, assistant secretary general, Mr. Barry Delany, director of forestry, and Mr. Fergus Moore, senior inspector. I call on the Minister to make his opening statement.

Minister for Agriculture, Food and the Marine (Deputy Charlie McConalogue): I thank the Chair and the committee members for the invitation to today's meeting. I am glad to be here with the Minister of State and her team, the departmental team and the forestry leadership team to discuss our 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 will be concise and to the point in our opening statement. 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 during the past decade, I feel the need to be frank. When the Minister of State and I came to office, the forestry sector was on

life-support. Confidence had been eroded. Licence applications were backed up. Afforestation rates had collapsed. A broken appeals system had ground licensing to a halt, with 6,000 licences had been waiting more than 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. That is how the backlog had evolved prior to our taking office. The situation was dire.

The Minister of State and I, working closely with our Department officials, set about to fix that problem but with the problems being so deep-rooted, 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 will not go into statistics apart from just one to show just how more efficient the licensing system has become. In 2022, the Department of Agriculture, Food and the Marine issued 4,713 licences, which is 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 €1.3 billion forestry programme. This is the most farmer-focused forestry programme ever devised by the Department. This is a 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 and indeed, we updated all Oireachtas Members on that process in detail on Wednesday morning of last week.

The new programme will do four things. It will see farmers get 20-year premiums and non-farmers get 15-year premiums. Previously, there were only 15-year premiums. It will see premiums increased by up to 66%. It puts farm families at the very centre of the plan and it will help us achieve the annual afforestation rate of 8,000 ha per year needed to hit our climate targets. Farmers will also receive single farm payment on afforested land. Other landowners will not receive this payment.

I refer to the recent announcement of the agreement between Coillte, the Ireland Strategic Investment Fund, ISIF, 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. However, this fund is an option Coillte has put in place to help us reach our extremely ambitious forestry targets. The total area of new forests planted through the fund will deliver approximately 3.5% of the 100,000 ha of new forests Coillte has committed to enabling between now and 2050. The fund will plant less than 1% of the State's overall target of 450,000 ha of new forests nationally by 2050. 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 strategic vision, which was launched in early 2022, set a target of 100,000 ha of afforestation by 2050.

Coillte has indicated that 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 was 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 the Minister of State, Senator Hackett, and I have asked Coillte to

examine closely how it can work more closely with the State as well as farmers and local communities. We are stating clearly today that 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 have been incentivising through the new €1.3 billion forestry programme. We want all strategies to be based on working in partnership with farmers to support their ambitions for forestry.

We must also 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 1990s 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 our sleeve as we face into a decade where we will need to reach 8,000 ha 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. For this reason, the State, the sector and the industry must pull all possible levers to get us to our hugely ambitious targets. We have focused 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, create a vibrant industry in rural Ireland and be the envy of the world.

I am heartened to see the cross-committee support for forestry and for improving our afforestation rates in the country. We have much work to do about changing the perception of forestry. Increasing our afforestation rates will be good for the environment, our climate targets and, critically, 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 €1.3 billion 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 see Ireland become a leader in the forestry sector in the years ahead. I thank the Chairman for the opportunity to make an initial opening statement.

Chairman: I thank the Minister.

Deputy Matt Carthy: If I may raise a point of order, the Minister has just delivered an opening statement that differs from the one that was circulated. Can we have a hard copy of the Minister's actual opening statement and perhaps get clarification as to why there are two different statements?

Deputy Charlie McConalogue: The statement was sent in previously but I can get a copy of the opening statement I gave.

Chairman: That is correct. I have the opening statement in front me and it is very different from the one the Minister delivered. That is fine, however. It is not an issue. I ask the Minister to give us a copy of the opening statement.

Deputy Charlie McConalogue: I can provide my copy to have copies made.

Chairman: We have a big crowd at today's meeting. I will restrict all speakers to ten minutes with questions and we will have a second round if necessary. There is huge interest in this topic. Since I became Chairman, the committee has devoted considerable time to forestry and held many meetings on the subject. We published a report a year and a half ago with recommendations on different aspects of the forestry sector. Thankfully, the number of clear-felling licences is increasing significantly but afforestation levels remain exceptionally low. We have

a battle to get land for afforestation given the different options available for land use. That will be a serious challenge going forward. I acknowledge that we now have a forestry strategy for which substantial money has been provided. It will take a good while to get around members in the first round. If anyone wants to ask further questions after that, we will give them the opportunity to do so.

Deputy Martin Browne: The Minister said that he will be short and concise and there is a need for engagement. It is a pity that both the Minister and Minister of State did not engage with the committee. Since this committee was formed, about 85% of its business has been taken up with forestry. The Minister and the Minister of State have gone behind the back of the committee, as far as I am concerned, and supported this arrangement between Coillte and Gresham House. Like Coillte, the Department aims to create 100,000 ha of new forest by 2050. Under the deal, according to the Minister, roughly 3,500 ha will be planted over a five-year period. This means approximately 700 ha will be purchased and planted each year. That is bull. If investment companies are being brought into any sector, they are in it to make profit for their shareholders. Make no mistake; they will drive up the price of land and drive out foresters and small farmers. We will be left with investment companies getting the grants, taking the money out of this country to the benefit of nobody. It is not good for this country or the sector. It is good for nothing. We have heard that from foresters and farmers, yet the Department seems determined to push this through. People from throughout the State who contact us cannot believe the approach that has been taken by the Minister and Minister of State to the acquisition of land and the use of public money, knowing where that public money will finish up.

The Minister's tactic supported this deal to outsource to investment funds our afforestation targets and the role forestry can play in climate action. He is asking people to believe this story he is putting out. People are not fools. They have seen through this. I have no doubt that other speakers will also state that they hear exactly the same thing in the phone calls they get. People are absolutely sick of it. Essentially, this deal allows a UK investment fund to purchase thousands of hectares of farmland while being subsidised by the Irish taxpayer.

I can go back to charts. We talk about bringing people in and helping them. In 2001, we had 15,147 licences. Two years ago, as a result of Fianna Fáil and Fine Gael policies, that figure had been driven down to 2,434 licences. The Minister states he is encouraging people back into forestry. Licence numbers are only one fifth of what they were. In 2011, we had 6,500 licences and the figure has dropped every year since. Why are we going back there? In 2001 we had 15,147 licences, in 2002 we had 14,735 and in 2020 we had 2,434. I do not know why they were planting at such a rate at that stage when there was no reason to rely on private investors and probably Coillte. Between our foresters and small farmers, we were at that high level and had enough timber. Policies from Fianna Fáil and Fine Gael Governments down the years have brought us to where we are.

I would also like to hear about any involvement either the Minister or the Minister of State had and what knowledge the Department had of the arrangement when it was first proposed. How did they become aware of it? Did the Department give advice to Coillte on the arrangement it is proposing with Gresham House? Was that advice sought from the Department by Coillte? Have the Minister or Minister of State had any engagement with Coillte since it hatched its plan with Gresham House?

Does the Department believe that in the case of a deal of this nature it would be worth consulting the farmers who are likely to be impacted most? Macra na Feirme has rightly raised concerns about the effect that land going to investment funds will have on the generational re-

newal it seeks? I will leave it at that and contribute again later.

Deputy Charlie McConalogue: I will answer first and then the Minister of State, Senator Hackett, will come in. It is important to trace how this has evolved. It has evolved, first, from Coillte's desire to become involved in afforestation once again which we fully support. It stopped afforesting back in 2004. It played a massive role in getting forestry up and running in this country and being a key driver in developing forestry. In 2004, it stopped doing afforestation. Forestry has not been in a good place in recent years and we want a real step change in developing the potential for forestry and particularly enabling its capacity to contribute to climate change.

In its strategic vision for contributing to the State's objective to deliver 400,000 ha of new forestry by 2050, Coillte outlined how it plans to do 100,000 ha of that. It published that strategic vision in April 2022. It also outlined how it would deliver that 100,000 ha of forestry through a mixture of Coillte investment and engaging private investment. It made it clear that was part of its approach. It was covered in the media at the time. Coillte also briefed me, as Minister, on its strategic vision at the end of 2021. It indicated it wanted to go for 100,000 ha and that it wanted to use a mixture of funding approaches to do that. Coillte also briefed many others. It engaged very broadly on that. It published its draft strategic vision in April and there was widespread media coverage at that time, including its plan to engage private investment to help fund the 100,000 ha. Its representatives met and briefed various Oireachtas Members. It held a briefing at the end of May in the audiovisual room for all Oireachtas Members.

In then put in place a process engaging with the Irish Strategic Investment Fund, ISIF, as to how it might do that. My understanding is that ISIF agreed it would work with it to establish a fund. ISIF, which is Government money, agreed to invest €25 million in that. Coillte, working with ISIF, then engaged in an open tendering process as required by law to establish how that fund would be managed and put together. Coming out of that, the agreement was signed, I believe, on 15 or 16 December, after considerable engagement with ISIF. On the completion of the tendering process, it then signed that agreement with ISIF to put together a €200 million investment fund to be managed by Gresham House over five years, covering up to 12,000 ha of forestry. This will be 8,000 ha of mature forestry, not Coillte forestry but private forestry not in State ownership at the moment, and the acquisition of 3,000 ha to 4,000 ha of new land to afforest under that fund over a five-year period. It officially launched that at the start of January.

As part of that €200 million fund, €25 million comes from ISIF. I believe the fund at the moment is up to €35 million, with an additional €10 million of private investment. Coillte has also sought consent from me, as Minister, to invest €10 million of its own funds in that. We have forwarded that to NewERA for its assessment and consideration. It will probably take a few months for it to come back but once it does, we will then consider and make a decision on that.

Coillte have now signed up to that. It is very much in line with the approach it set out. It has been very much in the public domain from as early as April of last year. It then worked with ISIF to put in place a tendering process. We have examined, assessed and engaged with Coillte. The most recent meeting was last week to examine the details of this approach, which will ultimately account for 3.5% of its target for 2050 and 1% of the State's target. It is not our preferred way forward. We want to engage and I have asked Coillte to consider how it can work directly with farmers and partner with them. We want to explore the opportunities for how the State can work directly with farmers and the potential for the State to buy land.

Deputy Martin Browne: No small farmer will be able to compete with these big invest-

ment funds. They can increase the price of land at any time they like. We are asking the Minister to withdraw this policy which will drive small farmers and foresters out of the business. This allows Gresham House and other investment companies to come in and buy up our land. We sold our oil, gas and fisheries. The Minister will now be responsible for selling the one last thing we have, our land and forestry.

We were reaching targets before Coillte came in or when it was only a small player in the market. The Government has driven foresters and small farmers out. That is where Coillte is coming back into it. It is bringing investment funds back in with it. The Minister is sitting and watching it go ahead. When did he become involved? Was he involved at the start with Gresham House and Coillte when those discussions took place? The Minister of State, Senator Hackett, knew about it in March 2021. When did the Minister become aware of it? Did he know about it before 2021?

Deputy Charlie McConalogue: I will outline that but I just want the Minister of State, Senator Hackett, to come in.

Chairman: I allocated a ten-minute slot which has now concluded. Deputy Browne will have the opportunity to come back in again later.

Deputy Michael Collins: I will give a short opening statement followed by questions and answers. I hope the Ministers will not play down the clock. I certainly will not.

The proposed deal relates to the potential acquisition of 100,000 ha of forestry across the country by Gresham House, a company listed on the London Stock Exchange. That company has been in existence since 1857. Is it any wonder that its share price jumped higher following the announcement of this deal? The bottom line is that the deal between Coillte and Gresham House to privatise Irish woodland can be stopped by the Government which has the power to approve or reject the deal. The Government must be honest about this. It is a simple fact that any strategic decision of this magnitude by a semi-State company can be stopped by any Government. The only reason a Government would pretend not to have the power to stop it is that it is up to its neck in this deal and wants it to go ahead.

Gresham House is a publicly traded company and its shares are owned by a wide range of shareholders, including institutional investors and individual investors. The company's share register is maintained by its registration in Equiniti Limited. However, the deal involving Coillte will strip Ireland of land owned by our people and vest it in the hands of a very large institutional investor. The Minister for Agriculture, Food and the Marine plans to stand over the deal by giving taxpayer-funded forestry payments to a mega company listed on the London Stock Exchange.

This deal is wrong and disgraceful at many levels. The number of emails coming through from my constituency and probably from others is evidence of that, not least because it robs Irish farmers of the funds available on the forestry premiums and will also drive up the price of all agricultural land in the country. The Taoiseach told the Dáil last week and again this week that the deal had not been signed off at Cabinet. Replying to a question from Deputy Naughten last week, he said:

I confirm it was not signed off by Cabinet. Coillte is a State-owned enterprise and its board makes its own decisions. There was no memo for information to Cabinet at any point.

That response by the Taoiseach last week raises a number of important questions. Why was

this not discussed by Cabinet or brought to the attention of Cabinet? I believe it highlights a gross failure by the senior Minister and the Minister of State, first, to raise this issue with Coillte when they became aware of the deal and, second, to ensure the deal was paused until it was brought to the attention of Cabinet and debated in the Dáil.

This deal represents the largest sell-off of Irish land to a foreign entity since our independence. Surely, therefore, any competent Minister should take this very seriously and use the democratic process to ensure the deal was not just pushed through with a nod and a wink. The lack of transparency on this deal is disgraceful. The overall deal also highlights that the Minister and Minister of State were either asleep at the wheel once again or complicit by their silence to the deal.

I have questions and I hope the Ministers will be able to answer them pretty quickly and not play down the clock. When did the Minister become aware of the deal?

Deputy Charlie McConalogue: Does the Deputy mean this deal with Gresham House?

Deputy Michael Collins: Yes.

Deputy Charlie McConalogue: At the start of January. I was aware from the end of 2021 of Coillte's plans to afforest and engage in securing private investment for-----

Deputy Michael Collins: I thank the Minister. When did the Minister of State become aware of the deal?

Senator Pippa Hackett: It was a similar timeline. It might have been a little earlier. As the Minister indicated, Coillte signed off on the deal on 18 December. Later that week, I received a letter stating that Coillte was hoping to announce the deal early in January.

Deputy Michael Collins: The Minister of State did not know about it in March 2021.

Senator Pippa Hackett: No. To clarify, elements of Coillte's engagement with private partnerships have been known about for quite a while. As far back as 2020, it announced the Nature Trust, which is the native woodland component. There are three elements to Coillte's engagement in afforestation.

Deputy Michael Collins: How were the Minister and Minister of State consulted and informed about the deal, formally or informally?

Senator Pippa Hackett: In the letter at the end of December.

Deputy Michael Collins: How was the Minister informed?

Deputy Charlie McConalogue: This became public at the start of January. The chair of Coillte wrote to me on 16 December outlining and confirming that it had signed off on a deal with Gresham House.

Deputy Michael Collins: What did the Minister do, if anything, after becoming aware of the deal?

Deputy Charlie McConalogue: The deal was already done at that stage. The changeover in ministerial duties occurred on 17 December, which was the next day, and the following week was Christmas, so it was the start of January that I turned my attention to this.

Deputy Michael Collins: Was this issue-----

Deputy Charlie McConalogue: I should have said that the letter Coillte wrote informing me was dated 16 December, which was when Coillte sent it, but that was after Coillte had signed off on the deal.

Deputy Michael Collins: Was this issue discussed at Cabinet level at any time?

Deputy Charlie McConalogue: No.

Deputy Michael Collins: Did the Minister or the Minister of State give any indication to the CEO or board of Coillte after they were told about this deal on 16 December that they had an issue with it?

Deputy Charlie McConalogue: The Minister of State might comment as well, but as I outlined at the start, I was aware that Coillte was going to engage with private investment in order to enable it to do the 100,000 ha when I was given a pre-briefing at the end of 2021. It was common knowledge throughout last year. Coillte published its strategic vision in April where it made that clear. Newspaper coverage of same at the time alluded to the fact that Coillte was going to use private investment. The briefings it provided to Oireachtas Members would have alluded to it as well. As is the regulatory requirement when engaging private funding, Coillte engaged with the ISIF and the tendering process. A Minister does not get involved in tenders.

Deputy Michael Collins: Why did the Minister not instruct Coillte when he became aware of the deal to at least pause it pending an independent review?

Deputy Charlie McConalogue: I only became aware of the deal after it was done. Coillte is contractually committed to it and has an obligation to it. The deal represents 3.5% of Coillte's total ambition between now and 2050. Having examined the deal with Coillte, it is not our preferred option. We are looking to see how the State can partner directly with Coillte and are considering options for it to partner with farmers. Our €1.3 billion forestry programme is all about backing family farms. That is why we gave farmers 20-year premiums compared with 15-year premiums for everyone else. The outgoing and previous forestry programmes had 15-year premiums for everyone. Does the Minister of State wish to add something?

Chairman: There are two minutes left in this slot.

Deputy Michael Collins: I only have two questions left. Why did the Minister not instruct the CEO of Coillte to pause the deal when they met last week pending a full review incorporating socioeconomic and cost-benefit analyses on behalf of the taxpayer?

Deputy Charlie McConalogue: As of 16 December, Coillte was contractually obliged. To the Deputy, any other Member of the Oireachtas or anyone engaged in the forestry sector who was paying attention to Coillte's publicly advertised plans to use private investment to help it afforest, the principle that it was going to engage private investment was well known and open knowledge. Obviously, the tendering process to put that investment in place was a sensitive commercial matter that had to be done in accordance with the law. That was a matter for Coillte, which acted in accordance with its remit.

