



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 8 November 2022

Session 6



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NET ZERO, ENERGY AND TRANSPORT COMMITTEE
29th Meeting 2022, Session 6

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

Natalie Don (Renfrewshire North and West) (SNP)

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Monica Lennon (Central Scotland) (Lab)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Peter Clark (Scotch Whisky Association)

Rob Dickson (VisitScotland)

Martin Johnson (Highlands and Islands Enterprise)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

Committee Room 2

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 8 November 2022

[The Convener opened the meeting at 09:32]

Decision on Taking Business in Private

The Convener (Edward Mountain): Good morning and welcome to the 29th meeting in 2022 of the Net Zero, Energy and Transport Committee. We have received apologies from Natalie Don.

Agenda item 1 is consideration of whether to take items 3 to 6 in private. Item 3 is consideration of the evidence that we will hear today; item 4 is consideration of a draft report on Environmental Standards Scotland's strategic plan; item 5 is consideration of a draft letter to the Scottish Government on environmental common frameworks; and item 6 is consideration of the committee's work programme. Is everyone happy to take those items in private?

Members *indicated agreement.*

Ferry Services Inquiry

09:33

The Convener: Item 2 is an evidence session for our inquiry into a modern and sustainable ferry service for Scotland. Members have received briefing papers from the clerks and the Scottish Parliament information centre.

This is the third evidence session in our inquiry into Scotland's ferry services. We are joined by business, enterprise and tourism representatives, who will share their views on ferry services: Peter Clark, deputy director of industry at the Scotch Whisky Association; Rob Dickson, director of industry and destination development at VisitScotland; and Martin Johnson, director of strategy and regional economy at Highlands and Islands Enterprise, who joins us remotely. Thank you for accepting our invitation to speak to us; we are delighted to have you here.

We have a list of members who want to ask questions, and I will start with an easy question. I will ask each witness the same question, so you will have a moment to consider your answers—except for Peter Clark, who I ask to answer first. Are our ferry services working for the industries and people you represent?

Peter Clark (Scotch Whisky Association): My answer to that question is no. As we wrote in our submission, the ferries form an essential part of our supply chain. They provide a lifeline to the island communities and to the businesses that are part of those communities, but the ferries are part of a fragile infrastructure, and services are prone to disruption. As we set out in our submission, that relates not only to the weather but to the age of vessels.

We need to consider the broader links that the ferries connect to—that is about interisland connectivity. When we step back and look at the other connection points in our supply chain, we see that those parts are also failing. To take the example of Islay, not only is the ferry struggling to meet our current demand but the roads are struggling to meet our industry's needs.

The Convener: That reflects members' experience when we visited Arran yesterday; one of our ferry trips was cancelled, so we had to leave without completing our business.

Rob Dickson (VisitScotland): My answer is similar. VisitScotland is very focused on building a destination and visitor experience that allows tourism and events to flourish across Scotland. In looking at our islands, we are absolutely clear that part of the visitor experience is the journey to the island, in whatever form that takes. The ferries can

offer an attractive proposition, but they do not consistently provide what is required for the businesses on islands or for visitors. That inconsistency—and the unpredictability that comes with it, which the committee experienced yesterday—is the major challenge.

We have worked increasingly closely with organisations on the various islands and with other partners to address such issues. We have done joint marketing to promote the islands in the best way possible, but the vulnerability from the service's inconsistency is difficult to deal with when it is a day-to-day, week-to-week and month-to-month occurrence.

Martin Johnson (Highlands and Islands Enterprise): Good morning. I will not contradict what Peter Clark and Rob Dickson said. Businesses, industry groups and community organisations around the Highlands and Islands—I will focus on the islands—tell us that they are not satisfied with the ferry services, whether they are the interisland ferries, which the local authorities run, or the connections from the islands to the mainland, which are run under contract by the Government. There is significant room for improvement on that.

The Convener: We have unanimity among the witnesses.

The first question from committee members comes from Jackie Dunbar.

Jackie Dunbar (Aberdeen Donside) (SNP): Good morning, panel, and thank you for coming along. Will you go into detail about the impact that the recent disruptions to ferry services have had on island and remote rural businesses, including tourism and distillery businesses? If you do not mind, I will go along the line, so the question will go first to Peter Clark, then to Rob Dickson and then to Martin Johnson.

Peter Clark: The disruption impacts on the operations of our businesses, such as our distilleries moving materials to and from the islands on which they are located. We have heard anecdotally from our members that, between January and April this year, we lost production weeks. One company cited seven lost production weeks, which had a significant impact on that business's scheduling and planning for what it intends to produce. We have heard similar stories from other members.

The disruption is having impacts on tourism. Rob Dickson is probably best placed to talk about that, but we have heard that a bad ferry experience can put visitors off.

There is an impact on long-term planning by the industry. Members have invested in island communities by building new distilleries and

expanding existing distilleries, but some construction projects have been held up. One member told us that they waited three weeks to get a crane across to an island, which held up the construction of buildings. Disruption to the ferry service has such impacts.

The impact is also on the people who work in our industry. We employ lots of people on the islands. The employees are part of the communities in which they live, and the issue impacts on their day-to-day lives.

Those are the headline impacts that we are seeing from the disruption.

Rob Dickson: I suggest that the impact is in two spheres. One is the here and now, where difficulty occurs when there are cancellations at short notice. That was probably most starkly experienced in Arran in the early part of the season, because of the breakdowns—I am sure that the committee heard about that yesterday. At that time, we spoke to business groups and individual businesses on the island. They should have been having a positive experience at the start of the season with strong bookings, coming off the back of two years of great uncertainty and great difficulty, but the reality was that they experienced booking cancellations and had difficulty in fulfilling bookings. Further, the people who managed to get there perhaps did not stay for as long as they might have previously, because they were nervous about return journeys and were therefore cutting their stays short.

Once a booking has been secured and somebody comes to the island, the financial benefit plays through in the short term and builds into the medium term, which is important. On Islay, a typical spend per car during a stay is about £1,200. If that island starts to lose big numbers across the peak times of the season, there is a loss in the here and now, which compounds the difficulties of the past two years, but that also does not give businesses the ability to demonstrate what their economic prosperity could be in the future. That lost income will not come back into their books, which will have an impact when they start having conversations about growing and investing in their businesses. From that point forward, you are diminishing a business's strength, profitability, sustainability and ability to invest in its own future and the island's future.

