

Forestry ConsultationFrom: Tom Burnham [tom@ctbassocs.co.uk]
Sent: 16 December 2008 10:26
To: liz.kirk@forestry.gsi.gov.uk
Cc: jim.hume.msp@scottish.parliament.uk
Subject: Forestry Consultation

I am a member of the Borders Forest Trust, but am not responding to this consultation on their behalf.

I believe strongly that no changes to the status quo should involve the profit-making private sector. By definition a proportion of their income would be transferred to shareholders and not reinvested in forestry. The higher their lease payments (which would hopefully be reinvested in forestry), the greater the incentive for them to strip the asset; the lower the lease payments (ergo less public investment in forestry), the greater the potential dividend to shareholders. The current banking crisis confirms once again that market forces cannot be assumed to work pro bono publico. In any case, on a risk-versus benefit assessment, the funds released by leasing to the profit-making private sector would be so paltry as to make the risks significantly larger than the benefits.

I am, however, in favour of the involvement of the not-for-profit private sector. Again by definition, their incentive is to deliver public benefits without personal gain.

And so, to answer the four questions you pose:

1. I am in favour of joint ventures with the not-for-profit sector, assuming that the terms of the joint ventures would also be subject to consultation and rigorous supervision. I am not in favour of joint ventures with the profit-making private sector: neither ministers nor officials are capable of reading the minds of the private sector in advance of major changes (viz PPI, GPs' compensation, dearth of dentists, sale of the juicy bits of DERA, deregulation of buses)

2. I am strongly against any proposition which through long-term leases would give the profit-making private sector a licence to maximise investor returns in exchange for purely hypothetical benefits to the Scottish public. I am in favour of offering long-term leases to the not-for-profit forestry sector: they understand better than ministers how Scotland would benefit.

3. i) by transferring the leases themselves to the not-for-profit sector there would be immediate benefit; so why transfer only the paltry income from leases?

ii) I support this

iii) ministers would indeed stipulate the constitution, but it must be subject to rigorous consultation and then supervision.

4. First of all, a case has not yet been made for a change to the status quo, and this needs to be done.

Second, if more investment is needed, an annual increase in governmental investment in the status quo would cost so little as to be insignificant relative to total spending

Third, any proposed changes to the status quo - if changes are really needed - should involve the not-for-profit sector but not the profit-making sector.

Finally, these proposals should not be part of a climate change bill, to which they make little difference. They should be put forward as part of a well thought out forestry bill, with reference to climate change where appropriate.

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