The deal accounts for 1% of the State's overall ambition between now and 2050. It is not our preferred way to go, though, and we engaged with Coillte about the matter last week and have been discussing it in great detail. In the time ahead, we will be engaging much more on how we can work together on making the State a key part of the work and on the potential of Coillte working directly with farmers.

Deputy Michael Collins: We accept that Coillte is not selling off the taxpayer's woodlands, but if a semi-State company has to team up with a UK-based private investment group to plant new forest, it raises legitimate questions about what Coillte is doing and why we should have a State forestry agency at all.

Senator Pippa Hackett: As the Deputy rightly pointed out, Coillte is a State-owned enterprise, but it has its own board and is entitled to make its own commercial decisions, subject to the law. It is our State forester and it manages 7% of our land. It is right that Coillte has a role in our afforestation plans. There are three elements to that role, the first of which is its pursuit of public-private partnerships. That has been known about since the end of 2020 when Coillte announced the Nature Trust. The Nature Trust will deal with native woodlands, the Irish strategic forestry fund will deal with more commercial-based forestry, and Coillte will engage with public bodies on afforesting public lands.

Deputy Michael Collins: Under the Forestry Act 1988, the Minister has powers and the company "shall comply with every direction given to it under [section 38]." Unfortunately, the Minister has not used this power. This section needs to be read clearly by the Minister and Minister of State.

Senator Pippa Hackett: Coillte is aligning with Government policy.

Deputy Matt Carthy: I wish to clarify a point. I have had a number of engagements with Coillte on its forestry strategy. Regarding its pronouncements on partnerships, I asked it what those might look like. Coillte stated categorically that they would primarily entail engagement with local communities, farmers and current foresters in the first instance. That was not what happened in the first instance, though, so I am interested in whether the Minister and Minister of State are saying that they had a different view. In other words, were they aware that deals like this one with Gresham House would be pursued?

The Minister's statement that was circulated but not read out acknowledged the disquiet over the deal but contained the phrase, "I believe it is unwarranted." That line was removed from the speech he delivered. Am I to take it that he does not stand over the suggestion that the disquiet is unwarranted?

Deputy Charlie McConalogue: My opening statement is the one I delivered at this meeting and is the one I put together. I understand the public's position on this. The public have made their view clear and I have listened to them. With the Minister of State, I have also met Coillte about this matter. Our preferred option is for Coillte to engage with public bodies about public lands, with the State and with farmers.

In the presentation it provided, Coillte made it clear that it was exploring private investment, just as it did to the Deputy. This represents 3.5% of Coillte's overall ambition.

Deputy Matt Carthy: Giving the Minister the benefit of the doubt, if this was not his preferred option, I take it that he did not envisage a deal with an organisation like Gresham House, a British investment fund. Had he known before the deal was signed off on, would he have used his authority as Minister to stop it?

Deputy Charlie McConalogue: We are all in the same position on this, Deputy Carthy.

Deputy Matt Carthy: It is a yes-no answer.

Deputy Charlie McConalogue: Let me answer the questions and you can ask them, Deputy. Coillte made it clear to the Deputy as well as to the Minister of State, Senator Hackett, and anyone else it engaged with, that there were a number of ways in which it would try to step up to its 100,000 ha afforestation target. One of those was to engage with private investment. It then proceeded with that and engaged with the Ireland Strategic Investment Fund, ISIF, the experts. It has now done that deal. I have made my view very clear in terms of how we go forward and in terms of working-----

Deputy Matt Carthy: I will come to that but the Chair is running a very tight clock.

Deputy Charlie McConalogue: -----with the State.

Deputy Matt Carthy: I am not allowing the Minister to run down the clock-----

Deputy Charlie McConalogue: The State will work with farmers but Coillte has done this particular deal.

Deputy Matt Carthy: -----because here is the issue. The Minister did know before 16 December and the reason I know he knew is because I had heard of this potential deal with Gresham House and brought it to his attention. I raised it in the Dáil and not only did I do, but Deputies Fitzmaurice and Boyd Barrett also raised it. They told him in November. We also had an engagement with Coillte the week before that and we each highlighted that this was the deal envisaged.

Chairman: We are going over time.

Deputy Matt Carthy: The Minister can clarify if I am wrong but I take it that he signed a letter of expectation to Coillte in June 2022. What was the purpose of that letter of expectation? Why did he feel the need to sign it?

Deputy Charlie McConalogue: That is a standard outline from the Minister to the semi-State organisation in relation to the work it will be doing and it was very much to enable it to continue the work and to do the work in line with its strategic vision, which the company has outlined to Deputy Carthy, as well as to me and to others.

Deputy Matt Carthy: So it was specifically to allow it to pursue this proposal?

Deputy Charlie McConalogue: Coillte has outlined to Deputy Carthy, when it met him, the different ways in which it would do afforestation. One of them was to avail of some private finance. The letter of expectation from me as Minister was to enable Coillte to step out its work on getting towards 100,000 ha of afforestation and to be able to explore the options to facilitate it in doing that.

Deputy Matt Carthy: I take it that then was specifically to allow it to pursue that course. In relation to-----

Deputy Charlie McConalogue: Not this particular deal, no. It was the principle of enabling some private investment.

Deputy Matt Carthy: The Minister has just informed us that Coillte is seeking to invest €10 million of its own funds in this joint venture. Why would Coillte not just invest that €10 million on its own part? Why would it need to do this? Why would it not just use what is public money in its own venture?

Deputy Charlie McConalogue: One of the reasons Coillte stopped doing afforestation in 2004 was because until that point in time, it was able to avail of forestry premiums in the same way anyone else could. After 2004, as a result of a state aid decision, it was no longer able to do that. That then meant that the financials for the company to be able to do afforestation itself did not stack up in the way it had before. Also at that particular time in 2004, as there was significant afforestation happening by farmers and privately, there was not the same need for Coillte to be involved at that time. As the Deputy is aware, in recent times afforestation has been very low and the hectareage going under it has been very low, so we need to step that up. Coillte is looking to get back into that space. In order to do that-----

Deputy Matt Carthy: What the Minister is suggesting is that €10 million-----

Deputy Charlie McConalogue: In order to do that, it has been looking at options as to how-----

Deputy Matt Carthy: The Minister is suggesting that the €10 million invested in this joint venture will not then be subject to the state aid rules, as opposed to were Coillte to invest in-----

Deputy Charlie McConalogue: What Coillte is looking at is how it can be enabled to do plantation, in a way that is compliant with state aid rules.

Deputy Matt Carthy: Okay. State aid rules have been cited not as a reason but as the primary reason. That is what Coillte told us when its representatives appeared before the committee in December and that is what the party leader of the Minister of State, Senator Hackett, has said, namely, that this is down to EU state aid rules. I ask the Minister to be as concise as possible but what efforts have he and his Department made to ensure that state aid rules are changed to allow Coillte to directly invest without the need for a joint venture?

Senator Pippa Hackett: As new state aid rules have been in place since 1 January 2023, that now gives us the opportunity to engage on that issue. Our priority at the moment is to get the forestry programme up and running and we are engaging closely with the European Commission on that. There was a lot of work even prior to this at the end of last year and we are now engaging closely with the Commission to get our forestry programme up and running.

Deputy Matt Carthy: But the state aid rules are in place?

Senator Pippa Hackett: The rules have been in place since 1 January 2023.

Deputy Matt Carthy: In advance of that, what efforts did the Minister of State make to ensure that those state aid rules would allow Coillte to invest directly, as opposed to the need for these joint ventures?

Senator Pippa Hackett: We have to adhere to the state aid rules. As they are from the European Commission, it was not available for us to apply for until 1 January. That is something we can certainly look into now.

Deputy Matt Carthy: No, the state aid rules have been under review for some time. The Commission carried out a review of the state aid instruments for agriculture, forestry and rural areas and the Department of Agriculture, Food and the Marine made a submission to that and got involved in the consultation process in 2021. The European Commission very helpfully published all of the submissions they received from each Department and I have the one from Ireland here. There is not a single reference to Coillte and the fact that state aid rules precluded

our publicly-owned forestry body from engaging. Is there anything in writing to suggest the Department proactively sought to change these state aid rules?

Deputy Charlie McConalogue: It is a reality that since 2004, Coillte have not been able to avail of premiums.

Deputy Matt Carthy: I know that.

Deputy Charlie McConalogue: That has been the reality. Coillte has a target of 100,000 ha of afforestation and has been looking to enable mechanisms to do that. There are three different options. Public land is one of those options.

Deputy Matt Carthy: I am asking a specific question.

Deputy Charlie McConalogue: Let me finish. Public land is one of those options, also the creation of native forests and one of the options it is exploring is to partner with some private investment. Coillte was stepping out what it had announced it would on how it could get to that stage. We met Coillte last week. It is our clear intention to have the State work with the company more clearly. To enable that, we will now consider all of the obstacles that may be there, if any, to enable us to work more closely with them. We know the challenges in afforestation. For example, we will explore the potential in relation to the State buying more lands.

Deputy Matt Carthy: Okay, the Minister is either purposely missing the point or simply missing the point.

Deputy Charlie McConalogue: We can also look-----

Deputy Matt Carthy: I am taking the Chair-----

Deputy Charlie McConalogue: -----in relation to premiums and revisiting that issue of State aid.

Deputy Matt Carthy: Here is the issue. The new state aid rules are in place since 1 January. My question was on what the Minister had done proactively to try to ensure the state aid rules would address what Coillte had said was the reason it was engaging in this way and needed the private element to its funding, which related to the state aid rules. I pointed to a written record that shows the Department, when it had an opportunity to consult with the European Commission, did not make reference to that issue. I have asked that if there is any written record, perhaps it could be provided. I am conscious of the timeframe. As it happens, the new state aid rules on first reading, and we will look for clarification, contain significant changes to the 2014 rules as they were and to my eye, will allow for Coillte to invest directly. Considering that Coillte has stated the reason it needs the public private partnership element is due to the state aid rules and given that the state aid rules that came into place on 1 January may allow it to invest directly, what the hell was Coillte doing signing a contract on 16 December - a mere fortnight before the new state aid rules came into place - that has been universally rejected? I ask that question and I will ask my final question in case the Chairman does not allow me to.

Knowing what we now know, and knowing what the Minister has said in respect of preferred options and all the rest and the realities as to what these deals look like for communities and the resistance the forestry sector and farmers have quite clearly let known, and the unanimity of this committee and I think virtually everybody across both Houses of the Oireachtas, will the Minister now issue a new letter of expectation to Coillte instructing it not to engage further

in these types of deals? That way at least we can draw a line. We can argue about the Gresham House deal, and I believe fundamentally the Minister can stop it, in respect of future deals the Minister undoubtedly can do so, by issuing a letter of expectation. My question is, will the Minister do that?

Chairman: Okay, can we have a brief answer from the Minister?

Deputy Charlie McConalogue: I have been very clear to that the way we want to go forward is for Coillte to work with the State. I have asked them to reflect on how we can do that in a way that will work well. We will then look at the state aid to try to make that work, to see how that will work, how it will fit into that and address all that. That is the way we will go forward. If there will be an updated letter, it will reflect that. In the meantime, I will work closely with them. Coillte is clear, from the meeting they have had with us, about how we want to proceed. It is a matter of backing farmers, working with farmers and working with the State. Let us also be fair to Coillte. They were stepping out an approach that they had clearly communicated to us and to the committee members, which is very much in the public domain, in the legal way of doing it. There is no doubt that the way we want to go forward is the way we have laid out before the committee.

Chairman: I call Senator Boyhan, who will be followed by Deputy Fitzmaurice.

Senator Victor Boyhan: I have six questions and I would like six concise responses. I welcome the Minister and the Minister of State, and I appreciate them attending. I also welcome the officials. More important, I want to welcome the people who have tuned in. While there are many people in this room, there are also many people outside this room who have tuned into the deliberations this evening. That is the level of interest.

We can be clear about one thing. We all want a sustainable forestry sector that can achieve commercial, climate and biodiversity goals and a reduction in the volume of imported timber; actively pursue timber options for the construction of new homes; improvements to the current licensing system, which is holding back the potential of the forestry industry; and maximise the timelines of every stage of every application in the process. We want a proper, slick, functioning licence system that responds to the demands and needs of the forestry sector. They are all given and I do not think we are fighting or arguing about that. It is important that we set out those positive issues.

When will the Minister fully implement the Mackinnon report in a defined timeframe? I took the time to look at the implementation of the Mackinnon report by Jo O'Hara from FutureArk Ltd. It makes very interesting reading, and I recommend that everyone reads the executive summary in it. He raises serious concerns about dialogue and engagement with all people in the sector. I will not go on about it, but it is important. At the same time, I acknowledge that the IFA, communicated with the committee and set out a seven-point focus they have asked us to look at. We will look at that and I want to acknowledge that.

I ask that the Minister keeps my questions in his head rather than coming back on each one. Is he supportive of the calls for a forestry development agency? It is one of the few natural resources we do not have. This would be an independent, stand-alone or semi-State development agency. Coillte is not a forestry development agency. It is a semi-State, but it is not a development agency. People in the private sector who believe and who have suggested to me that, rightly or wrongly, there is not a level playing pitch in terms of what Coillte gets over them. They produced sufficient statistics and sent them to us. I am concerned and I think the Govern-

ment should look at that.

I made contact with a source in the Commission a few days ago who confirmed to me that, to date, no submission or formal state aid application has been made to the Commission. The Minister spoke last week about this going in in a few days when he briefed us in the AV room. The Commission can confirm that there is no formal, fully-fledged, teased-out state aid application before the Commission. Will the Minister confirm that is a fact? Will he confirm when he will be in a position to give assurances to this committee that it will be fully completed and ready? I am asking for a date for that.

Will the Minister commit to producing and giving a copy of that submission to the members of this committee? It is important that we fully understand what is going on and that there is transparency. On the one hand, the Minister told us last week that it could take up to eight months for them to consider it. The Commission has to consider it, it has to give a reasoned position and it will come back to the Minister on numerous occasions on it. This is seriously concerning. I said the other day that forestry is in crisis. I still believe it is in crisis and that is the reality of it. I acknowledge the Minister has made progress but we have deep problems.

I want to go on to the issue of planting licences. Can the Minister confirm that as of 31 December 2022, anyone who has availed or applied will be able to go ahead and plant under the new scheme? As of today, and let us deal in facts, the Department is not accepting any new applications to plant. I want the Minister to confirm that is a fact.

I will raise two other issues. The Minister signed up to the implementation of the Mackinnon report. It is interesting that in the programme for Government, forestry is only mentioned 15 times. I took out the 15 commitments or aspirations. The Minister needs to look at them. I will not give a lecture about that but there are issues and shortcomings in this regard. The Government is halfway through its term. How we is this going to be turned around in the next two years, although it may be far less than two years?

Will the Minister meet with the Social, Economic Environmental Forestry Association of Ireland, SEEFA? The association's representatives have written to members of this committee saying that they cannot get a meeting with the Minister. There have been suggestions that other bodies are similar to them or are under their umbrella group, but they are big stakeholders in this business and they have asked the Minister to meet with them. Will he agree to give a commitment to meet with this representative body?

Finally, I want to tell a little story. I was down with C.J. Sheeran in Mountrath, County Laois on Monday. This guy is churning out 10,000 pallets per week. He has enormous capacity in the wood business, in forestry and in every sector of forestry. He employs more than 400 people in the midlands. I met with him and saw his operations on the ground on Monday. I asked him what he knew about this meeting. He will be tuned in. I asked him to give me three questions to ask the Minister. He said, "Will you just tell them to plant trees, trees and more trees"? People are frustrated and they want the Government to drive the initiative to get the trees planted.

I have asked a few questions, the most important of which relates to the application to the Commission. It is not with the Commission, unless it has gone on out in the past ten minutes. It is not with the Commission and we need assurances on that. More important, we want to see the completed application and we want the Minister to give a commitment that he will be able to make that available to the committee.

Senator Pippa Hackett: I might kick off and then will share with the Minister, Deputy McConalogue. On the Senator's last comment about C.J. Sheeran, he has an amazing set-up in Mountrath. I have visited myself. He is right: "trees, trees and trees". We are all agreed on that. That is something we can agree on.

The Mackinnon report, which the Senator is particularly concerned about, is why we established Project Woodland. That was the basis on which we established Project Woodland. It was to form a plan and to implement the Mackinnon report as much as we could. We divided the recommendations of the report into the four working groups. There were the reducing the backlog group; a shared national approach group, which was to work on a forest strategy; an organisation, development and communications group; and process improvements, which was to look at forestry licensing procedures. There have therefore been a number of key outcomes of Project Woodland. It is coming to the end, which is good because it has achieved far and away everything it has set out to achieve. We have our shared national vision, and our forest strategy is on the verge of being published. We have had a regulatory review implementation plan. These were all recommendations by the Mackinnon report. We have a process for the weekly dashboard and the backlog statistics. We have a training needs analysis, organisational review, forestry strategy implementation plan, an updated customer charter and we have refreshed CO-FORD. These were some of the recommendations. I do not know whether there is one in which the Senator is particularly interested.