Two things come into play as an impact—the loss of income and the diminishing of the ability of the islands and the businesses on them to sustain their growth because of the restrictions that the ferry situation creates.

Jackie Dunbar: So you think that the long-term situation will be as big an issue as the short-term impact.

Rob Dickson: The medium-term and long-term situations are now more important in the work that we are doing—we might talk more about that later. That does not in any way dismiss the short-term issues, but it recognises the importance of contributing to strategic thinking for the medium and long term.

Jackie Dunbar: Would Martin Johnson like to add anything?

Martin Johnson: I will pick up Rob Dickson's theme of the here and now and looking ahead, with reference to the evidence that we provided in our submission. Last year, one of our business panels considered transport. It found that almost three quarters of island businesses rely on the ferries and that two thirds of those businesses say that reliability and resilience are the most important factors to them.

This year, a business survey across the region showed that two thirds of businesses felt that transport links were a risk to their business. As has been well documented, this year in particular, reliability and resilience have failed—they have not been there—so businesses have not been able to move people or freight back and forth on the ferries.

In a way, the ferries have suffered from their own success. We have seen strong growth, particularly in freight—for example, freight on the Orkney ferry has doubled since 2011, and freight capacity on the Shetland to Aberdeen route grew by 15 per cent between 2020 and 2021. To continue that theme, on the Lerwick to Aberdeen link, six in 10 ferries running north and four in 10 ferries running south are operating at 90 per cent of capacity.

There are therefore limitations on businesses' ability to operate here and now. We heard from Rob Dickson about the impact, which has been well documented, that the Clyde and Hebrides ferry service situation has had this year on tourism and on the businesses and islands that it serves.

09:45

The ferries' unreliability is impacting across island economies—it affects aquaculture, seafood processing, seafood in general, tourism and agriculture, which has key pinch points in the year. Something like 70 per cent of all livestock movements from Shetland take place in September and October, which coincides with roughly a third of the agricultural movements from Orkney. That puts pressure on the ferry service and other businesses for two months, which is one sixth of the year.

When we look to the future, we are aware of sectors that offer opportunities, which are not just

for the island economies. There is offshore wind, the development of Scotland's hydrogen economy and aspects to do with space that are particular to Shetland and the Western Isles. There is the continued growth of aquaculture and the decommissioning of offshore oil and gas structures, and I do not think that the tourism sector's economic benefits have by any means plateaued.

All those industries rely on good ferry connectivity and on resilience and reliability absolutely being there. In some of those sectors, the players are multinational businesses, whose boards make multiple investment decisions in places around the world, so they have choices about where to invest their time, effort and cash. If Scotland cannot demonstrate to those key sectors—because ferry connectivity is unreliable—that the islands are a location for them to invest their capital, the risk is that they will decide not to invest there. The full economic benefit from offshore wind, hydrogen and decommissioning will therefore not land in Scotland or in the island economies.

Jackie Dunbar: What do businesses and visitors want from a well-run ferry service? How do we get the balance right for businesses and visitors?

Martin Johnson: A large part of the answer depends on the process going forward and the extent to which the Scottish Government, through Transport Scotland, engages in a meaningful way with island communities—in the broadest sense of community groups, business associations, businesses and stakeholders. The Government has to listen to and hear what is being said and develop a service from that. The decisions that are taken need to be transparent and open, so that the people in those communities can see why decisions have been taken.

I should say that I am an islander; although I live in Inverness, I am a Shetlander. People who live on islands know that it is not going to be a Rolls-Royce service. They know that there are choices to be made and that not everything that is wanted is affordable. People know that there is a balance to be struck, and they accept that when they live on an island. However, decisions that affect vital transport links have to be open and transparent—people have to understand why they have been taken. They might disagree with decisions, but at least they would understand.

The process is really important. That picks up on existing structures, such as the ferries community board, ferry stakeholder groups, the Highlands and Islands Transport Partnership, Shetland Transport Partnership and local ferry committees. The structures are there to help to design the service—they are well used, and good

people and businesspeople are represented on them. Speaking to the people who are most directly affected by the ferry service and invested in a fit-for-purpose ferry service will allow the design of that service to emerge—not only figuratively but literally in terms of the type of vessels that are required.

Jackie Dunbar: I put the same question to Rob Dickson, and then I will come to Peter Clark.

Rob Dickson: Martin Johnson put his finger on the most important facet. My most recent background is a decade at Scottish Borders Council as director of economy and infrastructure, so I was involved as the Borders railway was brought back into being. Although I believed before then that investment in infrastructure to allow social and economic development was a good thing, my experience in that decade was that such investment is profoundly important for sustainable social and economic development.

My experience from speaking to businesses and working with public sector partners when the process of transparent engagement that Martin Johnson referred to has been in place over the medium and long term is that that has made a difference to the Scottish Borders economy, which I am sure it will continue to make in the decades ahead. I see no reason at all why a similar process of engagement and discussion should not strengthen the island economies in relation to tourism and wider business interests.

Above all, what is most important is strategic thinking and planning about the development of sustainable economies and about tourism, business, community and domestic requirements. I could go into a lot of detail but, in principle, a more coherent and medium term-focused discussion is needed between strategic partners, Government agencies and significant business interests such as the SWA. That is currently not present and could help considerably with planning.

Peter Clark: I will echo a lot of those points. We are looking for a modern, robust and reliable ferry service. There are three elements—the reliability and resilience piece is well known, so I will not explain them too much. A second point from a business perspective is about the capacity, capability and flexibility of the ferries, which I can explain a bit about.

Capacity relates to meeting our current and future needs and understanding how business needs may change. To give an example, when a distiller builds a distillery on an island, in the initial years, the spirit that is distilled may well be put into a tanker to be removed off the island and on to the mainland for maturation. Over time, the distiller may build warehouses on the island, and its demands for the ferry may change from requiring

empty tanks to be taken to the island, which are then filled and removed, to requiring empty casks to be taken to the island to be filled and removed. In that model, the business's requirements change subtly, which subtly influences the type of freight that is moved.

Another example comes from the transition to net zero. The industry is fully committed to decarbonising our operations and, in the future, we might use ferries more for transporting alternative fuel, such as a stepping-stone fuel. As an example, a lot of the fuel that is consumed on Islay is delivered by a tanker to a fuel depot on the island and then distributed by road. In the future, as distillers look to transition towards net zero, we might have demands on the ferries to transport alternative fuel—a stepping-stone fuel such as liquefied natural gas or even hydrogen. The system needs flexibility to manage that different freight demand.

