RURAL ECONOMY AND CONNECTIVITY COMMITTEE

DRAFT BUDGET 2019-20

SUBMISSION FROM CALMAC FERRIES LTD

Investment in Clyde and Hebrides ferry services.

Q1) Caledonian Maritime Assets Ltd funding - Do you think the current and proposed level of investment in new ferries and port infrastructure is enough to ensure resilience of the Clyde and Hebrides ferries network in future years? Yes or No and reasons for thinking this:

It is the role of the Government to provide the long-term strategy for continuing to meet the needs of the communities that rely on ferry services.

Between 2012 and 2017 the number of cars carried has grown by 37% to 1.43m per year and passenger numbers have risen by 17% to 5.2 million per year.

Despite many Trust, local authority or privately-owned ports to which CalMac operates accruing millions of pounds in berthing dues, it is not clear how this income has been re-invested in ports.

Q2) Handling increasing passenger numbers. Has sufficient investment been made in vessels and port/harbour facilities to handle increased passenger numbers, particularly since the introduction of the Road Equivalent Tariff (RET) fares? Yes or No and reasons for thinking this:

As above, the challenge is the need to have a strategy and plan for the long-term sustainability of the islands.

From an operational perspective, standardisation of port infrastructure and ferry design to allow better flexibility in the deployment of the fleet would improve resilience and reduce operating costs.

Q3) EU State Aid Rules. What impact could change to the application of EU state aid and procurement rules have on ferries investment – whether as a result of a British exit from the EU or through some other change?

No Comment

Q4) Impact on island life i) How might island life be affected, particularly, access to essential services, if Clyde and Hebrides ferry services are not appropriately funded?

‘ Appropriately funded’ in this question means that island communities are provided with the level of ferry service they require to access day-to-day services and emergency services
It is impossible to overstate the importance of lifeline ferry services to the long-term economic sustainability of remote and vulnerable island communities. Ferry services operated by CalMac Ferries Ltd are also important in their own right to island communities. An economic impact study carried out by the prestigious Fraser of Allander Institute highlighted that CalMac's £145m of turnover (in 2014) supported a total of £270m worth of turnover across Scotland as a whole. In addition, 1,476 jobs at CalMac supported a total of 5,883 jobs across Scotland as a whole.

The jobs provided at CalMac tend to be long term - on average, each employee has spent 13.6 years with the company and average wages at CalMac (£29,683 in 2014) were 12% higher than the average wage in Scotland.

ii) Do you have any concerns about the accessibility of ferries and port/harbour facilities, and, if so, what investment might be needed to address these concerns?

‘Accessibility’ in this question means that anyone with a disability or mobility issue is able to access Clyde and Hebrides ferries, ports and harbours without difficulties.

The issue of an ageing population, and with it an increase in people facing mobility challenges, is already being felt in islands, and it is important to invest in facilities which enable ferry services to be used by a wide cross section of the population, otherwise there may be a requirement to site some facilities and services that are currently only available on the mainland on the islands too.

An increasing proportion of CalMac’s customers will have mobility issues, or simply need help with luggage or children’s buggies when using its services. In these circumstances the company does everything it can to make journeys as easy as possible by providing personal assistance which can be arranged in advance of sailing.

Q5) Transport spending priorities. What level of priority should the Scottish Government give to funding Clyde and Hebrides ferry services within the overall transport budget, which also covers spending on other transport modes, including trunk roads, rail, aviation, buses, walking and cycling and low carbon vehicles?

High, medium or low priority and reasons for thinking this:

It would not be appropriate for us to comment on Government spending priorities