For the record, Jo O'Hara is a "she" and a very competent "she". She has been an excellent source of support and advice and her role in Project Woodland has been central and I am glad she involved herself in it as deeply as she did.

We are pretty much there with the Mackinnon report. There are one or two implementations we cannot implement because they are just not implementable-----

Senator Victor Boyhan: What are they?

Senator Pippa Hackett: For example, planting on unenclosed land. We are not planting on unenclosed land. That was one of the recommendations but we cannot do that. We are not going to do that. There was one other, which related to including "forestry" in the name of the Department, and we have not implemented it. On the whole, the Mackinnon report has been gone through and has been pretty much delivered. Project Woodland was established to do that and it did that well with stakeholders from across the whole spectrum of forestry.

Senator Victor Boyhan: Could we move on to the Minister regarding the Commission and the idea that there is nothing in with the Commission at the moment? When does he intend to have it? Will he give a deadline and dates for all of that and when he will make it available?

To wrap up, I refer to Social, Economic, Environmental Forestry Association, SEEFA, and the meeting I am begging the Minister to have and which the association has written to ask every member of this committee to have. I know Senator Fitzmaurice raised this on a number of occasions. These are two or three key questions I would like the Minister to focus on.

Deputy Charlie McConalogue: I thank the Senator for his questions. On state-aid, I explained comprehensively at the briefing for all Oireachtas Members last week that we are engaging daily, as recently as today, with the Commission on preparing our application. I indicated at the Oireachtas meeting last week that it would likely take a month before we could make a formal application. Normally, the Commission takes two to eight months, which is its statutory

timeframe, to give an answer. When we did a previous forestry programme the timescale was three months. The idea behind us working hard in getting the application match-fit is to make sure we get an answer as promptly as possible once an application is made. In the meantime, we have the *de minimis* scheme in place so that afforestation can continue with the full, new premium rates applying.

Senator Boyhan noted the Government is half way through its term in office and asked how we plan to turn the crisis around. We have turned it around. I outlined earlier how we turned around the licensing crises and how, every week, we are now driving down what was a backlog and that we will clear it. We are open for business. Our message to the farmers of this country is to come to us with applications. We are open to them and we want them. Our other message is that we have delivered the largest, most significant new forestry programme ever in the history of the State, which was published in December, that includes premiums 60% higher than they were in many instances before. In addition, the length of time the premiums will be paid to farmers will increase from 15 years to 20 years. We have turned this around and our plan is to drive it on.

Senator Victor Boyhan: I have to come back to two questions because I have not received an answer. First, will the Minister meet with SEEFA? Second, will he make a copy of the application available to the committee when it is ready? I ask that he make a copy of that submission available to us.

Deputy Charlie McConalogue: The state-aid application?

Senator Victor Boyhan: We want to see it. Will he give that assurance? In addition, will he confirm that his Department is not accepting any planting licences for 2023?

Deputy Charlie McConalogue: With regard to SEEFA, any time a new organisation, be it in forestry or agriculture, is set up the Minister cannot, overnight, treat it the same as all of the established organisations that have a track record. Otherwise, one would be incentivising splintering in the representative system. That was the approach taken in respect of the Irish Natura and Hill Farmers Association, INHFA, a number of years ago and the beef plan organisations that were looking to be recognised in the agriculture sector. SEEFA was launched in the past year. I understand almost all of its members are involved in other existing memberships. We have existing relationships, for example, with the Irish Farmers Association, the Irish Timber Growers Association, and Forest Industries Ireland, as well as with individual companies. I have met with many SEEFA members individually. I have reflected on this. If they continue to show form and establish themselves strongly, I am open to that.

Senator Victor Boyhan: The Minister is saying he will not meet them at the moment.

Chairman: The Senator's time is up. Will the Minister give three quick answers.

Deputy Charlie McConalogue: I will continue to consider it.

Senator Victor Boyhan: The Minister is not in a position to do so today.

Deputy Charlie McConalogue: We have not up until now, and the reason is because one should not encourage the splintering of organisations.

Senator Victor Boyhan: So the Minister is saying "No" as of today.

Deputy Charlie McConalogue: At the moment, we have not but we are keeping it under

review and will be open to it.

I refer to planting. As we outlined last week, there are many different licences we can issue at the moment but until we get the new state-aid approval, we cannot issue new afforestation licences.

Senator Victor Boyhan: I just want to be concise. Today, the Department is not accepting planting licences for 2023.

Deputy Charlie McConalogue: There is no news on that.

Senator Victor Boyhan: Forget about the news; I am asking the questions.

Deputy Charlie McConalogue: We have been very clear in showing how we have addressed the crisis-----

Senator Victor Boyhan: I accept that but I am asking the questions.

Chairman: Let the Minister answer.

Deputy Charlie McConalogue: I am answering the questions.

Chairman: I know. I am only giving you an opportunity to answer.

Senator Victor Boyhan: So the answer is “No”. The Minister is not.

Chairman: Wait now Senator. Let the Minister answer.

Deputy Charlie McConalogue: We have been very clear in showing how we have addressed the crisis, how we want to keep that momentum and how we will deal with the challenges we face while we await the state-aid approval. We have work to do to get the state-aid approval application in as soon as we possibly can. We will get the answer as soon as we possibly can. The work and momentum will continue. Until we have the state-aid approval for the new scheme, we cannot accept new afforestation licences.

Senator Victor Boyhan: Let us be clear and concise. No new planting applications can be put in place until the strategy is in place.

Deputy Charlie McConalogue: We told the Senator that last week.

Senator Victor Boyhan: I am asking the questions now. There is a different audience here today. The public are listening in. We are doing our parliamentary work. All I am asking if for a simple “Yes” or “No” answer.

Deputy Charlie McConalogue: As the Senator knows, we are doing everything we possibly can, for which we have approvals for. Until we receive the state-aid answer on the new forestry programme, for which we will be seeking new afforestation licences, we will not be able to accept new licences.

(Interruptions).

Chairman: Wait now. We will move on to the next session.

Senator Pippa Hackett: May I add one sentence to this?

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Deputy Charlie McConalogue: It was a very clear answer.

Senator Pippa Hackett: That does not stop people engaging with foresters-----

(Interruptions).

Senator Pippa Hackett: -----because one does not turn around a licence to plant trees in a couple of days or weeks.

Deputy Michael Fitzmaurice: A straight question was asked. It should be answered.

Deputy Charlie McConalogue: It is a straight answer.

Senator Pippa Hackett: Farmers should absolutely engage with the forestry companies and foresters and get the work done.

Senator Victor Boyhan: That is not the question I asked.

Senator Pippa Hackett: When the state-aid approval comes through they can submit-----

Chairman: Please wait. The question was asked whether the Department is open to licences. The answer at the moment is-----

Senator Victor Boyhan: “No”.

Chairman: -----that because of state-aid rules, we are not open for licences.

Deputy Charlie McConalogue: That is true.

Deputy Marian Harkin: That was a very simple one-word answer.

Senator Victor Boyhan: Very simple.

Deputy Michael Fitzmaurice: I want something corrected on the record. An article entitled “Coillte Launches New Forestry Strategic Vision to Optimise its Contribution to Ireland’s Climate Targets” was published on 21 April 2022. It talks about the 100,000 ha and about everything. The article is there on the Coillte website. The Minister said twice that everyone knew about Gresham House and all of this. Not one part of that article refers to Gresham House and the record needs to be-----

Deputy Charlie McConalogue: I did not say everyone knew. I said-----

Deputy Michael Fitzmaurice: The term “private investors” is not even mentioned in it.

Deputy Charlie McConalogue: -----about private investments.

Deputy Michael Fitzmaurice: It is not in the article. The Minister can look it up.

Deputy Charlie McConalogue: I stand over what I said.

Deputy Michael Fitzmaurice: Can I move on because time is tight.

(Interruptions).

Chairman: Deputy Fitzmaurice has the floor. He has ten minutes.

Deputy Michael Fitzmaurice: I want quick answers and I will butt in if they are not. I refer to Mr. Delany or Mr. Hayes, from whom I might get straight answers. Is there a scheme at present in relation to ash dieback? “Yes” or “No”.

Mr. Barry Delany: Yes, there is currently a scheme-----

Deputy Michael Fitzmaurice: Can people apply for it this minute?

Mr. Barry Delany: No. Until we get the state-aid approval-----

Deputy Michael Fitzmaurice: Is there a scheme available now, this minute, in relation to ash dieback or is there any compensation for it? “Yes” or “No”. That is all I want to know.

Mr. Barry Delany: All the files that are live currently are being dealt with for a new scheme-----

Deputy Michael Fitzmaurice: I asked if there was anything available this minute to apply for?

Mr. Barry Delany: No, not to apply for. It will come with the state-aid approval.

Deputy Michael Fitzmaurice: That is all I wanted to know. Let us say I put in an application in September, October or November that had to go to an ecologist. Am I correct in saying that ecologist can do nothing at the moment with such applications? “Yes” or “No”.

Mr. Barry Delany: All files on hand are being processed to the point at which they can be approved.

Deputy Michael Fitzmaurice: So the ecologists are working away at the moment.

Mr. Barry Delany: Yes.

Deputy Michael Fitzmaurice: That is grand. There were different stories circulating about that.

We clarified earlier that even if a person has a Natura impact statement, NIS, and has done all the other stuff, he or she cannot apply for any scheme. That has been clarified already so that is the answer to another of my questions.

It has been said the state-aid application will be submitted in a month’s time. What are the obstacles? What has the EU come back to the Department on? Has it come back on giving businesses 15-year grants and farmers 20-year grants? What are the things being thrown up?

Mr. Colm Hayes: It is state-aid approval so there are a range of issues. The Commission-----

Deputy Michael Fitzmaurice: What are they?

Mr. Colm Hayes: Environmental; market economics-----

Deputy Michael Fitzmaurice: Has the 15 to 20 years been brought up?

Mr. Colm Hayes: The 15 to 20 years, to my knowledge, has not been raised as a specific issue, but the Commission is a broad church. We deal directly with the Directorate-General for

Competition. DG Competition, in turn, has to do an interservice consultation and the various DGs of the Commission will, and have, come forward with their various views. Every one of them has to be answered. As the Minister said, the purpose of all the informal consultation that is ongoing now is to work through as many as of these, what one might consider, technical questions right now. This will clear the way for a formal submission.

Deputy Michael Fitzmaurice: I refer to the Coillte deal. Let us be clear on this. Am I correct in saying that if there were premiums on that land, such as entitlements, an investment company can draw the entitlements? “Yes” or “No”.

Deputy Charlie McConalogue: Who can draw entitlements? Investment companies?

Deputy Michael Fitzmaurice: Yes, the investment companies, if they have a herd number.

Deputy Charlie McConalogue: As it is a more technical question, I ask my colleague to take it.

Deputy Michael Fitzmaurice: It is not technical.

Deputy Charlie McConalogue: I will refer it to my colleague because I cannot, for certain, answer it.

Mr. Colm Hayes: A herd number defines a person as a farmer. If a person is a farmer-----

Deputy Michael Fitzmaurice: There are companies with herd numbers that draw the single-farm payment.

Mr. Colm Hayes: The point is that there are farmers who incorporate as companies for-----

Deputy Michael Fitzmaurice: Can they draw a single-farm payment, if there is an entitled to it? “Yes” or “No”. That is all.

Mr. Colm Hayes: Farmers can draw a single farm payment, if I remember correctly, as long as the payment has been claimed since 2008.

Deputy Michael Fitzmaurice: They can. That is fair enough and that is all I wanted to know. Under this new scheme, am I correct in saying that the investment companies can draw the premiums annually and can draw the establishment grant? It is a yes-no answer.

Deputy Charlie McConalogue: Yes, for 15 years.

Deputy Michael Fitzmaurice: Regarding the Coillte deal, was the Minister of State, Senator Hackett, not made aware of this in March 2021?

Senator Pippa Hackett: Is the Deputy talking about the Gresham House deal-----

Deputy Michael Fitzmaurice: Yes.

Senator Pippa Hackett: -----or Coillte’s plans? I would have been-----

Deputy Michael Fitzmaurice: Coillte’s plans and about it talking to Gresham House.

Senator Pippa Hackett: No, I was not aware.

Deputy Michael Fitzmaurice: The Minister of State was not made aware.

Senator Pippa Hackett: No, I was not made aware until that date at the end of December.

Deputy Michael Fitzmaurice: Okay. Regarding the deal being done, and either the Minister or the Minister of State can answer this query, a bid was made on a farm in County Tipperary in July that Coillte was well aware of. The Property Registration Authority, PRA, put it into the name of the investment fund on 23 December 2022. The witnesses said they were made aware on 16 December or 18 December 2022. Can it be believed that everything moved this fast in Ireland? Any time farmers buy bits of land it takes three to four months to put the land into their names. Do the Minister and the Minister of State believe that all this only went on from the day our meeting was held here and that everything was signed up after that? The land, some 1,100 acres, was being bid on in July 2022. It is in the PRA register in the name of the investment fund. Has someone somewhere misled the Minister and the Minister of State?

Deputy Charlie McConalogue: I have no reason to believe that anyone has misled me here.

Deputy Michael Fitzmaurice: Would the Minister find it ironic-----

Deputy Charlie McConalogue: I am not sure which-----

Deputy Michael Fitzmaurice: I am talking about a deal in County Tipperary involving 1,100 acres of land that has been put into what we will call the new investment company's name. It was registered by 23 December 2022. This was only a few days after the Minister said he became aware of it and 12 days after we had representatives from Coillte here. Would the Minister find it unusual that people worked so fast?

Deputy Charlie McConalogue: I do not know the detail of the deal the Deputy is referring to. All I can say is that Coillte wrote to me on 16 December, which was a Friday. That was the date of the letter. I was-----

Deputy Michael Fitzmaurice: Yes, but the Minister knew a long time in advance what was going on here.

Deputy Charlie McConalogue: -----reappointed on 17 December 2022, which was a Saturday. The letter arrived in my office during Christmas week and I would have become aware of it then after the new year. The letter indicated that Coillte had already signed the deal. Again, this was in line with-----

Deputy Michael Fitzmaurice: Turning to the Minister of State, we talk about different types of broadleaf trees and different types of planting. Has the Minister of State met representatives of the nurseries and has she been made aware that, if a great deal of planting comes in, there may be problems in perhaps having enough stock in place? Obviously, it is not possible to just click a button and trees grow. It takes three to four years. Is the Minister of State aware of any problem in this regard that might occur?

Senator Pippa Hackett: Absolutely, I know there could well be a problem, especially with broadleaf trees. I think two or three years might be the timeline and not quite as long as four years. My Department has engaged with a particular nursery in this regard to tease out what options we have and whether we could plant parts. I am not sure if the officials would like to give any further detail.

Mr. Barry Delany: I thank the Deputy for the question. We are engaged with the nurseries

to-----

Deputy Michael Fitzmaurice: Is it going to be a problem? It is a yes-no answer.

Senator Pippa Hackett: It depends on the uptake.

Mr. Barry Delany: We can see so far that there has been an uptake of about-----

Deputy Michael Fitzmaurice: Are we looking at bringing in trees from other countries that may have diseases?

Mr. Barry Delany: We are looking at flexibilities with the nurseries to try to allow them to fulfil their orders. That is what we are trying to do. We hope to issue a circular by the end of the week to try to clarify this and alleviate some of the pressures these nurseries have in fulfilling these orders. We will circulate that document to the Deputy as well so he can see what we are doing.

Deputy Michael Fitzmaurice: Okay. In the Minister's opinion, has the gate closed and is this deal done on the 12,000 ha? Is this deal going to be reversed? I would like an honest answer.

Deputy Charlie McConalogue: That deal is done. The Minister of State and I met with representatives of Coillte last week to fully explore the ins and outs of the deal and all its aspects. It is a contractual obligation, which the company was signed up to as of its letter of 16 December 2022 to me.

Deputy Michael Fitzmaurice: That is four days after Coillte's representatives were in here telling us they would come back to us. Representatives of a semi-State company came in here on 13 December 2022, the Chair will know the date exactly, and informed us that they were so worried about our climate targets they were going to plant 100,000 ha of clean land. Was the Minister surprised that the first deal to be done will involve 8,000 ha being devoted to standing timber which will not be of any benefit to Ireland's mitigation measures? Was the Minister surprised by the two different statements we have heard?

Deputy Charlie McConalogue: First, whenever Coillte purchases land the way it manages it is very different from a private farmer or company in that it will be open access. Equally, it is the same with any replanting it does. There is a particular market for replanted land because, as the Deputy will know well, premiums run for the first plantation but whenever the timber is harvested there is a legal obligation to replant the land. There are then no premiums when it is replanted.

Deputy Michael Fitzmaurice: Would the Minister be surprised then if we are worried about the-----

Deputy Charlie McConalogue: I know Coillte is looking at acquiring land it can manage in a way that works for the environment. Regarding replanting, it is seeking to do this on a 50:50 basis and also to have open access for the public. The key priority, however, is the 100,000 ha-----

Deputy Michael Fitzmaurice: Does the Minister or any of his staff have an independent inventory of what stocks Coillte has? Has that been done? Is it being done? Is there an independent inventory or is there even an inventory from Coillte regarding what it has in its stocks and the years?

Mr. Fergus Moore: We carry out a national forest inventory.