The final theme, which has been touched on, is communication and engagement. There is a good example of that, and there are a couple of examples that I could elaborate on to give you an idea of where there is room for improvement.

On Islay, improvement work is needed to accommodate the new vessels at Port Ellen, which is one of the two main ports on the island, and the engagement process on that has been really good. We are involved in a reference group and can feed our views into that and look at the options that are coming forward for the design of the port, the terminal and the facilities there. That is a good model to take forward.

On the other hand, I would say that we have had little engagement on the vessel design in terms of feeding in our business needs for the new vessels, particularly for the Islay route. We have also had little engagement in terms of timetabling and vessel scheduling. We have a live issue at the moment on Islay in that regard. Normally, there are two vessels on the Islay service: the Finlaggan, which is a larger, more modern boat, and the Hebridean Isles, which is an older boat that is getting towards the end of its serviceable life. Now, however, we are down to one vessel, the Finlaggan. The issue that our industry has is that, because of the way in which that ferry has been designed, it can accommodate only one of our spirit tankers, which means that each sailing from the island can move only one tanker of spirit, which is having an impact on our members' operations. We are urgently looking at solutions to that problem but, had there been better communication that meant that we knew about the situation further in advance, that would have enabled our members to make plans to mitigate the impact that they are facing. Again, that comes

down the issue of communication and engagement with key users of the services.

Liam Kerr (North East Scotland) (Con): Good morning. Martin Johnson, the current network of ferry routes has barely changed for decades. Thinking specifically about the existing routes, in your view, do the routes meet the needs of business? In any event, are there any significant route changes that might improve the offering?

Martin Johnson: That is a good question, and I do not know whether I have the right answer, or an answer at all. You are right to say that the routes have been what they are for a very long time.

With regard to the connection points on the mainland, I think that we would recognise that, when someone—or some freight—travelling from the Western Isles, for example, lands on the mainland at Uig, or even Ullapool, they still have a significant journey ahead of them by road or rail before they reach their destination. However, when someone lands in Aberdeen from Shetland or Orkney, they are connecting into a major transportation point, so they are able to travel onwards by air, road and rail through a good network, so there is something to compare and contrast there and perhaps consideration could be given to where the ferries might land and what a good onward connection would look like there.

Does the current routing serve the needs of business? I do not know. Consultation through the appropriate structures would be the way to go on that. I do not have an answer for you on that, because it is not something that has come up in our consideration, and I do not recall it coming up in conversations with communities. I am afraid that I do not have an expansive answer for you on that one.

Liam Kerr: Rob Dickson and Peter Clark, does either of you have anything to add on that?

Peter Clark: In terms of the routes and the ports, the infrastructure is where it is. However, from a business perspective, it would be good if greater frequency of trips on those routes were considered.

We have had conversations with third-party operators who have looked at running private services to other locations. For example, we have discussed connecting Islay to the Clyde estuary or ports in Ayrshire. That proposition has come forward, but nothing has emerged from that yet. Its benefits would involve taking road miles off difficult roads such as the A83 at the Rest and Be Thankful and connecting directly into the motorway and dual carriageway network for onward journeys. As I said, we have had such conversations, but there are no alternatives yet on the Clyde and Hebridean network.

10:00

Liam Kerr: My next question is for Rob Dickson. As you will have heard, the committee had a good and productive visit to Arran yesterday, where we heard how the unpredictability that you referred to has impacted on businesses' ability to get staff to the island and on the ability to get teachers and education provision for young people. Is the impact that the committee heard about yesterday being replicated throughout the network?

Rob Dickson: Are you asking about the short-notice cancellations or on-island impacts?

Liam Kerr: I am asking about the ability to recruit staff to work on islands and about the attractiveness of islands for skilled staff.

Rob Dickson: It is fair to say that we are experiencing labour challenges in tourism and hospitality across Scotland that have probably not been experienced in recent years. The position on the islands is an acute version of what is happening in Scotland and is compounded by two factors that businesses cite consistently—the first is transport, which ferries play a significant part in, and the second is housing.

To come back to my earlier points, a combination of factors is diminishing businesses' ability to be as financially sustainable as they should be and as financially successful as they could be on an island. The ferries play a critical part in terms of employment, skills and labour, but they are not the sole restricting factor. Perhaps there are bigger factors at play, such as overall population demographics and housing. However, the ferries are a factor for skills, labour and employment.

Liam Kerr: On a related point, Peter Clark talked about the long-term implications of what we are seeing with the ferries. What are the implications for the islands of the inability that we have heard about to recruit qualified staff and skilled labour, for whatever reason?

Peter Clark: Our members say that a challenge in recruiting staff is having accommodation on the islands. That has been a key barrier and a key challenge in getting people to work on island locations. I could give examples of how our members have invested and built new distilleries on islands, which has led to significant economic growth by offering high-quality, well-paid skilled jobs in island locations where few such jobs are available.

About six weeks ago, I visited a distillery on one of the islands. It relies entirely on the CalMac Ferries service for everything that it needs, as does the island. That distillery employs about 20 per cent of the island's population, but it is more

interesting to dig into that figure than to hear the overall number. The distillery is leading to people moving back to the island—it is repopulating the island—but there is an acute shortage of accommodation, so temporary measures have been put in place. I have been to sites where members have needed to put in static caravans, for example, as a short-term measure. Such measures have been taken, but accommodation is certainly a challenge in attracting people.

Liam Kerr: Does Martin Johnson have anything to add, or shall I hand back to the convener?

Martin Johnson: I am happy for you to hand back to the convener.

The Convener: To build on what Liam Kerr asked about, we heard yesterday that a lot of island businesses rely on external contractors to come in and do work. They load up their vans the night before, turn up at the port in the morning to find that there is no boat and then find at the back-end of the day that the boat has been shut down because of weather conditions. People suggested that some businesses are no longer prepared to work on islands because they cannot guarantee a full day's work and because the costs of working there are prohibitive.

Are Peter Clark and Martin Johnson hearing that from the people they represent? What are the effects on business? In the businesses that you represent, people cannot have all their own specialist skills to meet all their requirements.

