

Keith Brown MSP  
Minister for Housing and Transport  
The Scottish Parliament  
Edinburgh  
EH99 1SP

01 February 2012

Dear Minister

### **Withdrawal of RET for hauliers**

The Western Isles has more than one-third of all the registered crofts in Scotland which makes it an area of vital importance for the future wellbeing of crofting. Your colleague in the Scottish Government, Stewart Stephenson, has pledged to turn crofting from "a failing system" into a Scottish success story.

The Scottish Crofting Federation cannot understand how the anticipated dramatic increase in haulage charges that will result from removal of the RET scheme for hauliers to the Western Isles will contribute to meeting this pledge. Indeed, there is real fear among the islands' crofting communities that removing the RET scheme and replacing it with an inadequate discount scheme may cause chronic economic and social harm.

In light of the Government's total transport budget, the savings proposed by the change are only modest - only £1.5 million by your own figures. Yet you also acknowledge that since RET was introduced business travel to the islands has increased by 25 per cent. A representative of the Barratlantic fish processing company, which makes extensive use of the haulier RET concession, has reported an increase in economic activity of more than 20 per cent since the scheme began.

Your Government's report last year on the effects of the pilot scheme acknowledges these substantial economic benefits that RET has already brought. The report adds that if the scheme is retained, further benefits are likely to emerge. It noted that business decisions, in particular decisions to increase employment, will tend to be "deferred until there is certainty that lower fares will become permanent".

The Government report adds: "The early indication of increased employment and greater business confidence may be expected to increase over the medium term beyond the time horizon of the Pilot."



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*Rooted in our communities, the only member-led organisation dedicated to the promotion of crofting and the largest association of small-scale food producers in the UK.*

After introducing an exceptionally enlightened policy in RET your Government now seems prepared to sweep the rug from under island communities' feet. It seems to us that your current reform proposals for RET are based on narrow and illogical economic thinking and contradict the Government's stated aspirations for crofting and island life.

If your Government implements these proposals, the extra cost to hauliers will be millions and much of the extra economic activity that RET has brought will wither away. The hauliers will either go out of business or impose their extra costs on their clients so that the economic pain is distributed throughout the islands. In places where livelihood is still marginal, that extra economic hardship may be enough to force businesses to close and people to leave.

The increased costs will be especially hard on crofters and fishermen. For crofters, after years of poor prices, the recovery this year in stock prices is welcome but fragile, but much of the gain is already swallowed up by rising costs. Our fear is that the significant extra haulage costs that the Government are seeking to impose will sweep away any profit that remains for the crofter. Crofting will again become unviable and crofters will find it impossible to fulfil the obligations of the 2010 Crofting Act. You place them in an intolerable situation.

Having fought long and hard alongside other island voices to win an RET scheme for the Scottish islands, the Scottish Crofting Federation is extremely disappointed to discover that these modifications to the scheme will have a particularly adverse effect on our already hard-pressed members who must rely on haulage by sea to reach markets and maintain what livelihood is available to them.

Therefore, we are joining our voice with hauliers, Western Isles businesses and community representatives to voice the concern that hard won economic relief for the islands will be swept away if the RET is removed from commercial vehicles. We implore you to think again.

Yours Sincerely

A handwritten signature in black ink that reads "Patrick Krause". The signature is written in a cursive, flowing style.

Patrick Krause  
Chief Executive, Scottish Crofting Federation