Deputy Michael Fitzmaurice: No, I asked if the Department has an exact inventory from Coillte concerning its exact stocks. Is the answer “Yes” or “No”?

Mr. Fergus Moore: Yes, we know what Coillte owns, which is 400,000 ha plus-----

Deputy Michael Fitzmaurice: Yes, we know what it owns. I am talking about stocks.

Mr. Fergus Moore: -----and we have a distribution of the age-loss structure of its forest estate.

Deputy Michael Fitzmaurice: If the committee asked that an independent assessment be done of what Coillte has in stock, regarding the quantity and quality of timber, would the Minister consider it?

Mr. Fergus Moore: Coillte already has-----

Deputy Michael Fitzmaurice: I am asking the Minister this question.

Mr. Fergus Moore: I am sorry.

Deputy Charlie McConalogue: I am sorry. What was the question?

Deputy Michael Fitzmaurice: If this committee asked the Minister to appoint an independent person to look at undertaking an inventory of the quantity and quality of what Coillte has in stock in its 40-year cycle, would he consider that request?

Deputy Charlie McConalogue: Coillte owns and manages the land.

Deputy Michael Fitzmaurice: I know that, but Deputy McConalogue is the Minister.

Deputy Charlie McConalogue: Yes. The first step would be to ask Coillte for it. I have no doubt it would have all that detail. It manages its estate very well.

Deputy Michael Fitzmaurice: Could the Minister get that information for us?

Deputy Charlie McConalogue: I have no doubt I could. We will get that information for the Deputy.

Chairman: As there is a vote in the Dáil, I will have to suspend the meeting.

Sitting suspended at 6.47 p.m. and resumed at 7.07 p.m.

Chairman: I call Senator Paul Daly.

Senator Paul Daly: I will be as brief as possible. I will not rehash what was said earlier. A great deal was covered.

Since this committee was formed, it has concentrated on all sectors of forestry and the problems relating thereto. In my role as Fianna Fáil spokesperson on agriculture, I have led numerous debates on forestry in the Seanad. If people want to check the record, they will see that on every occasion and without fail I questioned how confidence in this sector could be restored, especially among the farming community and potential smaller actors who buy into forestry. They are the 99%. The Department’s figures show that the Gresham House deal is only 1%.

Leaving the deal aside, we still need the other 99% from that sector between now and 2050. We all welcomed the forestry programme, and the €1.3 billion in funding, when it was announced. We were beginning to see improvement and progress in licensing. The correspondence I received regarding forestry started dwindling. Along with many others, I thought we were on the road to getting the confidence to which I refer back and that we had turned a corner. Unfortunately, it was one step forward and two steps back once news broke of the Gresham House deal.

As can be read from the mood of the room this evening, I and other committee members are all in the same boat. The correspondence, representations, phone calls and emails about forestry started again. Confidence took a hammering. There is massive concern out there. There will be no confidence in the sector and people will not volunteer or sign up to partake in the scheme while there is such concern among farmers, landowners, rural dwellers and the public in general. I take everything the Minister has said as to how we got to where we are. The narrative is out there, and it will be out there again when these proceedings are dissected and covered. The €1.3 billion in funding was brilliant, as was the increase in the premium from 15 to 20 years. I thought we were turning a corner, but now there is negativity because the premium is going to go to investors. Land prices are going to be exorbitant. Where there are investors and big outfits involved, there will potentially be large tranches of forestry in specific areas. I received a lot of correspondence from people in the areas they think are going to be targeted, like the north west or whatever. If we had brought the farmers with us and kept that confidence there we would be looking at the smaller and more sporadic kind of forestry. That would be a better fit for everybody. You cannot relaunch the €1.3 billion. The bounce from that is gone. How is the Minister going to get it back? I would like a detailed response, based on everything that has been said here this evening. We are where we are, what has happened has happened, we have lost that bounce and confidence has taken a bigger kick. It is in a worse place than it was all through our deliberations in the last two years. How does the Minister propose to get that confidence back? How does he propose to get farmers planting trees? As I said, he cannot launch the €1.3 billion again. How does he intend to meet his targets? I would like some more specifics on what he plans to do to make sure that at the end of this five years we will have nothing like that again, that the emphasis will be, as he keeps saying, on the farm family and the small landowner, and we get people back planting trees and investing. We need to put a lot of detail and thought into what we are going to have to do to achieve that because this was the last straw. People do not even want to talk about forestry anymore. The only people in the farming community at the minute who have any interest in forestry are the ones who are sitting in the long grass who think they will get a massive price for a bit of land that might be suitable for forestry and are looking forward to this deal going through.

Deputy Charlie McConalogue: I thank the Senator. I know what an advocate he has been for the sector over the past couple of years, and through the challenging times, to try get it on track and the constructive work he has done in that regard. As I said at the outset, we worked our way through an unprecedented crisis and we have got to a situation where we are getting towards equilibrium in licences. We now have it under control and are able to process. We are processing and issuing a lot more than what is being received. There is very significant positivity around the announcement of the €1.3 billion plan and there is definitely a bounce about that. We have not spent that €1.3 billion. We are now going to spend it. That money is there. Farm families are going to apply for it. I know that from talking to farm families.

The challenge here is that farm families are not actually aware enough of what is available yet. I find it as I go around and talk to people and meet people. I say to them that they have an acre or two, or a couple of acres over there that they are not doing much with and I tell them

they could put that into forestry and what they could get for it. Let us look at what they can get for it. If somebody puts a hectare of land into native trees, they will get €1,137 per hectare per year. That is not for 15 years, like before, but for 20 years. They will get their BPS entitlements on that hectare every year as well and it is tax-free. When they come to harvest the land, the income from it will be tax-free as well. That means that over 20 years a farmer who might not be doing a whole lot with some of his land, or even if he is doing a whole lot, can put a hectare in and over the next 20 years can draw down, give or take, €23,000 in premiums. It is a very significant income potential and will make a real contribution. Particularly in the case of the native premium I have described, it will make a real significant contribution to biodiversity objectives, climate change and emissions. Most farmers out there do not know that yet. I hope some of them are listening tonight. If they are, I am telling them we are open for business and that they should think about how they can encompass some forestry in their land if they have the potential to do it. It will not be for everyone but it can be for a lot and it will be a real opportunity for additional income for a lot of people.

We have that €1.3 billion in the pot to spend, and we have a licensing system now that is working, is fit for purpose and is fully resourced. It is out of the crisis it was in. We have work to do. Senator Boyhan asked earlier what we are going to do for the next half. In the first half, we have got rid of the crisis. The next half is about driving on, meeting our forestry targets and spending that €1.3 billion and in doing so, making sure families get the potential for them to make a significant income and enable them to contribute to biodiversity, emissions and climate challenge as well.

Senator Pippa Hackett: I acknowledge Senator Daly's input into forestry, particularly in the Seanad. I reassure him that we have turned the corner. That €1.3 billion is there. From engagement with Teagasc and others, unprecedented interest is being shown. Farmers are contacting Teagasc advisers asking what this forestry gig is about, what they can do, how they can plan and how to get into it. We have opened the programme itself and the types of schemes available. We have new schemes that are interesting to farmers, such as agroforestry for example. In fact, if an organic farmer and plants agroforestry, they can retain their organic payment on it as well. There is a lot there to take in, and there is a lot there for farmers to go through and talk to foresters about. The interest is there but I accept the concerns that people have raised in recent weeks. Hopefully we have been able to allay some of those and then we can move on. This second half of the Government's term is about delivery and implementation.

Deputy Paul Kehoe: I welcome the Minister, the Minister of State and their officials. I am totally opposed to the Coillte partnership. I am very disappointed that when its representatives appeared before this committee on 13 December, they were aware of a lot more of the details around Gresham House than they disseminated to the members here. I would go as far as to say they misled the committee. They withheld vital information. I will withdraw the word "withheld". They did withhold information but I will not say it. Members here asked very pertinent questions and the answers have appeared in the media over the last number of weeks. When did the Minister and his Department officials become aware the Coillte had bought 400 ha in County Tipperary?

Deputy Charlie McConalogue: In early January, sometime in the last couple of weeks.

Deputy Paul Kehoe: Was the Department one of the signatories of the contract between Gresham House and Coillte?

Deputy Charlie McConalogue: No. That was a matter between Coillte and Gresham

House. It was entirely a matter for them.

Deputy Paul Kehoe: When Coillte was before the committee, its representatives said they could not reply to some of the questions because there was a third party involved. Is the Minister aware of who the third party is?

Deputy Charlie McConalogue: It is clear with regard to the contract and agreement they have signed that the partners are Coillte, ISIF, which makes national Government investments, and Gresham House, the fund manager. Then there is the fund itself, which would be people who will invest in it. In addition to the €25 million from ISIF, a decision will potentially be made in due course as to whether Coillte will be investor in that as well.

Deputy Paul Kehoe: I do not want to waste my ten minutes on Gresham House. I propose that we have representatives from Coillte back before the committee as soon as possible to answer some of the questions they did not answer the last day. If the Minister and the Department were not aware of the negotiations, Coillte must come back before the committee to answer some of the pertinent questions put to it. Maybe Coillte's representatives will answer them the next time they appear before the committee.

Deputy Charlie McConalogue: Coillte buys and sells land at different times and the Minister of the day would not be involved in that.

Deputy Paul Kehoe: I am not accusing the Minister of-----

Deputy Charlie McConalogue: Coillte manages its own estate. That is a matter for it rather than the Department.

Deputy Paul Kehoe: I am just asking was the Minister aware of it because-----

Deputy Charlie McConalogue: That is Coillte carrying out its function

Deputy Paul Kehoe: -----Coillte withheld information when its representatives were before the committee. I, like everyone here, bought my own house and bought land. It takes months, not days or weeks, to get from the first part of the contract to the end of it. I am disappointed that a State body funded by the Department with taxpayers' money withheld information at our meeting with its representatives on 13 December.

Deputy Charlie McConalogue: The Deputy may have further questions for Coillte but to be clear it has commercial and contractual obligations as well and we must bear that in mind. As I outlined, Coillte had outlined broadly to stakeholders, Oireachtas Members and the Department that it was engaging in a process and exploring options related to investment.

Deputy Paul Kehoe: I will put my cards on the table. I worked in the forestry service for a number of years and know a fair bit about it. I have knowledge about the background of forestry and am passionate about it. The Government and the State should be doing an awful lot more about forestry. When we look at the graph that goes from 1998 to 2020, we see in 1998 that 10,002 ha - I think it is hectares - were planted by the private sector, whereas in 2020 it was 2,434 ha. There is something happening here. Somebody has to put their hands up. I cannot understand why the same amount of activity that happened in 1998 is not happening in 2020. In today's post I got the Teagasc magazine, *Today's Farm*. In it is a two-page spread about the new afforestation programme. I understand that has to go to Europe and the Department is not taking applications. Can both the Minister and Minister of State say, with their hands on their

hearts, that they do not foresee any problems when this application goes to Europe and that we will be able to get clearance from Europe as soon as possible?

Senator Pippa Hackett: What I can say is that my Department is working incredibly hard to get this application right. Officials are in pretty much daily contact, I understand, with the Commission and have been in contact since even before the state aid date opened to do some preliminary work on this. It is crucial we get it right and I have confidence my Department will get it right. We are hoping in the next number of weeks to make that official submission to the Commission.

Deputy Paul Kehoe: If the Minister of State is so confident in her officials, why has the submission not already gone to the EU?

Senator Pippa Hackett: It has not because there is a process here and it is quite intricate. The Commission also engages in a process behind the scenes. My Department is engaging with the Directorate-General for Competition and it then engages with other Commission-----

Deputy Paul Kehoe: Absolutely. The last programme, a five-year programme, was extended by two years to become a seven-year programme.

Senator Pippa Hackett: Yes.

Deputy Paul Kehoe: Surely there was a light flashing red in the Department in 2020 saying the new programme must be got up and running by 1 January 2023 to give confidence to the forestry sector? Confidence in the sector is on the floor. I say that genuinely. When I was in the Minister and Minister of State's position I had to talk up my Department and give the Department line. The Minister of State should talk to the farming organisations or any farmer. I could bring her to ten farmers in County Wexford who planned on planting forestry as part of the afforestation programme. They would now spit if planting forest or afforestation were mentioned to them because they are so disheartened. These are genuine people who have a love for the environment and want to assist us in reaching our carbon targets but they are totally turned off by what is happening.

The Minister and Minister of State said they have granted X number of licences. With hand on heart, can they tell me what the current conversion rate is from the licence being granted to what will be planted? Before they answer, they should not say 100% because back in the day it would have been in and around 50%. I think the rate is around 50% because applicants must wait so long on licences that they find alternative uses for the land. Land is at an absolute premium now, for renting or anything like that. Farmers have absolutely gone mad out there renting land, from dairying to tillage and many other commodities. I know of land in County Wexford for which prices have gone up 20%, 30% or 40% in a couple of years. Part of it is tax-free and there are incentives there to rent out land. Farmers have alternative uses for it. On the conversion rate, what percentage of the granted licences do the Minister and Minister of State believe will actually be planted so we see trees in the ground?

Deputy Charlie McConalogue: I will answer a couple of those questions and ask Mr. Delany to touch on state aid because we have been moving as quickly as possible on that since it became possible to do so at European level.

On the conversion rate, it is between 55% and 60% and has been closer to the latter up to now. There are about 7,000 ha already licensed to plant. We obviously do not expect all of that to be planted but someone who planted last December would have been working on the old

scheme in which the rates were up to 60% less than they are now and would have been getting premiums for only 15 years rather than 20. I have no doubt that people who had a licence were waiting to see what the new scheme was. I remember talking to Senators Lombard and Paul Daly in the Seanad about this before Christmas. People who have a licence were waiting to what the rates were in the new scheme, what is possible and how attractive it is. It makes total sense.

There is no doubt confidence has been shot in the last couple of years but I have outlined today how we have come through that crisis and now have the platform in place, in terms of licensing and capacity, to deal with licences and be on the front foot and that we have the funds and programme in place to do it. It is now about driving it on, making it happen and changing that confidence piece because I do not dispute what the Deputy is saying about that. However, we now have the foundations in place to restore that confidence and change the situation.

I ask Mr. Delany to respond briefly.

Deputy Paul Kehoe: I have one more quick question. Let us say we are back here in five years' time. In 2020, there were 2,434 ha planted by the private sector. What does the Minister believe the figure will be for 2026 or 2027?

Deputy Charlie McConalogue: Our target is 8,000 ha and we have the funding for that. We want to do all we can to build towards it. It is going to be a big challenge to get there this year but we will get there and we have the platform and funding to do it. The economic fundamentals mean it makes sense to incorporate it into family farms as well.

Deputy Paul Kehoe: I agree.

Deputy Charlie McConalogue: It would be useful for all members if Mr. Delany outlined the state aid piece.

Chairman: I will move to the next speaker after that.

Deputy Paul Kehoe: That is okay.

Mr. Barry Delany: As the Minister and Minister of State have outlined, we have done extensive consultation in the form of publishing our shared vision for forestry and we also finished a consultation on the strategy in the programme late last year. We are finalising that process now where we will have a published strategy and then an agreed programme once we engage the Commission. When we engaged with the Commission last year it advised us, and we were aware, that the new state aid rules did not kick in until 1 January. It allowed a pre-submission back in October-November and we have been engaging with the Commission since. That allowed it to evaluate our new programme on the basis of the €1.3 billion investment and the new approach concerning forest types. As a result, we have been having ongoing engagement with it. Even this morning, we have done so. The considered view of the Commission involves us teasing out any other issues left regarding the environment, climate or state aid rules themselves and, once they are finalised in the coming weeks, allowing us to make our formal submission. We hope teasing out the issues now will allow the formal process to happen quicker. If we make a submission now, without having teased out the issues, it will lengthen the process because we would have to enter formal consultation. We are trying to tease out the issues as quickly as we can. There is a lot of technical engagement. We met the representatives today and will be meeting them again next week. I hope we will be able to sign off then to make our formal submission. It will be in the hands of the Commission then and it will be for it to reply to us

straight after that.

Senator Pippa Hackett: Could I make a very brief comment?

Chairman: No.

Deputy Joe Flaherty: I will try not to rehash much of what was said. I will start with the positives. I welcome the Minister's comment that the deal in front of us is not his preferred option for strategic partnerships and that his preferred one is for farmers to plant trees on their own land through incentivisation under the €1.3 billion scheme, which we widely welcomed. He wants all strategies to be based on working in partnership with farmers to support their ambitions for forestry and those of the country. Unfortunately, what has happened with Coillte and the Gresham House deal has fired a bolt through the confidence barometer of farmers. Farmers have a sickly feeling in their stomachs again over forestry.

I echo the proposal to have representatives of Coillte back in here as soon as possible. There is widespread suspicion among farmers and, more worrying, timber processors to the effect that Coillte, as a semi-State company, is embarking on a radicalised commercial plan with the stated aim of monopolising its position in the Irish market. It is very clear that the ISIF is not a vehicle to create new forests but primarily a vehicle to take competitors out of the marketplace through the purchasing of competitors, having at all times the single aim of strengthening Coillte's dominant position in the market.

Coillte has been very purposeful regarding who it has partnered with. It looked to Scotland, which we have heard about numerous times. We have examined the strengths and successes of the Scottish market. Coillte saw Gresham House had a 25% market share in Scotland. It said it would consider one of the most dominant players in Scotland and bring it over here, allowing both to emerge quickly as the most formidable force in this country.