Peter Clark: It certainly is a challenge to get people on to the islands when we have those issues with the ferry. Distilleries tend to go into maintenance shutdowns, for which we sometimes need to bring contractors over, and members have reported problems with that, particularly with scheduling. Trying to find accommodation for contractors can also be a challenge on the islands, so it certainly makes it more challenging for our members to operate.

The Convener: I think that there used to be a flight between Glasgow and Islay; I remember catching it to go over to one distillery, and it was used by all the main distillers on Islay. Does that still operate?

Peter Clark: There are flights to Islay from Glasgow and in recent years there was a service from Edinburgh.

The Convener: There used to be a basic route organised, which was accepted as a distillery flight to get people out there.

Peter Clark: I am not aware that there was a separate route.

Martin Johnson: The short answer to the question about whether we are hearing those

problems from our members is yes. Any business on an island, or any person who lives on an island, would reckon that, if they have to bring in services from off island, it is much more difficult to organise. Suppliers have to price for time and for the risk of people not getting on or off the island. Those issues can be particularly acute for more significant construction projects. It can be very difficult to find several contractors who are available to come to the island to move material, workforce and equipment. It can also be costly, because suppliers price for risk around the connection to the island in a way that they do not if they are travelling by road.

The Convener: Thank you, Martin—that is very helpful.

Monica Lennon (Central Scotland) (Lab): Good morning. We have already heard about some of the short and long-term challenges for people and business. Do your organisations have concerns that the current level of ferry service provision might be fuelling depopulation in island and rural communities? If so, can you identify where that is happening and what needs to change to reverse any such trends? That question is for Martin Johnson in the first instance.

Martin Johnson: Undoubtedly, connectivity problems—lack of reliability and lack of resilience—are adding to the challenge that island communities face in retaining people or attracting people to live there. Typically, it is the smaller islands, such as islands that lie off an island or the smaller islands off the west coast of Scotland, that are affected in that way.

On Orkney and Shetland, the issue affects not just the islands' connectedness to the mainland of Scotland, but the local authority ferries. Too many of the ferries that are run by Argyll and Bute Council, Orkney Islands Council and Shetland Islands Council are more than 30 years old, so they break down and need maintenance. The reliability is not there, which makes it much harder to live on an island off an island or, indeed, an island off an island off an island. The opportunities to commute for work are not there. The absence of a reliable ferry service is a significant negative factor, because it makes it much harder to retain people on or attract them to the islands. On the flipside of that, if there was a reliable ferry service and islands were better connected in terms of frequency, reliability and resilience, it would be easier to retain people and to attract people to come and work on those islands.

You asked for specific examples. We could look at the likes of Fetlar and Unst in Shetland and the southern Uist islands as good examples. We could provide more information if the committee is interested, but the short answer is yes.

Monica Lennon: That is helpful. We are always looking for additional information, so feel free to send us a letter after the meeting.

Peter Clark: Many factors have an impact on demographic change, and connectivity is one of them. I do not have the answers that you might be looking for on depopulation, but I reiterate the point that I made about growth in the Scotch whisky industry. Distilleries are being built on islands that have not had distilleries before. Those distilleries are generating economic opportunity and jobs, as I said, and they are contributing to a shift in population. Perhaps the situation is a bit in reverse in our sector but, as I said, the factors are varied overall.

Rob Dickson: I do not have much to add. My point, which relates to a couple of earlier comments, is that our clear view is that tourism's full potential on the islands is not being realised. If tourism's full potential is not being realised, the full employment potential is not being realised, and therefore the ability to attract people to or retain people on the islands is not being realised. As we have discussed in answer to previous questions, there is a straight link between the factors, in which the ferries play a part. They are not the sole thing that will address the issues, but they play a significant part in the diminution of businesses' ability to develop effectively.

Monica Lennon: Rob, you talked about your experience of infrastructure-led projects, which it is clear that you are passionate about. You may be aware that the Scottish Government recently published research that it commissioned to examine how Japan tackled island depopulation. Japan switched from infrastructure-led projects to a focus on tourism-led projects and then went back to infrastructure. You talked about the importance of infrastructure. What else could the Scottish Government do?

Rob Dickson: The introduction of the rural tourism infrastructure fund, which Ms Hyslop is very familiar with, has created the ability to generate interest and engagement in how infrastructure is developed. Such changes can be modest—we are talking not about multimillion-pound investments but about small investments of perhaps a few hundred thousand pounds, which can allow infrastructure changes that give businesses greater certainty and bring benefits to residents and domestic users. There is little that happens for the benefit of visitors that does not benefit people who live in a community. The force for good that tourism is can be developed from modest starting points.

It is important, particularly in the current economic circumstances, that we encourage councils to develop their infrastructure plans—specifically in respect of tourism—and that we

ensure that the Scottish Government continues to invest in the rural tourism infrastructure fund, as it has done. Building for growth in the future will become important in the next two to three years.

Monica Lennon: I will move on to another question. Are there any routes where enhanced air services or fixed links might be a realistic alternative to ferries or might at least enhance ferry service provision?

I will go to Martin Johnson first because—in addition to the submissions—I am aware of activity in the press in the past 24 hours, where I understand that Highlands and Islands Enterprise has suggested that

“fed-up islanders should turn to air travel”

and has made a push for cheaper flights. I want to give you the chance to expand on that, because there has been a bit of media coverage. Are things so bad that your organisation has to suggest sustainable aviation as an alternative?

10:15

Martin Johnson: We are pleased that our written submission responding to some of the questions that were posed by the committee was aired through the media, but, to look beyond the headlines, I would note that, in it, we addressed some points around the opportunities for flights, which was a reiteration of our response to the consultation on Scotland's aviation strategy earlier this year.

By definition, to get to and from an island, you have to cross water, and if you are not doing it by ferry, an obvious alternative is to do it by air. All the main island groups are connected to the mainland by air, and residents are able to take advantage of the air discount scheme, which gives a discount of up to around 50 per cent on air travel to the mainland, which is a significant help with the cost of travel, and helps the viability of those air routes.

The point that we are making—this is not anecdotal; it goes back to some of the evidence that we have gathered—is that about a fifth of island businesses rely on air travel to do their business and to move people back and forth, but business travel is not covered by the air discount scheme. If members of the committee have had to travel by air to the islands, they will know that it is expensive. There is an extra cost to island-based businesses when they have to travel by air, either because of the timing of things or because they cannot rely on the ferries, so we are making the point that the logic of the air discount scheme that applies to residents—which is that, as they live on an island, they need help to travel to and connect with the rest of the world—should also apply to

businesses. That is the point that we made in our written submission to the committee and in the aviation consultation earlier this year.

