



NEWS RELEASE

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SCF WARNS GOVERNMENT THAT RET PROPOSALS COULD LEAD TO AN ECONOMIC LANDSLIDE IN THE WESTERN ISLES

The Scottish Crofting Federation is warning the Government to urgently rethink plans to scrap Road Equivalent Tariff for commercial vehicles travelling to the Western Isles or risk an economic landslide sweeping through the islands.

The Government is proposing that commercial vehicles should be removed from the RET scheme - which hauliers claim will increase their ferry fares by, in some cases, up to 150 per cent. However, large leisure vehicles, such as tour buses and camper vans, are to continue to receive the discount.

At a meeting held in Stornoway this week, hauliers said that Government officials told them that the amount saved by removing RET from commercial vehicles would be £1.5 million.

The officials claimed that the total cost of RET is around £8 million of which some £6 million is spent on cars and leisure vehicles such as tour buses and camper vans. Around £2 million is spent on commercial vehicles through the scheme. It is this money which is to be cut, but the Government are proposing a concession scheme of around £500,000 for hauliers, hence the claim of a £1.5 million saving.

However, the Barratlantic fish processing company, which makes extensive use of the haulier RET concession, has reported an increase in economic activity of 20 per cent because of the scheme and the Government's report last year on the effects of the pilot scheme acknowledges the substantial 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."

The Scottish Crofting Federation believes the current Government proposals are based on narrow and illogical economic thinking and are contradictory to their aspirations for the islands. Having fought long and hard for the introduction of RET in the first place, the SCF is joining its voice with hauliers, Western Isles businesses and community representatives to condemn the Government's proposals and voice the concern that hard won economic relief for the islands will be swept away if the RET is removed from commercial vehicles.

SCF Uist and Barra representative David Muir said: "After introducing an exceptionally enlightened policy in RET the Government now seems prepared to sweep the rug from under our feet. They acknowledge the benefits that the scheme has brought, and the wider economic benefits that are likely to accrue in the future "beyond the time horizon of the project". But if RET is removed from commercials beyond this time horizon, then, economically, we are virtually back to square one – with only the added demoralisation of realising that we have been put back to square one.

"If the Scottish Government implement their 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 pain may be enough to force businesses to close or people to leave.

"This pain 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, and much of the gains are 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."

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Notes to editors

- The Scottish Government's report assessing the impact of RET on the islands is available on-line at:
http://www.transportscotland.gov.uk/files/documents/water/ferries/Assessment_of_the_Impacts_of_the_RET_Pilot_-_Final_Report.pdf
- The claim of increased economic activity at Barratlantic was made by Donald Joseph MacLean of the company in an interview with Hebrides News which is available on-line at:
<http://www.hebrides-news.com/western-isles-ret-row-101211.html>