Coillte's has entered into a corporate alliance with Gresham House. Directly or indirectly, it is going to become either the primary or end purchaser of existing mature semi-State and private forestry in Ireland. It already has a dominant position in the Irish market, controlling 70% of the logs produced here. It decides who buys them and where they go. It can decide whether they stay in the country. It is very clearly engineering a business plan that will give it a near-dominant position in a market, at a time when this country has an absolute housing crisis. We appreciate that the use and demand for timber will treble over the next three years. Suddenly, we are allowing Coillte, which has been very purposeful in what it has been doing, to be the dominant player in this market. I am sure there is a business plan somewhere in Coillte that is very clear about this. What Coillte is doing and proposing will greatly strengthen its control over the market and ultimately affect the consumer. More critically, it will affect house-building in this country and young people trying to get into the housing market.

What Coillte is proposing in its strategic alliance with Gresham House has nothing to do with new forestry but is very much about buying up existing forestry. Gresham House does not do virgin forestry in Scotland. It does not buy or plant virgin land. Coillte knew that and who it was getting into bed with. It knew exactly what the business model was. It is not going to take the risk associated with planting involving a ten- to 15-year timeframe; it is going to buy up existing plantations. What is happening in Scotland is very clear, and Coillte will know this. Typically, a cubic metre of forestry in Scotland is worth £100. A very strong price heretofore would have been £130 per cubic metre. The latest price indicator we have for Gresham House in the Scottish market gives a figure of £380 per cubic metre. It is not only dominant but also radical,

and it is buying up the market. We are creating a situation that allows a monopoly to emerge in the production of timber supply in this country. We cannot simply sit back and allow it. This is a bigger issue than the issues of carbon and forestry; it is about us letting Coillte go ahead with its clear, stated plan to radicalise its business position in this country and monopolise the one commodity we have left.

There are a couple of key issues. A number of senior people in the Government have told us the deal is a done deal and cannot be changed. The funding is set up very clearly. There is to be €25 million invested by ISIF, which most people would assume is State-owned or at least State-backed. This fund is dependent on that, I would imagine. Has the Government not got the capacity to say it is pulling back the €25 million? If there is a hit for Coillte, a semi-State company, it will have gone into this with its eyes open. If there is a financial implication to re-neging on the deal, it should accept it. It made a business decision and clearly did not pre-empt what was going to be the huge public backlash. If there is a hit, Coillte needs to take it. Has the Government explored the prospect of ISIF withholding the €25 million and saying it is not doing the deal?

In light of the huge public outcry, has the Minister any indication yet from Coillte regarding the €10 million investment already committed? Is that €10 million still locked in? As I understand it, several pension and investment funds have said to ISIF that they do not intend to proceed now. What is the level of investment? Is it still locked in at €10 million?

I propose to the Chairman that we invite representatives of the Irish Timber Council to appear before us. It is important that members realise the feelings of the processors and their fear that, by allowing what is happening, we are creating a monopoly. The Minister was already asked to meet another group but I ask that he and the Minister of State meet representatives of the Irish Timber Council also because the council has an important role to play in this. Its position, and its fear, is that processors will be isolated. At present, they are importing a lot of their timber. It could end up that Coillte, because it will control the market, will have many of our processors going abroad to bring in their timber. Could the Minister revert to me on my couple of key questions?

Deputy Charlie McConalogue: I have clearly outlined how we have engaged with Coillte on how to move forward and determine how the State can work with it to support it in its efforts to engage in afforestation and avail of opportunities to partner with farmers. That is the way forward. It is important to keep in context what has been agreed – the 4,000 ha of afforestation Coillte has signed up to with Gresham House and ISIF. That would represent about 1% of the State's afforestation between now and 2050, so it is very small in that context. The proportion does not in any way constitute a monopoly. As I stated, there is a contractual agreement to which Coillte, as well as ISIF, has committed and signed up.

Deputy Joe Flaherty: I do not mean to cut across the Minister but I am conscious of my time and that of other members. Time is precious here. Coillte has entered a commercial arrangement, so if it needs to it should take the hit. Has the Minister explored the capacity to say what I suggest to ISIF, given that the money is State money?

Deputy Charlie McConalogue: ISIF is a division of the NTMA, which was set up-----

Deputy Joe Flaherty: It is still controlled by the Minister for Finance.

Deputy Charlie McConalogue: No, it operates independently with a policy remit and its

decisions are made by the board. The board has made the decision. As with Coillte, ISIF is contractually obliged as well. Its board has signed up to the arrangement.

Deputy Joe Flaherty: Has the Minister scoped the prospect of the deal not going ahead? What would the fallout be?

Deputy Charlie McConalogue: It is a contractual obligation. ISIF and the NTMA operate independently of the Government, so it would not be legal to interfere in something they have already decided legally to do and invest in.

Senator Tim Lombard: I welcome the Minister and the Minister of State. An awful lot has been discussed.

Can I get a sense of the Minister's thoughts about the programme he has announced? There are some quite amazing figures in the Minister's opening statement. The Minister is saying that a national target of 450,000 ha of new forests by 2050 is proposed. That is a significant figure. The Minister is proposing to plant an area amounting to Louth twice over, or half of County Cork, by 2050. Taking into consideration the pressures of land, the banding of cows, the nitrates action plan and all the other significant issues we have in the agricultural sector, to think that we will plant Louth twice over in that period raises the question of whether the Minister thinks we can reach that massive target.

I acknowledge the statement the Minister made which went into the financial element. It was a powerful statement acknowledging what the financial element is. As the Minister will be aware, however, farmers look at this in many ways. The financial element is one element but there is an attachment to the land that is something special within the Irish people as well. Would the Minister have confidence that by 2050 this programme will deliver the planting of an area the size of Louth twice over?

Deputy Charlie McConalogue: I would. Of course, it is important to say we will not look to plant Louth twice over or to plant half of Cork directly because that would be fairly difficult to achieve. What we are looking to do-----

Senator Tim Lombard: They are amazing figures.

Deputy Charlie McConalogue: -----overall is increase the area under forestation nationally from 11.5% at present to 18% by 2050. We are looking to do that by encouraging ordinary farmers to do that. We will see ordinary farmers looking to do that. Small bits across the country add up very significantly. It will not be two bits the size of Louth but lots of small bits of forest - a hectare here, a couple of hectares there and 10 ha somewhere else. That will add up and make a real difference, drive on and support family farm incomes, and make a real difference in relation to biodiversity, carbon capture and emissions reduction. When farmers look at the premiums that are there and the opportunity, and also at their farming platform, many will see the real opportunities. That is the way we will be able to go about it.

What I would say is that the land across the country is in farmers' hands. Farmers have all this land. Farmers do not give land away easily, as Senator Lombard well knows, but what we are encouraging farmers to do is look at where on their farms they can use that land to plant. We are empowering them to do that and giving them the family farm income that will make it worth their while as well. We will make a real impact.

We have discussed where we are at with regard to confidence. We have also discussed how

we put the platform in place. We will use that platform to turn the confidence into building this scheme. The Minister of State, Senator Hackett, the Government and I will lead out and deliver on this.

Senator Tim Lombard: Regarding the Gresham House deal and the Minister's statement to the committee, would he be confident that similar deals now will not be looked at by Coillte? Will they move away from new proposals in this manner and stick to what the Minister is proposing, which is the involvement of the Minister on behalf of the State or the involvement of private landowners? Is the Minister hopeful or confident that we will not be in a scenario with a Gresham House 2 somewhere down the line? As Coillte has an independent board in many ways as a semi-State, it has the independence to make its own decisions. Is the Minister confident that we will not have a Gresham House 2?

Deputy Charlie McConalogue: I wish to make clear that Coillte has good staff who work hard and do a great job of managing its forests across the country. It has tremendous plans for how it will develop forestry on a 50:50 basis between native deciduous trees and conifers over the years ahead. All of its forests are being managed to provide open access to the public and the public will be able to use them. It will be doing great work. As I stated previously, it has made this particular agreement in line with its strategic vision. It made public in papers, etc., as part of its strategic vision - it is clearly there over the past year - that it intended to explore private investment as part of its approach to afforestation, including, significantly, planting on public land, which it is doing, and some nature forest as well. We have had a good engagement with Coillte in relation to the particular approach it has signed up to. We have had a good engagement, outlining clearly that we want to explore with it that going forward it will be the State partnering closely with it and it partnering closely with farmers.

Senator Tim Lombard: It is still an independent body.

Deputy Charlie McConalogue: I am confident from the engagement we have had with it. We will work closely to empower Coillte to do this really important work and to ensure the State can support it in doing that work, with the State being a lot more directly involved in terms of that financial support, potentially, and exploring how that can happen.

Senator Tim Lombard: This debate has fuelled a view of people wanting to get involved in this sector. It has been a positive debate. It has not been a negative debate in many regards but it has broadened out. This debate has moved away from landowners and farmers only. The general public want to have a say and want to have an active role in the forestry that we have talked about in the context of the significant number of hectares required.

In the past few days, I have had conversations with people who have said that urban people are not actively involved even though they would like to have the opportunity to buy into forestry. Their view is that consideration needs to be given to how one buys into it. When we had the special savings investment account, SSIA, policy many years ago, the Government put a fund in place where one could save up and get involved. These were people working in factories and elsewhere, but they had a social responsibility. Should the State work with communities to put a social responsibility fund in place that could be a part of this fund which could form part of the long-term delivery of our climate goals? Could we look at something like that so that we can have everyone involved because this debate sometimes gets narrowed to landowners, farmers or agents? The general public, such as the person working in Eli Lilly, wants the opportunity to be involved too. Can we broaden this out?

Deputy Charlie McConalogue: That is the most constructive proposal I have heard all evening at the committee. That is what we were and will be discussing with Coillte. We will be discussing the options, the potential and the mechanisms we can put in place to work together with Coillte, with the State supporting it, and also farmers supporting it, and potentially how there can be community involvement. We will look at all of those options. We will be exploring that. We are certainly open to any ideas and proposals, and fleshing out potential options for how we could do that in working towards that objective of supporting Coillte in afforestation, and family farms in particular alongside that.

Senator Tim Lombard: I thank the Minister.

Deputy Michael Ring: I must say I am disappointed to see what has happened with Coillte over the past number of months. We are 100 years a State. It took us 300 years to get the Brits out of Ireland. The Minister is now rewarding them in relation to Brexit. We now have a situation in this country, between Coillte and the National Parks and Wildlife Service, where no farmer will be able to buy a bit of land. We have Coillte buying up land all over the country. We have the National Parks and Wildlife Service buying land all over the country.

I mean no disrespect to the Minister and to the Minister of State. Both of them are in jobs - I was in the job previously - in which they have to defend semi-State companies. I am totally opposed to what is going on in government at present. The Chairman and I, and many members here, have been here a long time. Even today, I put down six different questions to six different Ministers and every one of them came back from the Ceann Comhairle stating that the Minister has no responsibility in the matter.

Tonight, the Minister and the Minister of State should not be here. It really should be Coillte here answering our questions. It is a semi-State company. It has been given a role by the State, but it was never given the role by the State to buy up land and give it to the Brits. You can put it any way you like. The bigger companies now will be able to go in, just like Aldi, Tesco and all these multinational companies. Life is made easy by the Revenue, by the Government and by everybody for these multinational companies, whereas small farmers throughout the country are put through every rule and regulation.

The officials know that if one wants farmers to invest in forestry in this country, one has to reward them. I will tell the Minister what has happened over the past number of years. When I came on this committee - I will compliment the Minister and the Minister of State - they dealt with a number of the issues that we had in relation to licences, planning and farmers being able to plant trees. For example, I had a farmer on to me recently who tried to get planning permission to grow some trees. He waited two and a half years to hear from the Department. He eventually got the permission but it then went to appeal and, following the appeal and after waiting almost three years, he got a refusal. Yet, the Minister is telling me he wants 14%, 15% or 16% of planting done in this country. If he wants planting done, he should ask farmers to do it. If farmers are rewarded, they will do anything. They are well capable, well able, and they have changed in the past when they were asked to change.

I will not get into any row with anybody but, not for the first time, I am disgusted with Coillte. The Minister said it does a great job. It might do a great job but I saw plant operators who worked for Coillte for 25 or 30 years, and were big operators employing people, but Coillte just got rid of them overnight. Who did it take on? Again, it was not people from Ireland but people from Poland. Coillte gave them the contracts and got rid of the Irish natives who employed people and put their lives into their businesses for Coillte but were kicked out the door

overnight. I am not happy with Coillte or with what is happening here. Due to Coillte's semi-State tag, it is governed by certain legislation, as is the Government, but this decision will have to be looked at. It has not yet been finalised because Europe has a part to play in it. The EU will make the rules to suit the Government of the day. The Minister spoke about officials talking to the EU and said that we have not yet put in the application relating to forestry. I know how it works, as do the Minister and Minister of State. They, together with their officials, are on the phone to one another. I have seen it in this country. I am in this for almost 30 years. When officials want something done, it will be done with a phone call. It will not be put in writing because officials have learned not to do that due to freedom of information. This deal has to be looked at. If it is outside the hands of the Government to do so, we will depend on the EU to look at this to see what it can do to block it. The Government should come back to the Irish farmers to give them the opportunity, rewards and incentives and not put rules and regulations in place that they are not able to comply with, which is what is happening.

The Government is running people out of rural Ireland. In the next few years, it will all be Aldi, Tesco and all these multinational companies, many of which do not even pay their taxes in this country. They might employ some people but so would the small grocery shops that are left, which are being run out of business. That is exactly what will happen to farmers. We will have big beef and tillage farmers. There will be big farmers and the small guy will be wiped out. Many farmers would love to invest in forestry but the rules and regulations are just against them. To be honest, a farmer now would want to have a solicitor, an accountant and three or four graduates to be able to farm in this country because of the rules and regulations. It should be made simple and farmers should be rewarded. If they are given the incentives, they will plant plenty for the Department. There are counties where farmers overplanted because they just cannot survive on the agriculture scene as it is at present. If the Minister and his officials cannot do anything about it at official level, they need to do something at European level to block this because it is wrong for a company to come in.

We listened to the Government. The people of this country listened to it when they voted in favour of the Maastricht treaty and other treaties in referendums. We are part of the European Union but the Government is now rewarding the Brits by allowing multinational companies like this to come in and take over, including these vulture funds, and our farmers are being penalised as a result. It is not good enough.

Deputy Charlie McConalogue: The Deputy did not have too many questions. He outlined his views on this matter. I will say on behalf of the Minister of State and the officials present that we are very well served by the officials we have. We have a very strong Civil Service. It is one of the very strong things about this country. It is our role before this committee, and as Minister and Minister of State, to provide leadership, oversight, legitimisation and public imprimatur. We are there providing leadership.

I outlined how we have taken the sector out of crisis over the past two and half years. It has not been me or the Minister of State that has done the dirty work on that. We provided the leadership and we drove it on. This is the team that has delivered it. It has been a very difficult space for them to be in. As I said, this emerged out of a court case in 2017 and the massive backlog envelope that arose from it, which was a very difficult situation to work our way out of. We are now in the situation where officials have drafted, with us, a new plan. We have put the funding in place to implement it. It will be very exciting to drive it on. We have now got it in good shape. It is now about going first on the front foot.

The Minister of State and I will have our tussles at times regarding what is possible and

what can be done but overall, when we look at the Department across the board, as a country, and I speak for our Department, we pay more quickly and are more efficient than other country in Europe in how we engage with our farm families. That is down to our officials. That does not mean there will not be disagreements but it is important we respect that work, even though there will be healthy tension sometimes. It is important that we respect the work that officials do.

Deputy Michael Ring: Will the Minister and the Minister of State give a commitment - I know they are committed to forestry - that they and their officials will implement a proper advertising campaign to try to encourage more farmers to plant trees? It should explain to them, as was explained to us this evening, the benefits of it. If the Department has to bring in a new initiative to try to encourage farmers to plant trees, will it do so? It is important that we have a very strong campaign to push forward in order to show farmers that there is a reward for planting. This should be a very strong campaign that includes the *Irish Farmers' Journal*, the farming section of the *Irish Independent* and so on, and even a television campaign to encourage farmers. I ask the Minister and the Minister of State to do that in order to encourage them. More and more farmers will then take up planting. The Department must put the initiatives and the rewards in place, make it easier and not complicate it. That is what we have done in this country. We have complicated every single scheme we ever had. It should be simplified. I know balances and checks are needed but there are over-balances and over-checks. We also need to have a little balance and checks in respect of the Department.

Senator Pippa Hackett: I agree with the Deputy. We want farmers to plant. An advertising campaign is another constructive idea arising from this meeting. It is certainly part of our plans. I hear the Deputy full well. An advertising campaign to sell planting to farmers is needed. It is something we will certainly look into.

Chairman: I thank the Minister of State. We have to suspend the meeting as there is another vote in the Dáil.

Sitting suspended at 7.57 p.m. and resumed at 8.37 p.m.

Deputy Marian Harkin: I thank the Minister and the Minister of State for waiting. It is a long day and I appreciate that the Chair has allowed non-members of the committee to ask these questions. I have been listening to a lot of this debate and the Minister told us earlier he has known for a long time about Coillte's plans. When we look at what Ms Hurley said before Christmas at this committee, she was clear that Coillte was talking about a €2 billion fund, 100,000 ha of forestry and two investment funds. That is the strategy she spoke about.