I think that island communities would rather have a fixed link than either an air link or a ferry link, just because of the absolute convenience and reliability of that option, which can be seen in parts of the Western Isles and in parts of the southern archipelago that have been connected by causeways. We are aware that, in Shetland, for example, there is again active discussion about connecting some of the islands—such as Yell, Unst and Whalsay—with the mainland, whether that be by causeway, bridge or tunnels. The challenge there involves the perceived greater up-front capital cost of that option relative to replacing ageing ferries. To go back to what I said, the median age of boats in the fleet is in the early 30s, and the relative cost of the two options depends on the life cycle of the ferries with regard to replacement, which you must take into account when comparing and contrasting the cost of that option with the cost of fixed links.

As Transport Scotland looks at the islands connectivity plan, the role that fixed links could play in replacing and enhancing some of the ferry links should be considered as part of the mix, along with the point that I have made about business travel by air.

Monica Lennon: Thank you for your further explanation of the role that fixed links could play. Does Highlands and Islands Enterprise have any estimates of or data on the potential economic impact of the construction of the type of links that you mentioned? If so, could you share that with the committee later?

Martin Johnson: I do not believe that we do, but I am happy to speak to Shetland Transport Partnership—ZetTrans—and HITRANS and come back to you with what they have got. If they do not have that data, it will be a nil return.

Monica Lennon: That is great; thank you for that.

Peter and Rob, do you have anything to add about the role of fixed links and what sustainable aviation might look like as part of the conversation?

Peter Clark: Air currently plays a part in island connectivity. Obviously, our business relies a lot on freight, so I imagine that our freight would stay on a fixed link—if one was available—or a ferry service. However, air is part of the current mix for moving personnel. If that sector were to grow, the focus would need to be on sustainable aviation.

As users, we do not have much influence on what fixed links might be feasible. I am certainly interested to hear about any that are under

development but, at the moment, I think that just two islands are connected to the mainland with a fixed link, so there is limited scope.

Rob Dickson: There is little that I can add to what has been said. The important assessment of that should be around the sustainability issues and the transition to net zero. Although, in the long term—depending on the cost—fixed links might be a possibility, in the short and medium term we should be working incredibly hard to reduce emissions and make the transport that is utilised by the islands as emission-free as we can. Any assessment of whether transport is by ferry or by air needs to factor that in.

We are working hard to make sure that the travel that is undertaken by visitors—either in coming to Scotland or once they are in Scotland—is as sustainable as possible. That is the context in which it should be considered whether it is helpful to use ferries to go to certain islands and air to go to other ones.

Monica Lennon: Before I hand back to the convener, I have another question for Rob. Martin Johnson mentioned a couple of times that some of the ferries are more than 30 years old. From a VisitScotland perspective, what impression does that make on people who are here for tourism or are travelling within Scotland? What feedback do you hear about the ferries?

Rob Dickson: A ferry's age is not that significant to the user; its condition and the journey experience, including the experience at the departure and arrival points, are what matter to them. We have recently had discussions with CalMac about how that experience can be enhanced on the ferry, at the departure and arrival points, and in the digital pre-booking. I think that all of that can be enhanced, but I do not think that a ferry's age is a barrier to that. The issue is how we invest in people's experience of the service that is provided on the ferry and, particularly, the experience at ports.

The Convener: The next questions come from Mark Ruskell.

Mark Ruskell (Mid Scotland and Fife) (Green): Do you see a need or responsibility for business sectors to manage travel demand while, at the same time, focusing on business growth and productivity? I was struck by what Peter Clark said earlier around the fact that development of maturation facilities on Islay might be one way to reduce travel and freight transport demand. I was also struck by what Rob Dickson—I think—said about the growing phenomenon of people taking two or three cars to the islands on holiday with them. Can each of you offer some thoughts on whether it is the responsibility of Government to

meet endless demand or whether we could manage that demand in a smarter way?

Peter Clark: The place where maturation takes place will change the nature of the freight but, ultimately, that spirit will need to move off the island, so there will still need to be that transportation element, although it could be in 10 years' time, or whatever the maturation period for that spirit is.

On managing travel demand, we need to move product to and from the islands. We need empty tankers and cereals and, if we are maturing the spirit there, we need casks for maturation. We need fuel and, if we are packaging the products on the islands, we need packaging materials. We also need to remove other products, including by-products. It is difficult to manage the volume of materials that we need.

Mark Ruskell: What about waste, such as draff and so on?

Peter Clark: The draff needs to be removed from the islands if it is not used in, for example, the local farming community. Such by-products need to be removed, although they have alternative uses, so it is possible for them to be used on the islands on which they are generated.

Islay has nine operational distilleries, and draff is one of the products that we need to remove, which can have an effect. By-products that cannot be removed from the island need to be stored, which can have a knock-on effect on the production process. Removal of a by-product such as draff can impact on the production process, so it is important for the system to work efficiently to ensure that the inputs and outputs flow as efficiently as possible.

Mark Ruskell: Is there a way to square that? Could processing or infrastructure investments make things more circular?

Peter Clark: As I said, alternative uses of distillery by-products are continually being explored, particularly in the transition to net zero. That could reduce the need to move by-products from islands.

Rob Dickson: The straightforward answer to the question is yes. Demand management is a critical part of addressing island capacity and making best use of available infrastructure. My intuitive sense is that more can be done.

We are heading in that direction with the marketing that we are doing under the tread lightly heading, which links to my comments about encouraging lower-emission travel. That emphasises the desire to travel somewhere in Scotland and stay longer. That reduces travel overall, but a consequence of staying longer in an island setting is that more money is spent on the

island, which relates to the sustainable economic development point that I made.

There should be a discussion with island communities and ferry operators about the sophistication of the ticketing model. As consumers, we are all pretty used to sophisticated ticketing models in all manner of ways when we purchase tickets not just for travel but for events and many other things. It is right for the islands to consider how ticketing might reduce demand for volume of transport and favour types of transport at certain times. I imagine that, in the years ahead, some factors might be the fuel type of vehicles, the capacity of vehicles and the length of stay.

Hand in hand with that must be a focus from businesses on the development of their product—the itineraries that are offered on islands. If people are to be encouraged to stay for five rather than three nights, what will be available for them to do? Destination development thinking and product development thinking must be a part of what can be driven through as part of demand management. There are options to consider but, to go back to where we started, they must be underpinned by a reliable service; otherwise, I regret to say that they will fall at the first hurdle.

Mark Ruskell: Martin Johnson, you work with many sectors, including rapidly growing sectors such as offshore wind. What is your perspective on how we create the space for such development?

Martin Johnson: On supporting the principles and benefits of the circular economy and the just transition to net zero, the short answer is yes—that is part and parcel of how we manage demand and capacity. From the work that we do, my sense is that industries and businesses are moving in the direction that society in general is moving in.

10:30

Having said that, islands are micro-economies, so unless they can produce and consume that which they need, it has to be imported or exported. There is an irreducible amount that will have to come in on the ferries. When we think about sustainability and opportunities for the future, such as those in relation to aquaculture, seafood and seafood processing, we must acknowledge that the output for human consumption has to leave the island and has to go on to vehicles such as ferries. There is an irreducible amount of demand reduction through reduce, reuse and recycle and the just transition to net zero.

Beyond that, there is the broader point that the islands have an important role to play in the economy. In Shetland, the Orion project is an exciting and interesting example of the decarbonisation of the production of oil and gas—

that is not an oxymoron by any means. Related to that is the production of green hydrogen—not just for use in the local community but for production at scale for servicing a globally nascent industry.

Much offshore wind energy will be produced around the coasts of our islands. To see that happen and to service that nascent sector will require people, goods and materials to have passage by ferry. The ferry connectivity, service and capacity are important. The islands will have a direct role to play in the bigger picture of net zero. Businesses are moving towards net zero and the circular economy, but, by their nature, islands will have an irreducible point where goods must come and go by ferry.

Mark Ruskell: I have another couple of questions, which I will wrap together for the sake of time. First, what are your thoughts on the fare structure for commercial businesses and how that could be reformed? Secondly, how could the responsiveness of ferry operators—not just CalMac, but others too—be improved? Can you point us to any good practice?

Martin Johnson: I understand that Transport Scotland will be looking at fares across all transport modes across Scotland. Harking back to what I said earlier, through consultation with the ferries community board, stakeholder groups, HITRANS and ZetTrans, there is important discussion with businesses and industries about the fare costs for businesses as well as residents.

On your point about being responsive, my sense is that, on the whole, when people engage with CalMac staff and NorthLink staff, they get really positive service. That is an accolade for both organisations in respect of their customer service when they talk to people—notwithstanding aspects of reliability.

I know Shetland best, and know how NorthLink and the seafood, agriculture and haulage sectors work together collaboratively over September and October, when the bulk of agricultural livestock are moved. That is a good example of flexibility, good will and collaboration. That works and can overcome the challenges of capacity constraints at that time of year.

Rob Dickson: NorthLink and CalMac are both responsive in work that we do with them. I echo what Martin Johnson said. When we have conversations with them and develop joint work with them, the engagement is good.

Most recently, we jointly funded a paid marketing campaign with CalMac. That campaign totalled £40,000 in value and achieved impressive figures. That demonstrates that, as a national tourism agency, we can achieve great outcomes working with organisations such as CalMac. We have done something similar with NorthLink in the

past. On organic social media, 10 million people viewed the content over the months of August, September and October, which converted into almost 500,000 engagements with that product. That is comparable to anything that we can deliver in any sector. The demand for travel to the islands and the ability to work with the organisation exists.

My only comment on the fare structure and the interface with commercial operations is that, too frequently, tourism is seen as domestic travel. It is a business. Therefore, tourism needs to sit firmly within the framework of discussion about economic development and businesses because, although you and I might travel to the islands as holidaymakers, the purpose of that travel is a business one from the point of view of the end business that we will stay with. That thinking and that approach need to be factored in a bit more.

Peter Clark: I will discuss responsiveness and the point about communication and engagement. I mentioned the Port Ellen work. It was exemplary. There was a very good level of engagement.

There is room for improvement on issues such as the scheduling of vessels, which, as I mentioned, is the issue that we currently face. We welcome and are welcoming more engagement with CalMac in particular as the operator for the islands where most of our distilleries are located. We certainly encourage that.

I do not have much to say on the fare structure. Fares are a commercial matter for our members, who will decide what services they use, but we can do some further work on those points and come back to you if that would be helpful.

The Convener: I am really interested in all the answers that you are giving but I notice that the clock does not slow down with the interesting answers. I am conscious of time, so I ask everyone to bear that in mind. There are questions that I would like to ask but I will give way, rightly, to the deputy convener so that she can get her questions in and then I will see whether there is time for mine at the end, which I am sure that there will be.

Fiona Hyslop (Linlithgow) (SNP): I have lots of questions—I am sorry, convener. I will come to all the witnesses, but will ask Martin Johnson a question first.

The committee is conducting the inquiry so that we can inform our view on the forthcoming connectivity plans, so I will focus on future thinking. We want sustainable economic growth and repopulation, and we want to deliver net zero. That is the frame. I see that the witnesses are all nodding at that, which is helpful.

I will ask about specific links and areas, but first I have a question for Martin Johnson. What

involvement has Highlands and Islands Enterprise had in the development of the forthcoming connectivity plan?

Martin Johnson: We have conversations with Transport Scotland and connections through the likes of the ferries community board and local committees. I stand to be corrected, but I am not aware that we have formally engaged with Transport Scotland. However, we would look forward to doing so and would have clear views with evidence to bring to that conversation.

Fiona Hyslop: Clearly, we want strategic alignment that anticipates future opportunities and has the flexibility to get there. There are various industries. Let us take the northern isles in particular. You raised issues about moving cattle at certain times of the year. What can be done to improve planning of transportation not only of existing freight but, as Mark Ruskell mentioned, for the new industries—although they are current industries—in energy and space? What does the future look like for the northern isles? What would be optimal?

Martin Johnson: Our view is that, in the medium term, replacement of the two freight vessels would be an opportunity to consider their dimensions, their carrying capacity and the mix of freight and passengers.

In the “freight plus” option, there are what are essentially freight-carrying vessels that can also carry passengers. In our written submission, we give the example of freight vessels that can carry 200 passengers as well as substantial amounts of freight.

Fiona Hyslop: I will switch to the Ullapool-Stornoway route and freight businesses on it. What would success in the future look like for them in terms of the criteria that we have mentioned?