The Minister told us he provides leadership and oversight, so my first question to him is as follows. The Minister signed a letter of expectation last June, enabling Coillte to do whatever deals it wanted to do. What due diligence was put in place to ensure Coillte's decisions were in line with Government policy? The Minister has emphasised that this is only 1% of forestry land in Ireland, but what we are really talking about is 100,000 ha of forestry, which in old money is 250,000 acres. That kind of land use change has massive implications nationally, and even greater implications regionally. We are talking about something substantial. When the Minister signed that letter of expectation, what due diligence took place to ensure Coillte's actions would comply with Government policy?

Deputy Charlie McConalogue: Coillte's overall ambition is in support of the Government's ambition. The Government's ambition is to deliver 450,000 ha of forestry by 2050, which Coillte is looking to support. In putting together the strategic vision, Coillte outlined that

to make that happen, it was looking at a number of options, planning and public land being a significant part of that. It is also looking at potential investment partnerships to enable it to do that too. That was widely commented on in the media when it published its strategy back in April. Again, it would have informed the Oireachtas with briefings. The letter of expectation in the middle of the summer would have asked Coillte to make its contribution in terms of managing existing forests but also look at the potential for new forestry and explore options as to how it would do that. It then stepped that out.

Deputy Marian Harkin: Why then, almost immediately after concerns were raised and once Coillte's policy became clear, did the Tánaiste call for a review and the Taoiseach say this was not the preferred option? At one level, letters of expectation were signed allowing Coillte to act in certain ways, which we are told was following Government policy, yet as soon as the first tranche was announced, the Taoiseach and Tánaiste immediately rowed back. What went wrong? Where was the oversight?

Deputy Charlie McConalogue: And ourselves as well. As we see how it may play out, we have examined it in much more detail. Overall it is 3.5% of what Coillte's ambition would be between now and 2050. Like everything, you assess how things are moving and travelling and whether it is the right direction or whether you want to reorient. We are very clear we want to explore the State being centrally involved and farmers being much more involved. We are looking at that. This was a direction of travel Coillte would have been on since early last year.

Deputy Marian Harkin: What the Minister is saying is that they are all pulling back. The Taoiseach and Tánaiste did so publicly and the Minister has said that this evening. Let us start at that position. The Minister told us an agreement is in place for 12,000 ha, and we will come to that in a moment. Will the Minister tell us that this is the entirety of Coillte's engagement with Gresham House and that there will be no further engagement or arrangements with Gresham House to pursue a similar arrangement if he has now rowed back from it?

Deputy Charlie McConalogue: That is what it has contractually signed up to.

Deputy Marian Harkin: Yes, I know.

Deputy Charlie McConalogue: It is obliged to that. I have said our preference is to enable the State to work closely with Coillte and with farmers. What we are doing now is exploring all the mechanisms as to how we can make that work. That is our objective.

Deputy Marian Harkin: That is not my question. I hear what the Minister is saying and I accept it. My question is whether the Minister will tell us if the agreement, which we will come back to, that he says cannot be changed is the entirety of Coillte's engagement with Gresham House? Will he answer that question?

Deputy Charlie McConalogue: It is the entirety of its legal and contractual obligation with Gresham House. For future afforestation, we want Coillte to do that working with the State and with farmers. We are looking at all the aspects that will be necessary to make sure that is the way we can go forward. We will continue to engage with the committee on that too to step that out.

Deputy Marian Harkin: Will the Minister and the Minister of State, Senator Hackett make it clear to Coillte that Government policy is that there is to be no more of this and it is not going to happen again?

Deputy Charlie McConalogue: We will work very closely with Coillte in how we support it to do the afforestation and how we can support it from the State's point of view, as we outlined. We had a very long and thorough discussion with it last week. That is the direction in which we will be going.

Deputy Marian Harkin: I heard the Minister say he wants to engage local communities, small farmers, public bodies and so on. Many people who have spoken this evening, who know more about forestry than I do, have said very clearly that confidence is on the ground. It has gone through it. I know that from talking to constituents. Where do we move from here? If we are to get confidence back into the industry, farmers, landowners and local communities need to know the State is not going to allow Coillte to proceed along the route it has started. They need to know in detail the plans that are being put in place so that Coillte will engage with all the local and regional actors. I do not see the evidence of that. Is that in place now? Will those proposals be put before us or whoever in the next couple of weeks or months? When can we expect to see them? Someone mentioned afforesting Louth twice over. I can assure people that Leitrim is ahead in the queue there. It already is. I can tell the Minister that farmers in County Leitrim, for example, where already about 20% of the county is afforested, cannot buy land because the cost of land for agricultural purposes is prohibitive and they would not dream of buying it for afforestation or even agroforestry, which in my view is the best outcome. If they thought for one second that investment funds, Irish or international, with huge financial heft, backed by the expertise of Coillte were going to be in the same market just down the road from them, they would not touch it. If the Minister is serious about engaging with farmers, local communities and public bodies, can we expect to see the detail of those proposals in the next few weeks or whatever timeframe he or the Minister of State have? How is he turning a very big ship around?

Deputy Charlie McConalogue: Our objective is to give farmers a stronger position in doing afforestation. Farmers own the land and we want to encourage farmers to look at where they can incorporate forestry into their farming model in a way that works for them. We are also loading the premiums in favour of farmers by giving them one third extra-----

Deputy Marian Harkin: That is already in place.

Deputy Charlie McConalogue: No. Just now. Just this month.

Deputy Marian Harkin: Yes.

Deputy Charlie McConalogue: Previously, it was not. It is just this month, so that is in place. That is a big deal. It is very significant. They will now have 20 years versus 15 years for their own farms.

Deputy Marian Harkin: The big deal is a quarter of a million acres and where Coillte is going. I presume the Minister, like the other Government party Deputies, abstained on the motion we just saw in the Chamber. What part of it could he not support?

Deputy Charlie McConalogue: I noted the motion and outlined last night the really strong work the Government is doing. There were three parts to the Sinn Féin motion. The first was that the deal should be abandoned. That is not legally possible. The second part is that we publish a very ambitious forestry strategy. We have one that we will publish very soon and that will be very ambitious. The third part was that we have a very strong licensing programme for the year. As I outlined over the course of this meeting, we are getting licensing-----

Deputy Marian Harkin: The Minister supports parts two and three. It is the first part that

is the issue.

Deputy Charlie McConalogue: We noted what the motion is and dealt with it during the debate last night and again here today.

Deputy Carol Nolan: I appreciate the Chair letting me contribute. I strongly oppose this land grab, which is exactly what it is. I am very concerned about this and I am concerned about the Minister's words. I have sat here through this entire meeting and the statements this evening. The Minister is saying it is not the preferred deal, as did the Taoiseach. They are sharing the same script, obviously. If the Minister feels it is not the preferred deal and that is the Government's view, why is he not expressing his concerns to Coillte and instructing it? Coillte is a semi-State body and Deputy McConalogue is the Minister for Agriculture, Food and the Marine. What seems to have happened is that the coin has flipped and Coillte is instructing the Minister, clearly. This script I am reading, which the Minister presented to us, is like a press release from Coillte, Gresham House or both. It is not from a Minister showing leadership, and the Minister's job is to show leadership. This deal is flawed and everybody can see that, including those across the Minister's own party who have said it. The Opposition says it and not just us. There is consensus here. Would the Minister not issue an instruction to Coillte? Has he gone in blindly and approved this without knowing what the pitfalls were or that there are real concerns about young farmers being outbid or locked out of access to land? Those are real issues. It does not cut it to say it is not an ideal deal. Deputy McConalogue is the Minister for Agriculture, Food and the Marine. Surely his job is to direct semi-State bodies such as Coillte or is he simply caving in and giving Coillte its way? That is the impression I am getting.

I have been sitting here since 5.30 p.m. It is concerning. The Minister has spoken about leadership, which is important, but it requires listening to all views whether a person agrees with them or not. Has the Minister met farming organisations that have serious concerns? Has he met Macra na Feirme and all the different organisations? I am disappointed he has not met some of the forestry organisations such as the Social, Economic Environmental Forestry Association of Ireland, SEEFA. I ask him to reconsider that immediately. Its members have legitimate concerns. I know some of the relevant people. They are good people from my constituency. They have been involved in forestry for a long time and have more expertise on this issue than the Minister or me. I ask the Minister to meet them. It concerns me that he is talking about leadership and trotting out lines. I am worried. Did the Minister express any concern to Coillte about this? It is a big issue.

I will ask the Minister about carbon credits. A foreign entity is coming in and a land grab is taking place. At the moment it is 3.5% of the 100,000 ha of forest. That is at the moment. However, no one is naive enough to think it will stop at that, unless the Minister for Agriculture, Food and the Marine stops it. That is the reality. Where is this whole thing going? Has the Minister expressed any disapproval? Will he issue an instruction to a semi-State body? That is what he should do. Where do carbon credits leave the agriculture sector? Will this foreign entity that is entitled to farm entitlements also avail of carbon credits to the detriment of our sector? Our sector is already being unfairly punished. I said that I did not agree with the carbon emissions. I was here on the day we had that long debate.

The Minister must also bear in mind that €2.1 billion of taxpayers' money is being used to assist a foreign entity. He must show leadership on this. It is crazy stuff. I read an article in the *Irish Independent* this week that stated Coillte must not be not fit for purpose if it is calling in a foreign entity for assistance. This will be a massive scandal that will come back to bite the Minister if he does not deal with it and answer honestly members' questions members. To return

to my main question, did the Minister express any concerns to Coillte or did he just sign a form to approve the deal?

Deputy Charlie McConalogue: This is a deal Coillte did. We did not sign any form in respect of this deal. We met Coillte last week and had an in-depth conversation about the deal, especially about how we can move the situation on from here and how, as a State, we can better enable Coillte to have a role in afforestation, which it has not been able to do since 2004. I dealt with the question about SEEFA earlier. I am unsure whether the Deputy heard me deal with it earlier.

Deputy Carol Nolan: I did and I was stunned, as he spoke about leadership. I heard Senator Boyhan clearly. The Minister spoke about leadership. SEEFA is one organisation to which I ask the Minister to give serious consideration. To return to that piece, I was using the metaphor of “signing” as in, did he give full approval to Coillte, verbal or in any other manner, or did he express any concerns when Coillte set out its intentions in a briefing? It is an important question.

Deputy Charlie McConalogue: I did not give approval to this. The Deputy stated she was listening to the committee meeting earlier.

Deputy Carol Nolan: I was and I read the Minister’s statement twice. It is like a press release from Coillte and Gresham House.

Deputy Charlie McConalogue: I am not sure if Deputy Nolan was listening earlier but I will go over the same territory again.

Deputy Carol Nolan: The Minister should not get smart. I am trying to do my job on behalf of my constituents.

Deputy Charlie McConalogue: I am not getting smart.

Deputy Carol Nolan: That is uncalled for. I was listening quite clearly to the Minister but I will continue to challenge him until he answers the questions.

Deputy Charlie McConalogue: I will not go back over it again then.

SEEFA is a new organisation. As I stated earlier, the approach is that if a new organisation springs up, the protocol has been that the Government does not simply start to meet it. I will give the example of the Irish Natura And Hill Farmers Association, INHFA, which is a strong, credible organisation in the agriculture sector. It took time to establish itself, in the same way as the Beef Plan Movement and the Irish Beef and Lamb Association do not have the same credentials yet as the other farm organisations as they have to establish themselves. It is the same for SEEFA. There are some very good people in it. I have met many of them on many occasions and they are involved in other organisations as well. Many are on our Project Woodland committees and boards and contributing strongly. I am not saying I will not meet SEEFA. I am monitoring the situation. If it continues to be a strong, credible organisation that endures, I will respond to that but it is a new organisation at the moment.

On carbon credits, all carbon is accounted for by the State. In the time ahead we want to put a mechanism in place whereby those who capture the carbon, benefit from it within the State. We will support that and we will look at----

Deputy Carol Nolan: Is that our agriculture sector or a foreign entity coming in? What happens in that situation?

Deputy Charlie McConalogue: There is no system in place yet but as we put in a system-----

Deputy Carol Nolan: Should it not be put in place before this deal goes ahead?

Deputy Charlie McConalogue: I am glad that the Deputy, as someone who has been anti-climate change action, who voted against the climate change Bill and who votes against and opposes everything to do with climate change from what I have observed, is in favour of carbon capture.

Deputy Carol Nolan: Excuse me. The Minister is taking what I said out of context.

Deputy Charlie McConalogue: No, I-----

Deputy Carol Nolan: I am concerned about farmers. The Minister should have done more and shown more leadership when it came to the calculation of emissions. He did not show leadership on that. I asked the Minister particular questions about which organisations he has met. He was condescending and ran down the new organisations. The Minister came in as a new Minister. Would he like it people adopted that approach to him and said he is a new Minister and must be given time to establish himself?

Chairman: Deputy Nolan should ask questions. There is no point in getting personal.

Deputy Carol Nolan: I asked a fair question. It is uncalled for.

Deputy Charlie McConalogue: I am not sure what the Deputy's question is.

Deputy Carol Nolan: I did not agree with punishing farming families and that is why I voted against that Bill. The Minister did not do enough and there was not enough in his policies.

Deputy Charlie McConalogue: What is the Deputy's question?

Chairman: Did the Minister meet the other organisations?

Deputy Carol Nolan: Which farming organisations did the Minister meet?

Deputy Charlie McConalogue: I am meeting-----

Deputy Carol Nolan: Clearly he did not meet the new ones because he felt they were not good enough or not established.

Deputy Charlie McConalogue: I-----

Deputy Carol Nolan: Let us hear which ones he met.

Chairman: The Deputy has asked the question. Let the Minister answer.

Deputy Carol Nolan: It is a fair question.

Chairman: I asked the Deputy to allow the Minister to answer.

Deputy Carol Nolan: If he answers it.

Deputy Charlie McConalogue: I am sure as someone who has voted against the Government's carbon targets-----

Deputy Carol Nolan: Rightly so.

Chairman: Minister-----

Deputy Charlie McConalogue: -----she will have noticed I-----

Deputy Carol Nolan: He has scapegoated farmers for too long.

Chairman: The Deputy asked whether the Minister met some of the farming organisations.

Deputy Charlie McConalogue: I meet them all the time. For example, I met the IFA yesterday and I am sure the Deputy will have paid close attention to the president of the IFA's speech in which he indicated he believes farmers can reach the 25%-----

Deputy Carol Nolan: Which other organisations did the Minister meet? Was it only the IFA?

Deputy Charlie McConalogue: He said he feels they can reach the 25% target which I negotiated.

Deputy Carol Nolan: I did not ask what the president said. Will the Minister give a list of organisations?

Chairman: The Deputy should give the Minister a chance to answer.

Deputy Carol Nolan: He is waffling.

Deputy Charlie McConalogue: I think the Deputy-----

Deputy Carol Nolan: Will the Minister simply give a list of the organisations he met?

Deputy Charlie McConalogue: Whenever Deputy Nolan shows a bit of respect-----

Deputy Carol Nolan: The Minister should have a bit of respect. He should not think he will talk me down.

Chairman: Stop Deputy.

Deputy Carol Nolan: The Minister is out of order. That is not leadership.

Chairman: Please Deputy.

The Deputy asked the Minister which organisations he met about this.

Deputy Charlie McConalogue: On what matter?

Chairman: About the deal with Gresham House.

Deputy Carol Nolan: What hope do we have?

Deputy Charlie McConalogue: I am only meeting the Joint Committee on Agriculture, Food and the Marine today. This is my first port of call. I am happy to meet all of the farming organisations about this.

Chairman: He met the IFA and discussed it.

Deputy Charlie McConalogue: Yes, I did yesterday, but the committee was one of the first to request a meeting and I respect the role of this committee. That is why I am here today to discuss the deal.

Deputy Carol Nolan: Will the Minister give a list of the organisations he has met? I did not ask for the IFA president's speech. I will get that myself. Can the committee please have a list?

Deputy Charlie McConalogue: As I said, I met the committee first because I respect the role of the committee and I am happy to meet any of the farming organisations that make a request-----

Deputy Carol Nolan: The Minister has not met any organisation apart from the IFA.

Deputy Charlie McConalogue: I met the committee first and if I did not meet the committee first, Deputy Nolan would also be giving out yards. I am here to discuss it with the committee.

Deputy Carol Nolan: I asked what other organisations he met.

Deputy Charlie McConalogue: I meet them all the time but specifically on the Gresham House deal, it was only published in the last week or two weeks. I will meet any of the other farming organisations to discuss it, as I do on all issues.

Deputy Carol Nolan: That is good. They can all come in but a new organisation will not get-----

Deputy Charlie McConalogue: The usual rules apply in respect of organisations. I thought I made that clear to Deputy Nolan.

Chairman: I call Deputy Danny Healy-Rae. I have you on the clock, Deputy.