Martin Johnson: We echo the views of others that there is a business case to be explored for an overnight freight vessel. We are also aware that in the very short term—in other words, next year—there will be two times when Uig will be closed for works, so there will be a lot of pressure on the Ullapool-Stornoway route and there might be a need to charter in additional short-term capacity.

However, in the longer term—essentially, from now—an overnight freight vessel on the Ullapool-Stornoway route would substantially help to alleviate capacity issues.

Fiona Hyslop: I take it that you want to make sure that the routes are attractive to the new workforce that will be needed for the new industries?

Martin Johnson: Yes. Again, I go back to the point that what is important is consultation. We

stand ready and willing to help NorthLink, CalMac and Transport Scotland to engage with the industries and businesses of now and the future. That is what we do now and what we very much look forward to doing, so that the needs of the industries are built in and so that the fleet that serves the Western Isles and the northern isles is, as far as possible, future proofed in terms of capacity and capability.

Fiona Hyslop: Thank you. I will move on to ask Peter Clark about Islay, and the whisky industry, in particular.

Clearly, we are seeing great successes with the whisky industry in Islay. The industry is very much dependent on the Islay brand—the successes depend on the island itself—but with, as we currently have, a subsidised CalMac service, the public purse is, in effect, subsidising freight for the profitable whisky trade.

Is there a role for the whisky trade not only in helping to manage demand, as we have heard, but in identifying where subsidies should be? Would the trade be more interested in a direct dependable and reliable freight service that might happen through private tender, for example?

Peter Clark: Islay has challenges, including around capacity and reliability, in respect of freight.

The current ferry is the only available service. We move some of our materials to the island—there is a grain boat that comes into Port Ellen. I mentioned fuel, which is used by us and other people on the island.

As I said, we are aware that third parties could offer an alternative freight-only service running between Islay and the mainland. Back in 2019, we funded, with Argyll and Bute Council and Highlands and Islands Enterprise, a whisky logistics study to look at the issues and potential future growth, and to make recommendations and offer solutions. One of the suggested solutions was a freight-only service. There are certainly attractions in that; again, the commercial element will come into play.

However, we also need to be mindful that Scotch whisky volumes provide much of the baseload for the Islay service. If those volumes were to be removed from the Islay service and put on another service, what impact would that have on the CalMac service? That would certainly need to be considered and it is something that we are mindful of.

As I said, we are open to having conversations. We are happy to facilitate conversations between members and third parties if a service looks viable. We would need to step back from the detailed contractual terms—as a trade association, we

could not engage in that aspect—but we would certainly be happy to make those connections.

Fiona Hyslop: Rob, what is your view on that balance between freight and passengers? I will reflect on some of what we have heard already. We were familiar with “fly and drive” but, from a net zero point of view, “sail and drive”—with electric cars on the other side—might be the way forward if large numbers of family groups are going over to the islands. What does the future look like for you?

10:45

Rob Dickson: Fundamentally, the future has to be about placing net zero at the heart of thinking. We need to find a better balance between the needs of residents, businesses and freight use. To be explicit, I say that I include tourism in the business part.

Certainly, from our perspective, overnight freight seems to be an obvious option to explore, as Martin Johnson said. However, it is critical that we recognise the different seasonal, time-of-day and day-of-the-week needs among the sectors. There is a lack of sophistication in the models that we are using and in the dialogue around how markets can be better supported in respect of how services, as they currently stand—which is not to suggest that they should stand as they are for the future—can best be used for economic development on the islands.

Fiona Hyslop: You are asking for a more sophisticated, calibrated, strategic and flexible system between industry, business and transport.

I see that you are nodding in response to that.

Rob Dickson: Yes. Thank you.

The Convener: Martin Johnson is trying to get in.

Martin Johnson: I will come in very briefly. I qualified what I said earlier as being subject to contradiction. I have been contradicted; we are formally engaged with Transport Scotland on the islands connectivity plan, with regard to data and connections, as I outlined.

Fiona Hyslop: I might contradict you as well, Martin. You talked about perhaps looking at main links for transport being hubs, and you used the example of Aberdeen. However, shorter ferry crossings with renewable energy electric or, eventually, hydrogen vehicles on the other side of the ferry journey would be a better net zero solution than would everything coming into major hubs. Is that something that you are aware of? That contradicts a wee bit what you were saying earlier.

Martin Johnson: I absolutely think that those more-than-emerging technologies are part of the mix of modal connections between ferries and terminals. Island communities are very keen on greening the islands. They seem to be taking that to heart, so I am sure that that suggestion will be part of the mix. I see no reason why it would not be, and it is to be welcomed.

The Convener: Martin, well done. No one noticed you being kicked under the table to correct your earlier answer with more information.

Liam Kerr wants to come in with a question on the back of that.

Liam Kerr: I will come in very briefly. Martin Johnson talked just now about being consulted on the islands connectivity plan. Are any of your organisations consulted on the specification of future vessels that will be brought on to routes? Who is consulted? Of those who are consulted, who has the loudest voice?

Martin Johnson: I do not know how competent we are to comment on ferry design. Again, subject to clarification, I say that I do not believe that we are formally or informally consulted on what we think of this or that design. That is best done through the infrastructures that I have mentioned—various community boards, stakeholder groups, HITRANS and ZetTrans—which would bring together stakeholders to say what they need in terms of the characteristics, capacity and capability of vessels. Beyond the characteristics, those groups include people who are informed on vessel design.

With regard to who has the loudest voice, I guess that that is Transport Scotland. That goes back to my very early statements. From speaking to people in preparation for today’s meeting, my sense is that the way that island communities are consulted, listened to and heard, then how decisions are prepared and choices are whittled down and, ultimately, made, has to be improved. My sense is that island communities do not feel ownership of key decisions that are material to their wellbeing, economy and society.

Liam Kerr: I am very grateful for those comments. Do Rob Dickson and Peter Clark have anything to add?

Rob Dickson: I am not aware that VisitScotland has been consulted; in any case, I am not sure that we would have much expertise to contribute. Because we are not involved with the process, I am not clear about how it is managed or about the loudness of the voices within it.

Peter Clark: With regard to communication and engagement on vessel design, we were certainly not involved in any systematic or structured consultation on the design or how it might fit our

needs. As I have said, we co-funded a study of volumetrics on the island routes, but what we need is a detailed and nuanced conversation with users—including hauliers, many of whom manage our freight—in order to understand what lies behind the numbers. After all, this is not just about tonnages and the number of vehicles; it is also about the types of vehicles. That is the comment that I would make about our engagement on vessel design.