Deputy Danny Healy-Rae: Thank you, Chair, for giving me the opportunity. I am disgusted. I am disappointed. I had thought Deputy McConalogue, as a rural Minister, would do better and do more for farmers. Generally, at every turn they have been badly let down. We gave 800 years to trying to get the British out of these lands and blood was spilled on the streets outside 100 years ago to do just that. Now a UK company trading on the stock market for 160 years or more is coming in the back door and will get premiums, as I understand it, to help it with its venture. I have never seen people angrier than they are at present. Farmers are being castigated and vilified every day of the week. They cannot do this, they cannot do that. There are Luas vehicles up and down the street - and the Government is allowing this - with the full length of the trains painted with advertisements vilifying dairy products. Now there is this on top of it.

Does the Minister think that this venture and this new departure will drive up the cost of land? Does he agree that it will?

Deputy Charlie McConalogue: I am no expert on the cost of land, and there certainly-----

Deputy Danny Healy-Rae: Yes or no?

Deputy Charlie McConalogue: What I will say to Deputy Healy-Rae is that what it is-----

Deputy Danny Healy-Rae: I want an answer from the Minister - yes or no. Does he think it will drive up the cost of land?

Deputy Charlie McConalogue: What I am saying to the Deputy is that I am not qualified to answer that question but-----

Deputy Danny Healy-Rae: What is the Minister qualified to do?

Chairman: Now, Deputy, let the Minister answer.

Deputy Danny Healy-Rae: The Minister will not answer the question. He has been waffling on all night and I have been listening. I listened to him all night last night. I asked him a straight question. Yes or no, will this drive up the cost of land for the ordinary farmer?

Deputy Charlie McConalogue: Deputy Healy-Rae-----

Deputy Danny Healy-Rae: He will not answer the question, Chairman.

Chairman: Deputy-----

Deputy Danny Healy-Rae: I will ask him another.

Deputy Charlie McConalogue: The Deputy can ask an auctioneer that question.

Deputy Danny Healy-Rae: The Minister is wrong that farmers, if they want to stay farming at the level they are at and if they want to keep the same amount of stock, will have to increase their land area. How will that happen now when these foreign outside investors will come in here and buy 100,000 acres of land?

Deputy Charlie McConalogue: It is 700 ha a year for the next five years.

Deputy Danny Healy-Rae: That is what the Government and the investor say.

Deputy Charlie McConalogue: That is the figure.

Deputy Danny Healy-Rae: Coillte is a semi-State body. What role has the Government then? Does the State have any involvement with Coillte if it can go out and do something like this without discussing it with the Department? The State was always involved with Coillte going back years. What is the Government's role now then? Has it any role to play in this? Did the investors ask the Department if they would be entitled to draw down all the premiums, or what premiums they would get, before they concluded this deal?

Deputy Charlie McConalogue: It is well established that Coillte itself cannot draw down premiums. Others can but Coillte cannot. There are state aid rules that apply there.

Deputy Danny Healy-Rae: Given the position in the UK and even Europe at present, did the investors not ask if they would qualify for all the premiums?

Deputy Charlie McConalogue: The rules around premiums are published and well known. All anybody needs to do is look at the criteria as to how you go about doing forestry and how you can draw the premiums down, so they would not have to ask such a question. Nobody would.

Deputy Danny Healy-Rae: Does the Minister know if these Gresham investors have gone into any other countries in Europe?

Deputy Charlie McConalogue: I have no idea.

Deputy Danny Healy-Rae: It is getting harder and harder for farmers to acquire land, even as it is. There are people around now looking at lands - I have direct proof of this - and asking if certain places are suitable for the hen harrier or to be designated for the hen harrier. We all know what that means. If your lands are designated for the hen harrier, you cannot plant them for forestry. You will not be allowed. I see this is as another attempt, another block, to condense the amount of land farmers can acquire. The Minister said a while ago that farmers will be more involved. How can they be more involved when they cannot buy any more land? You cannot just make land. God made that, whether people like it or not, and we cannot make any more of it, but the Minister said that farmers will be more involved, even though that land will be tighter to get now because of this. Will he explain how farmers will be more involved?

Deputy Charlie McConalogue: I think that what I said was that farmers will be more advantaged by the premiums because, previously, whether you were a farmer or a non-farmer, you could get premiums for 15 years. With the new premiums which started from this month, farmers can get them for 20 years, as well as drawing down their single-farm premiums on forestry land too, whereas if you are a non-farmer you can get it for only 15 years. We are therefore advantaging farmers through the premiums by giving them one third more. Obviously, nobody is making any more land and the farmers farm the land and have family farms. Through the scheme and by advantaging farmers through the premiums we are putting in place, we are trying to encourage and to provide farmers with the opportunity, where they feel it appropriate and where they can, to incorporate some forestry into their farms. As I said earlier, the premiums for native leaf, for example, mean that over 20 years of the premiums a farmer could now get around €22,000 tax-free for planting their hectare of native trees, which I think would be very attractive to many farmers.

Deputy Danny Healy-Rae: I am asking the Minister at this late stage to reverse this decision and fund Coillte properly. Coillte did a good job over the years. I worked in forestries in my previous life. A great part of my time I gave in forestries, both private and Coillte. However, if the Government funded Coillte properly and if it were fair with the licences and dealt with them in a reasonable amount of time, it would meet its forestry targets. I am asking the Minister now, at this late stage, to reverse this departure and stop it right now and nail it in the head. It is hurting so many people, and many people are anguished. It is hurting our own people. It is hurting our own people in Kerry and hurting our own people all up along the west, plantable land. Local fellows will not be able to buy it. The private forestries will not be able to buy it. They will not be able to compete. I am asking the Minister, will he reverse it or will he not?

Deputy Charlie McConalogue: As I said, it is a legal contract which Coillte have entered into, and it is not for 100,000 ha of land. That is our ambition now to 2050, but the legal contract Coillte has entered into over the next five years amounts, on average, to buying 700 ha a year for five years for afforestation. It is legally contracted to do that. What I am doing, and what the Minister of State, Senator Hackett, and I have done, is to meet Coillte and we will engage with it to see how we can support Coillte in doing afforestation in the form of the State directly supporting Coillte and in enabling Coillte to partner directly with farmers to enable farmers to do more too.

Deputy Michael McNamara: Both the Minister and the Minister of State met Coillte last week. I presume its representatives outlined the structure of this agreement and the Gresham House ownership structures. It is my understanding that Coillte cannot draw down state aid because the State owns the land. The premia cannot be paid because they would be paid over to the State. With regard to Gresham House, I read that the lands will be owned by the investors

in partnership with Gresham House, which I presume will allow the premia to be drawn down. That is part of the attraction. However, if ISIF has invested €25 million in this fund, surely it will own part of the land. How does that not result in the same difficulties with regard to state aid that Coillte faces?

Deputy Charlie McConalogue: There are certain thresholds below which state aid rules do not apply. That is what Coillte was exploring with ISIF. With regard to Coillte not being able to get directly involved as it did up to 2004, that is why it is now exploring this option.

Deputy Michael McNamara: A discussion took place about the maximum amount of money - essentially, ISIF money is pretty much Exchequer funding - that could be provided to this entity while allowing the other investors to get the premia. Is that correct?

Deputy Charlie McConalogue: Coillte wants to afforest. As part of its strategic vision, it indicated that it was going to do this through the afforestation of public land, which it is doing, but also through working with private investors to acquire new land. That is what it has been rolling out. It has been conscious of state aid rules in its work with ISIF in that context.

Deputy Michael McNamara: There are standing trees on much of the land in question so existing forestry is being bought. How does that advance afforestation in any way?

Deputy Charlie McConalogue: As part of the wider Coillte approach to managing land and doing so in an environmentally friendly manner-----

Deputy Michael McNamara: It does not.

Deputy Charlie McConalogue: -----its plan is to move to a 50:50 ratio of conifers to native species. All other forestry will be moving towards that 50:50 mix. It is also looking at acquiring mature forest, which will need to be replanted. Where it does replant, the ratio will be 50:50. Unlike forestry in private hands or even farmers' hands, Coillte's approach involves open access to all forests for the public. That is the approach it will be taking.

Deputy Michael McNamara: What is stopping it implementing that 50:50 ratio now?

Deputy Charlie McConalogue: It is moving towards it.

Deputy Michael McNamara: I live in Scariff and there is a great deal of forestry between Scariff, Gort and Loughrea. I have invited the Minister of State, Senator Hackett, to visit. We await that visit. Up to now, anything that has-----

Senator Pippa Hackett: I am waiting for my formal invitation. I have only had a verbal invitation thus far.

Deputy Charlie McConalogue: The Minister of State is very in demand.

Deputy Michael McNamara: I will send an invitation in a carriage if the Minister of State wishes.

Senator Pippa Hackett: That would be wonderful.

Deputy Michael McNamara: There has been nothing stopping Coillte carrying out environmentally sustainable forestry up to now and it has not done so. Why the sudden commitment?

Senator Pippa Hackett: It has.

Deputy Michael McNamara: It has in small patches around Connemara but I do not see any sign of it on Slieve Aughty or Slieve Barna, and I live beside both. The spokesperson for the Gresham House investment fund has talked about 60% Sitka spruce and 25% broadleaf, with the remainder to be rewilded. I presume that if you leave something to rewild for long enough, it will eventually become a broadleaf forest. There seems to be a discrepancy there.

Senator Pippa Hackett: This deal is a commercial forestry deal but the requirements under the new forestry programme will include a minimum-----

Deputy Michael McNamara: If there is to be a 50:50 ratio on all forestry Coillte manages, does that mean there will be more than 50% broadleaf on its own lands to compensate for the less than 50% on the lands involved in its partnership with this private investment fund?

Senator Pippa Hackett: The 3,500 ha to be planted under this will be subject to the programme as it stands. Up to 3,500 ha of new ground will be planted in the next five years. That will be subject to the requirements, which include a maximum of 65% spruce along with the 20% broadleaf and 15% for rewilding.

Deputy Michael McNamara: The Minister of State is talking about the new stuff.

Senator Pippa Hackett: The new land to be planted. The stuff it is buying is-----

Deputy Michael McNamara: It is buying Sitka spruce and is going to replant it on 60% of the land so there is no prospect of meeting that 50:50 ratio. If it is buying Sitka spruce and is going to replant at the ratio of 60-----

Senator Pippa Hackett: It has its existing estate, which it is changing as we go along. For example, where it has clear-felled in the Dublin Mountains, it is replanting some areas with broadleaf that were formerly-----

Deputy Michael McNamara: Are we talking about Gresham House or Coillte now?

Senator Pippa Hackett: Coillte. Coillte's aim is the 50:50 ratio. Gresham House is separate.

Deputy Michael McNamara: Gresham House will not have the 50:50 ratio.

Senator Pippa Hackett: No.

Deputy Charlie McConalogue: Coillte is on a journey. I am not sure of the timeline but is gradually increasing the level. It will get to that 50:50 mix of all new plantation and all reforestation. The other important piece is open access to the public. Not much of the forestry in our country that is in private hands allows for open access. Coillte is very much moving to that so that the forests are also an amenity. We are talking about people being out in the open, walkways and that type of thing. Forestry that is managed by Coillte will be managed in that way, which provides a much wider community benefit.

Deputy Michael McNamara: However, the Ministers will agree that vast swathes of forestry that is 100% Sitka spruce are not very attractive to visit compared with a broadleaf forestry.

Senator Pippa Hackett: Absolutely. Such forests are the unfortunate legacy we are left

with but we can rectify that for the future.

Deputy Michael McNamara: When is Coillte going to start with this 50:50 ratio for re-planting on all clear-felled lands?

Deputy Charlie McConalogue: Mr. Hayes or Mr. Delany may have up-to-date detail on Coillte's plans.

Mr. Colm Hayes: There are examples already. If you visit any-----

Deputy Michael McNamara: I know there are examples but when is Coillte going to start this 50:50 ratio in order that for every 20 ha that are clear-felled, 10 ha will be replanted with broadleaf species and 10 ha with Sitka spruce?

Senator Pippa Hackett: It is not on a site-by-site basis.

Mr. Colm Hayes: As an example, the Dublin Mountains Partnership is completely rejuvenating the area around Ticknock.

Deputy Michael McNamara: I know there are examples and I know where they are but is Mr. Hayes telling me that, as we speak, for every acre Coillte replants with Sitka spruce, another acre is being replanted with broadleaf species to get us to this 50:50 ratio? Has that commenced or not?

Mr. Fergus Moore: I might take that question. In the vision Coillte published, it said it would transform areas of forest so that 50%-----

Deputy Michael McNamara: Is it doing it or not? I am not interested in visions because-----

Mr. Fergus Moore: No.

Deputy Michael McNamara: -----visions are not really-----

Mr. Fergus Moore: Coillte will manage 50% of its estate for nature, rather than just for broadleaf species. The Coillte estate is heavily accessed by people.

Deputy Michael McNamara: What does managing for nature mean? That is nonsense. It is either broadleaf or it is not. We need something concrete. What does managing for nature mean?

Mr. Fergus Moore: Our forest strategy, which we hope the Minister of State will publish very shortly, includes five pillars. We are managing forests for nature, wood, people, climate and the economy. The Coillte vision aligns with the Government's proposed strategy. It is again about forests for climate, nature and wood. Coillte has said in its vision statement that it will transform areas of its national forest estate so that 50% will be managed primarily for nature for the long term. Looking at forests, there are forests that are commercially managed and there are forests that are coniferous, broadleaf or mixed forest. All of these can be managed for nature and also for recreation. A large proportion of the Coillte estate is managed for recreation, both in coniferous and broadleaf forests. It is a more holistic approach at national level.

Deputy Michael McNamara: It is also incredibly vague and unspecific-----

Mr. Fergus Moore: I would not say so.

Deputy Michael McNamara: -----and ultimately includes nothing that Coillte can be pinned down on. The Minister said the Coillte approach is not one that he would favour. Is that correct?

Deputy Charlie McConalogue: I said the approach taken to this agreement is not the way we want to do things.

Deputy Michael McNamara: Am I correct in saying that Deputy McConalogue nominally holds the State's shareholding as Minister for Agriculture, Food and the Marine? I think I am.

Deputy Charlie McConalogue: Yes. I hold it in conjunction with the Minister for Public Expenditure and Reform.

Deputy Michael McNamara: Generally, if the board and management of a bank, telecoms company or so on do something that the shareholders do not like, they go. Does the Minister have confidence in the board and management of Coillte given that they have implemented a policy he does not find favourable?

Deputy Charlie McConalogue: You monitor things as they go. That is the process through which work is done and progress is made. Coillte was stepping out into something that was within its remit. We have now met with it in that regard. Given that we have a big interest in new afforestation and want to support Coillte, we are going to explore how we can do so-----

Deputy Michael McNamara: I have a final question.

Deputy Charlie McConalogue: -----because what it has signed up to is only 1% of the total.

Deputy Michael McNamara: The Minister says it is not legally possible because there is a legal agreement in place and he does not want to interfere with that but if it was legally possible to stop it, would he stop it? Lots of companies have a contract to advertise gambling, for example. Regarding the Government banning the advertising of gambling, when it banned the advertising of tobacco products, those contracts obviously fell away because it was illegal to implement them. If it was possible to stop this going ahead, would the Minister do it?

Deputy Charlie McConalogue: It is a moot point.

Deputy Michael McNamara: Well it is not; I will have a Private Members' Bill in the Dáil.

Deputy Charlie McConalogue: It is important to recognise that Coillte entered into this following its remit. The way we want to go forward and support Coillte is clear. We are very open to ideas and suggestions from the Deputy and other members of the committee about the type of structures, arrangements and partnerships we can put in place that will enable farmers and the State to work and support Coillte.

Deputy Martin Browne: The Minister and Minister of State must forgive me when I say I do not believe them when they tell us they only heard about it in December 2021 because I believe they knew in March 2021. I met one forester who had suspicions about what was happening and the arrangements because he had spoken to landowners and they told him that these funds were going around trying to buy up land. Is the Minister telling me he, the Minister of State or the Department did not hear these rumours about funds trying to buy up land?

The Minister makes it sound really good with talk of it being the Rolls-Royce, us being at

the dawn of brilliant and exciting forestry, how the Government has a new vision for forestry and how we have the ace up our sleeve. For various reasons, forestry plantations have decreased down through the years. You are talking about 20 years. Look at the chart we showed the Minister earlier. The Government has deliberately driven foresters and small farmers out of the business and it is privatisation for these vulture funds coming. I have no doubt that when the Minister tried to persuade farmers to enter this business 20 years ago, the language was probably not as sexy as that used by the Minister today but he gave this lovely speech to farmers telling them they should get into forestry.

Deputy Ring said it earlier. If you want foresters to stay in this business, you must reward them. There is nothing out there except confusion, anger and mistrust. The Minister and Minister of State cannot deny that because they would have heard it as well as any of us here. That is what they have created in this venture. Unless they start rewarding small farmers and foresters to keep them in the business, we will get nothing. To reach the target of 450,000 ha by 2050, the Government needs to double what it is doing but it cannot manage the target of 8,000 ha now. When the Government has driven the small man out, the only way it can be increased to the figure of 16,000 ha it is talking about is by bringing in more of these vulture funds and investment funds.

I was contacted by a constituent who is concerned by the impact this deal could have on culturally and historically significant places like Slievenaman. If this partnership does proceed, will citizens be able to view the land deals in advance? Does the Minister have concerns that these areas could fall into the hands of investment funds, which have no cultural or historical association with particular areas of this country?

Deputy Charlie McConalogue: Anything Coillte is identifying or seeking to manage will be done with the highest protocols and will be fully certified as meeting all the sustainability goals.

Deputy Martin Browne: I do not even trust Coillte. It has appeared before this committee and we are back here talking about it again.

Senator Pippa Hackett: Any trees planted under any deal are subject to licence, which our Department issues. Those licences, as we have heard, are subject to significant requirements be they environmental, archaeological, historical or cultural. All of those things are factored in so it is not the case that a deal will involve being able to plant trees wherever you like. It will be subject to the same scrutiny that any afforestation licence is subject to in our Department. The Deputy can rest assured that areas of historical or archaeological significance will not be harmed.

Deputy Martin Browne: How easy will it be to reach the target of 450,000 ha by 2050? The Government is bringing in more investment funds. It cannot reach the 8,000 ha target as it is.

Senator Pippa Hackett: We have a €1.3 billion scheme that is aimed at farmers.

Deputy Martin Browne: I accept that 20 years ago, money would have been thrown at farmers to get them in but successive Governments have deliberately taken it out.

Senator Pippa Hackett: We have not deliberately done anything. We have money to support farmers to plant trees.

Senator Victor Boyhan: I thank the Minister and Minister of State for coming before us. It has been a good debate. Clearly everyone in this room is passionate about forestry, which shines through. I also thank the Minister's officials for coming here and for being supportive of the questioning process.

The Minister and Minister of State indicated that they had not published the policy strategy. I do not really want the answer about having had the consultation. I just want the date on which the policy strategy will be published. Would they be supportive of the establishment of a forestry agency? This debate has clearly shown the need for such a stand-alone forestry development agency.

I have serious questions about Coillte's financial dividends to the State. We do not have time to go through them tonight but the Minister and Minister of State might follow up with some details or link us into the Coillte financial dividends to the State. This is a company that is making a lot of money and has a lot of subsidiaries. I have a fair idea about it but I want to hear what the Minister and Minister of State have to say. Could they send on the details?

The Minister and Minister of State spoke a lot about the pre-submission to the Commission and to-ing and fro-ing. Is that available? All of it will eventually be available for inspection but is this submission available to this committee? I am just looking for a simple answer. If it is available, will it be given to us?

There was talk about SEEFA. I do not want to let this go because there were some suggestions about it. I want to be clear. SEEFA is a very strong, credible and capable organisation. We need to make that message clear and we should all be able to agree with it. This committee has really benefited from SEEFA sharing its knowledge and its support. I am conscious that many members of SEEFA are tuned in here tonight. I want to reassure them and I would like to think everyone could reassure them that we believe SEEFA to be a strong and credible organisation. I ask the Minister and Minister of State to reconsider meeting with it. It is an important issue that will not go away.

Mr. Fergus Moore: To clarify regarding the draft forestry strategy, that was sent out for public consultation, which is now closed, and the Department is assessing the public submissions received. Over 130 have been received to date.

Senator Victor Boyhan: I know all that.

Mr. Fergus Moore: Once the strategic environmental assessment has concluded, and we hope to conclude it in the next number of weeks, the Minister will be in a position to publish the strategy.

Senator Victor Boyhan: So the Department thinks it will be published in two or three months.

Mr. Fergus Moore: We are expecting that it will be published within the next two months.

Senator Victor Boyhan: This is the strategy for 2023.

Senator Pippa Hackett: No, it is the strategy out to 2030.

Senator Victor Boyhan: That is grand. What about general support for the development of a forestry development agency?

Deputy Charlie McConalogue: I am always open to ideas. We are putting a strategy together that will consider all of that. We have the premiums and the work Coillte is doing but I am open.

Senator Victor Boyhan: Let us look at it. That is okay. The Minister is not ruling it out. What about the Coillte financial dividends to the State?

Mr. Colm Hayes: The Senator asked us to submit something in writing.

Senator Victor Boyhan: It would be helpful to the committee if we could have that information.

Mr. Colm Hayes: I would point the Senator towards the NewERA annual report, which is a public document that lists the annual dividend paid by each of the State agencies. It is very useful for comparative purpose as well.

Senator Victor Boyhan: Would the Department be able to put that into a concise Excel file listing details for the past few years? It would be helpful to the committee. Can I make that ask?

Mr. Colm Hayes: We can do that.

Senator Victor Boyhan: That is fantastic. What about the pre-submission to the Commission on state aid? The Department can confirm that it can circulate that to the committee for me as a document?

Mr. Barry Delany: In effect, what the Commission received is what went to public consultation at the end of September and the start of October. It is in effect that document and I will share that with the Senator.

Senator Victor Boyhan: With the committee - let us have it as a committee document. What about SEEFA? I would like to think that the Minister could say here today that SEEFA is a credible and professional organisation and that at some stage, he might consider meeting it.

Deputy Charlie McConalogue: I will certainly keep it under very active review. I know there are very accountable people in it, most of whom are involved in other organisations and whom I have met. This is under active consideration.

Senator Victor Boyhan: I thank the Minister and the Chair.

Deputy Matt Carthy: I have a number of questions. I will ask them as quickly as possible and would appreciate quick answers. A new forestry programme was announced in November. Was Coillte in touch with the Department about the timeframe of when the announcement would be made and the details made public?

Senator Pippa Hackett: The sector was in touch about it. One of its requests was that it would be given sight of that because the forestry sector, including foresters and companies, wanted an indication of what was coming in order that they could engage with farmers.

Deputy Matt Carthy: That is good but it is not the answer to the question I asked. I asked if Coillte had discussions with the Department about when the announcement would be made.

Deputy Charlie McConalogue: It was always clear. We have known since the start in January. We were answering questions in the Dáil and Seanad. It was public information.

Deputy Matt Carthy: The answer was that there was no specific engagement with Coillte on this issue.

Deputy Charlie McConalogue: I do not-----

Deputy Matt Carthy: The Minister can see the suspicions people have that it was so soon after that announcement when the final deal with Gresham House was signed off on. The timing of the Gresham House deal does not make sense otherwise, because it was just a week before the new state aid rules would come into place. Coillte has cited those rules as the reason it needed this private entity in the first place.

Senator Pippa Hackett: It would have known the state aid rules were in place since January anyway, but the timing of the publication of the proposed programme was, from my perspective and engagement, due to the sector. The forestry companies wanted to give some assurances to their farmers.

Deputy Matt Carthy: I asked a specific question and take it that the answer is “No”. Coillte has an agreement with Gresham House for a €200 million investment, €25 million of which is coming from our own body. Coillte is apparently putting forward €10 million. What happens if Gresham House does not manage to get €200 million in investment? Can Coillte pull out of the deal?

Senator Pippa Hackett: That is a question for Gresham House.

Deputy Charlie McConalogue: Or for Coillte.

Deputy Matt Carthy: Did the Minister and Minister of State not ask that question?

Deputy Charlie McConalogue: I do not have the answer to that question. My understanding-----

Deputy Matt Carthy: The Minister said this is not his favoured option. Would a good way to stop it not be to tell investors that we do not want them to invest in this fund, in case there are other State-owned bodies or banks that we have shares in that might be considering this, to stay away from it? We could tell them that it has universal opposition from environmentalists, farmers, local communities and the timber sector and that it will actually damage our prospects of reaching our afforestation targets, and the message from the Government is not to invest in this because it is not its favoured option.

Deputy Charlie McConalogue: Coillte and ISIF have entered into contractual obligations with regard to that, which is 1% of our total ambition to 2050. We have much work to be getting on with in the context of working with Coillte and working with farmers to support them in their efforts regarding afforestation. Our approach with regard to Coillte is seeing how we can support it from-----

Deputy Matt Carthy: The question I asked was whether Coillte has secured an obligation or opt-out clause if Gresham House does not pony up the full level of investment.

Deputy Charlie McConalogue: That is a contractual deal between Coillte and ISIF.

Deputy Matt Carthy: The Minister is the shareholder of Coillte.

Deputy Charlie McConalogue: It is a contractual deal that Coillte has entered into with

ISIF and Gresham House. I am not aware of the finer detail of the contract.

Deputy Matt Carthy: If the Minister met with SEEFA and many other farming organisations, such as the IFA, which the Minister mentioned he met, they would tell him that the thing that has caused more consternation has been the Department's failure to adequately compensate farmers for ash dieback. My question is not related to that but relates to whether or not, in this deal, Gresham House has secured protections for invasive diseases or any other areas in which farmers would not be protected if they entered the forestry programme. Is the Minister aware of any of those protections being provided by Coillte in this deal?

Deputy Charlie McConalogue: Any of which protections?

Deputy Matt Carthy: Protections for the investors in respect of, for example, invasive diseases or anything else impacting on the forestry crop, such as natural disasters. Generally speaking, when investment funds enter negotiations, if they are dealing with people who are not up to them, they can be good at putting in clauses that ensure that they are protected from any potential loss as opposed to the people who they are in partnership with. Has the Minister assurances from Coillte that the State will not be left on the hook for things like incidents such as ash dieback and that the investors will take the hit, as would be normal?

Deputy Charlie McConalogue: I do not have the finer detail of the agreement. When we met Coillte last week, our focus was on getting an update about where it is with this and its contractual obligations, and, in particular, to focus on how we as a Government and State can work with it in future to support its afforestation objectives. I simply do not have the finer contractual details.

Deputy Matt Carthy: The one thing most people find bizarre and cannot get their heads around is that this deal has been sold by Coillte as expanding the forestry programme. As I mentioned last night in the Dáil, only 3,500 ha of the 12,000 ha in this initial deal have been sold as being for new afforestation. The other 8,500 ha will be existing forestry land. Who currently owns that land? What benefit is there to the State if Gresham House takes control of land that is already forested?

Deputy Charlie McConalogue: We will be supporting Coillte to do more afforestation. Its objective was to manage forest in an effective way for the environment and for the climate. Somebody might have planted mature forestry 40 years ago, then when it comes up for being harvested, somebody might not want to do the planting again. It is normally not the same person who planted it in the first place but might be a son, daughter, niece or nephew who does not want to do the planting again, wait for 30 or 40 years and invest in that. There is often a market in that space where Coillte-----

Deputy Matt Carthy: I understand why that land might become available but I am asking what the benefit to the State is.

Deputy Charlie McConalogue: Coillte's objective is to be able to manage that in a way that means the public have access to it and that it is done with 50% native trees and 50% conifers. It is done in a way that sets the highest standards from a sustainability point of view.

Deputy Matt Carthy: Gresham House purchased this land. Is the Minister suggesting the existing forestry that Gresham House is purchasing will be 50% broadleaf and 50%-----

Deputy Charlie McConalogue: The Deputy is asking what rationale Coillte has for af-

forestation.

Deputy Matt Carthy: I am sorry. I did not make the question clear. As part of this Gresham House deal, the vast bulk of the land that will be purchased is existing forestry land. I am asking what the benefit to the State in that is.

Deputy Charlie McConalogue: If it is managed by Coillte, according to its protocols, then it will be done to the highest of standards. That is how Coillte would look at it.

Deputy Matt Carthy: Does the Minister intend to carry out an appraisal of what that might mean for local forestry companies that might currently be taking care of that land and what the implications might be for them and local economies from a social and economic point of view?

Deputy Charlie McConalogue: This is 1% of the overall target. We plan to work with Coillte to step out and look at how we can support it in future. It has signed up to a contractual obligation that will see 4,000 ha of new afforestation and 8,000 ha of existing forest. It has committed to that with ISIF and Gresham House. We will work with them to see how we can do much more in future, working for the State.

Deputy Matt Carthy: I do not buy the Minister's line that this is not his favoured option. My view is that public opposition has brought him to that point. He has a way of proving me and any critics wrong by ensuring that this does not happen again and that Coillte does not engage in this type of investment programme. There are two ways in which he can do that. He mentioned today that Coillte is planning to invest €10 million in this investment fund. The Minister is the shareholder. Such an investment has to be approved by Government. The Minister can stop such an investment. He can say to Coillte that if it has €10 million to invest, it should buy the land so that it remains entirely in public ownership. The second thing he can do is issue a new letter of expectation to Coillte to make it crystal clear that the primary shareholder in the company does not want to engage in this type of investment programme. The Minister should instead pursue a route in which the state aid rules can be used so that we can actually allow Coillte to do this, either on its own or in conjunction with local communities. Will the Minister ensure that the €10 million is not invested in this programme and will he issue a new letter of expectation, setting out clearly what he has told this committee, to the board of Coillte?

Deputy Charlie McConalogue: First of all, in relation to the fund as it stands, ISFF has invested €25 million so far, which would be national Government funding. Coillte has made a request in relation to investing €10 million. We have sent that request to NewERA for its assessment.

Deputy Matt Carthy: Has the Minister approved that?

Deputy Charlie McConalogue: I will wait until NewERA assesses it and comes back to me with its advice. Only after that can we assess the request.

Deputy Matt Carthy: The Minister can stop it. Is that not true, under the terms of the legislation?

Deputy Charlie McConalogue: It will be our decision then. We will decide what to do. First of all, we will get the advice of NewERA. Then we would have to consider the fact that if it is a €200 million fund and Coillte is investing €10 million, then €10 million more of the fund would be nationally owned, rather than owned by investors. That is something that we will reflect on. We will consider whether we do not allow any of it or whether we encourage Coillte

to invest more, so that more of the €200 million-----

Deputy Matt Carthy: More?

Deputy Charlie McConalogue: If Coillte had more ownership of it, there would be less private ownership.

Deputy Matt Carthy: Why would having 5% of something be better than having 100% of it?

Deputy Charlie McConalogue: I have listened to the Deputy's views and perspective on that. What he is advocating is that Coillte would not put in €10 million. That would mean that there would be €10 million from private investors instead, to replace that €10 million from Coillte. That is what-----

Deputy Matt Carthy: What the Minister is saying is that Coillte has agreed to invest in a programme, that the deal is done and he cannot do anything about it but that it is not actually his preferred option. Why then, if it is not his preferred option, would he even consider putting-----

Deputy Charlie McConalogue: Well, because we are going to support Coillte. We are going to look at supporting Coillte to do all the rest, in terms of working with the State and with farmers. That is what we are going to do. Coillte has already signed up to working with ISFF and Gresham House in respect of a €200 million fund and Coillte has the option to invest in that fund. If Coillte invests in the fund, that means it is using up some of the space that would have been occupied by private investors and the State will own more of it.

Deputy Matt Carthy: It will also encourage private investors to follow suit.

Deputy Charlie McConalogue: No. Coillte has already signed up to do it.

Deputy Matt Carthy: That would be the real reason.

Deputy Charlie McConalogue: If Coillte does not invest in it, then there will be more private investment. The Deputy's objective would mean that more of the €200 million would be private investment rather than-----

Deputy Matt Carthy: My objective is to scupper the deal. It should be the Minister's objective as well.

Deputy Charlie McConalogue: That would be-----

Deputy Matt Carthy: In respect of the letter of expectation-----

Deputy Charlie McConalogue: That would be what the Deputy would be proposing there in terms of-----

Deputy Matt Carthy: I am proposing to scupper the deal. Is the Minister going to issue the letter of expectation?

Deputy Charlie McConalogue: We regularly issue letters of expectation and will do that again whenever it becomes-----

Deputy Matt Carthy: Will the Minister issue one in respect of what I have just outlined?

Deputy Charlie McConalogue: In the meantime, what we are doing is working very close-

ly with Coillte to see how we can support it. We are exploring how we can work together to ensure-----

Deputy Matt Carthy: Coillte is pursuing options that are not the Minister's preferred option. He needs to set Coillte straight and the way to do that is through a letter of expectation.

Deputy Charlie McConalogue: The Deputy obviously has not been listening to what I said. We met Coillte last week and will be working closely with it to explore the options as to how the State can support the organisation and how Coillte can work with farmers. If the Deputy has any ideas that might be useful-----

Deputy Matt Carthy: I have just given the Minister two ideas there-----

Deputy Charlie McConalogue: If he has any ideas-----

Deputy Matt Carthy: I have given the Minister two but he is waffling and refusing to commit.

Deputy Charlie McConalogue: Some of Deputy Carthy's ideas would be counterproductive in terms of what he says he wants to achieve.

Chairman: Okay-----

Deputy Martin Browne: Chairman, can we go back to the point I made earlier about invasive species? Are we running the risk of facing a situation similar to the tolls? If the fund loses money because of something like Ash dieback, for example, will the State be forced to give money to Gresham House and other investment companies? Can we hear the advice in that regard?

Chairman: That is a very valid question. We will put it to Coillte when it comes in. We will find out if there are any clauses in the contract in that regard.

Deputy Martin Browne: The Minister is saying that the Department is advising Coillte. The Department must insist that there is no such clause in the contract. We must make sure that the taxpayer does not lose out on the double down the line.

Chairman: My understanding is that the contract is signed.

We have had a very long session. I thank both Ministers for their contribution this evening and also thank their staff. We had an intense engagement this evening. It is clear that there are issues with Coillte's strategy but at the end of the day, we all hope that its new forestry strategy will allow us to reach our afforestation targets which will assist in our battle against climate change and greenhouse gas emissions.

At our next meeting we will examine the issue of dangerous dog breeds and the worrying of sheep.

The joint committee adjourned at 9.45 p.m. until 5:30 p.m. on Wednesday, 1 February 2023.