Liam Kerr: That was very helpful.

The Convener: I am going to push this a bit, if I may. On the route that we were on yesterday, the people involved seem to be going for a bigger ship of 102m, which compares with the nearly 30 years old MV Caledonian Isles at 94m, and MV Hebridean Isles, which is 84m. They seem to be going for a bigger boat with increased passenger capacity, but at our previous meeting Western Ferries Ltd told us that it favours smaller boats that it could ensure were full and which it could flex up and down as required in order to meet demand. Peter, would you support having more flexibility in order to deliver the reliability and resilience that islanders rightly demand from their ferry services??

Peter Clark: As far as flexibility is concerned—this is about the services rather than the vessels—one of the things that emerged from the Islay logistics study was the need for a freight-only service. Such a service would not necessarily have to operate five days a week; initially, it could operate three days a week, which could be flexed. The point is to have flexibility to manage services.

The size of vessels, particularly those on the Islay route, is increasing, but I guess that that is just part of the process. It is, after all, one of the longer crossings—it takes roughly two hours—so it is not one of the relatively short crossings that can have frequent services. Two vessels normally operate on the Islay route, but because they operate over a longer distance than others, the service itself is slightly different.

The Convener: Rob, do you think that the ability to flex up and down in order to meet demand and to ensure that boats are not running half full is the way forward and will allow more maintenance?

Rob Dickson: I certainly think that increased flexibility in the system would be beneficial. We all need to recognise the challenges with regard to ferry services being financially sustainable. Finding the most efficient way of securing that as an outcome would be an important part of the equation. Smaller vessels and more frequent services might well be the answer on some routes, but there is a delicate balance to be struck between the length of journey, the type of vehicle

and the frequency of a service, particularly in relation to some of Peter Clark's members. Tourism can fill the gap in many ways, but it must have a core position in the summer months, and the ability to flex is therefore, I suggest, highly desirable.

The Convener: Do you wish to comment, Martin?

Martin Johnson: I do not want to be a stuck record, but I think that the islanders themselves are the best people to speak with authority on what they need from their ferry services with regard to size and capacity. That said, from discussions that I have had with people, I tend towards feeling that bigger is not necessarily better. Having two vessels rather than one large vessel is better in terms of overall capacity and it builds in resilience and redundancy.

On a side point on that aspect, people speak positively about the two new ferries that are being constructed for Islay and the proposed two new ferries for the Uig triangle, because they are, essentially, sister ships. The vessels can be used on all the routes, they can all dock at the same infrastructure, and the crew are all trained in the same way. Therefore, the operability and redundancy or, I suppose, resilience in the system are much better. That strikes me as sensible, and we should certainly consider that long and hard as we think about the overall nature and make-up of Scotland's fleet. However, it will be horses for courses and, ultimately, islanders are best placed to say.

The Convener: That is helpful. I want to come back to Peter Clark and then ask a general question of everyone, to close the session.

Freight demand has never been greater. We heard that your industry is doing particularly well on Islay, Peter. Is it getting to the stage at which you might have to consider purchasing or acquiring the services of a ferry operator just to service your industry so that it gets the reliability that it needs?

Peter Clark: As I said, third-party operators have approached us and we have looked at putting on a service. Those conversations took place two or three years ago, before Covid struck. Ultimately, it would be for a third party to decide whether that was compatible or fell into line with its expectations as the operator of the service. As I said, we are open to facilitating conversations between our members and third-party operators.

The Convener: Yesterday, we heard concern that, if new businesses came along, they would not be able to use the facilities because of the restrictions that are placed on use of facilities by current users. I do not know whether that is a problem, but we can find out.

Rob, I will paraphrase you. You said at the beginning that people do not get over a bad ferry experience quickly. A lot of people out there might have had bad experiences in the past few years. Yesterday, we heard that it will take a long time for people to get over that. How long do you think that it will take?

Rob Dickson: We have challenges in the marketplace that make tourism more difficult to predict in the years ahead than it has been previously—certainly, until 2019. Tourism has not fully recovered this summer. There are parts of Scotland where recovery is strong, but it is much weaker in other parts.

Your paraphrasing is accurate, convener. As I also said at the beginning, the islands have had a set of challenges that are unique and particularly difficult to deal with in the short term. From listening to businesses that operate on the islands, we know that those challenges are undoubtedly a barrier to visitors.

Interest is very high, as was demonstrated conclusively by the recent campaign with CalMac that I mentioned. Therefore, it is critically important to ensure that we have a ferry service that, if it cannot meet greater demand, at least caters realistically for current demand and is reliable and predictable. As long as we continue to have the problems that we have experienced, visitors will continue to vote with their feet and will decide not to visit the islands.

I cannot answer your question with a definitive timescale, because I do not know when a more reliable service will be available, but I think that it will pay dividends if it becomes available, because interest in visiting the islands remains strong.

The Convener: Do you think that it might take as long as five years? If the service suddenly became perfect today, would it take two, three or five years?

Rob Dickson: I think that it would be pretty quick. If the service became perfect today, bookings would come forward and demand for visiting would recover very strongly—perhaps even next season. From the marketing that we have done and the interest on social media, we see that interest in visiting the islands is there. However, people are put off either by what they see in the media or, in some cases, by their experience.

The Convener: Martin, do you want to comment on that in relation to not only tourism but other businesses on the islands?

Martin Johnson: In a scenario in which we have waved a magic wand and have a reliable and robust ferry service, my guess is that it would take a whole season to address the negatives that

people have experienced previously. People who have had a bad experience will need the “Show me” type of question answered in order to be persuaded that they will not have the same experience again. In that scenario, one season would probably do it for them.

The Convener: Peter—do you want to add anything?

Peter Clark: The whisky industry is a long-term industry, so members have invested in islands where we are facing difficulties at the moment. That is part of the industry. I do not have much to add to what the others have said.

The Convener: Basically, there is huge pressure to get this right as soon as possible, and industries will respond to and pick up from that, but the longer the situation goes on, the more difficult it will be for those industries to survive.

That is probably a good point at which to end. I thank Peter Clark, Rob Dickson and Martin Johnson for their answers, which have been interesting. Time has flown, as it does when you are having fun and are interested in a subject.

11:01

Meeting continued in private until 12:07.

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