

CILT (UK) YOUNG PROFESSIONAL EVENT

WEDNESDAY 6 MARCH 2008

Introduction (section word count 85)

Good morning. It is a pleasure to be given the opportunity to address a group of Scotland's young professionals.

Today I will talk briefly about the strategic approach of this Government and then take some time to discuss logistics and the environment and if a conflict of interest exists.

As you know, I am the Minister responsible for Transport, Infrastructure and Climate Change. This is a conscious attempt by our administration to reflect the link between the

transport, planning and climate change decision making process.

Purpose of Government and the Economic Strategy (section word count 189)

This Government has a clear core purpose: to create a more successful Scotland by increasing sustainable economic growth. Growth that must be shared equally across Scotland and benefit everyone, regardless of where they live.

Reducing income and regional inequalities and ensuring that future generations can enjoy better quality of life too. This single goal provides a focus for all our work.

With the launch of the Government Economic Strategy in November of last year, we put our purpose into the public domain. It is to create

a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Economic Strategy sets the direction for the whole of the public sector to work collaboratively with the private, academic and third sectors to deliver real improvement in incomes, opportunities and the aspirations of our people.

We will deliver this purpose through the alignment of Government with the five-strategic objectives of:

- **Wealthier & Fairer;**
- **Safer & Stronger,**
- **Greener;**
- **Healthier; and**
- **Smarter.**

These objectives play a key role in focusing central Government and the wider public sector, on increasing sustainable economic growth.

New approach to Government (section word count 64)

The whole of Government is moving to an outcomes-focused approach to performance and we have introduced a National Performance Framework. Within this framework is a commitment to begin the reduction of emissions now and have a target of reducing them by 80 per cent by 2050.

These are real challenges and I would like to explain the role that transport and the logistics industry can play in achieving them.

Climate Change – the challenge (section word count

201)

One of the major challenges and serious threats that we face, is global climate change. I am determined that Scotland will play its part in rising to the challenge that climate change poses.

Research on climate trends shows that Scotland is already experiencing climate changes. Over the last forty years, annual temperatures in Scotland have risen by one degree, the snowfall season has shortened and rainfall has increased dramatically – by up to 60% in winter months.

There is little doubt that Scotland, and the world, will be increasingly affected by climate

change with an increasing threat of extreme weather events.

Scotland is part of the problem but we are also part of the solution. Scotland's emissions are falling. Between 1990 and 2005, greenhouse gas emissions fell by around 16%. As part of this reduction, carbon dioxide emissions fell by 12.5% – almost double that of the UK average decrease of 6.4%.

The highest emitters in Scotland are the energy, transport and business sectors, currently accounting for around three quarters of Scottish emissions. Since 1990:

- energy supply emissions have fallen by 10%;
- business emissions have fallen by 22%.

However, as with the rest of Europe, transport emissions have increased by 11%.

Climate Change and Transport (section word count 133)

Reducing transport emissions is certainly a significant challenge. But it is something we must face. This should not mean compromising economic growth – it just means doing things differently and ensuring that growth is sustainable. Improving logistics and the supply chain for goods is central to this challenge.

We know from the Stern review of 2006 that taking action sooner rather than later is the cheaper route to addressing climate change. I welcome the discussions you will be having today on logistics and its impact on the environment.

As a Government, we committed through the Scottish Budget to assess the carbon impact of policy options during the appraisal process. This process will enable us to measure the carbon impact across various portfolios, including transport and logistics, and plan for reaching proposed climate change targets.

Carbon Reduction Commitment (section word count 74)

As many of you will be aware the Scottish Government is working with UK partners to introduce a Carbon Reduction Commitment.

This new domestic trading scheme will seek to cut carbon emissions from large commercial and public sector organisations such as

supermarkets, hotel chains, government departments and local authorities.

The CRC is expected to be established in 2010 and will aim to cut emissions by 1.2 million tonnes of carbon per year by 2020.

Climate Change Bill: Scotland/UK (section word count 128)

This Government has ambitions for Scotland to be a global leader in delivering on climate change. We are currently consulting on proposals for a Scottish Climate Change Bill, including proposals for a statutory target for Scotland to reduce emissions by 80% by 2050.

Scotland's Climate Change Programme, published in 2006, sets out the existing

policies being pursued to reduce emissions and adapt to climate change. Whilst the target may be long-term, many of the actions to achieve it are required now. Scotland will need to take advantage of and build on its particular strengths.

We are also working with our UK partners on the UK Climate Change Bill which would set a target for the UK as a whole to reduce carbon dioxide emissions by 60% by 2050.

Air Quality (section word count 127)

Much of today's discussions are on the problem of climate change. However, it is also important that we do not overlook the contribution that transport continues to make to poor air quality in many parts of Scotland.

A great deal of progress has been made in reducing air pollution across Scotland, but we still need to do more. Some urban areas exceed air quality objectives and EU limit values. In these areas air pollution continues to pose a threat to public health and the environment.

It is therefore important that we continue to work to tackle air pollution and help improve our quality of life. To this end much of the action that we take to address climate change will also help us address air quality problems.

Sustainable Transport (section word count 135)

Transport is the bedrock of the logistics sector, whether through the movement of goods by road, rail, sea or air, or a combination of any of the afore mentioned.

As mentioned earlier however it is crucial that the logistics sector, along with the nation, reduces its carbon emissions. To this end, the Scottish Government is doing a number of things.

We are supporting both the public and private sectors by providing information and support about the contribution of alternative fuels and fuel technologies for vehicles.

We are pursuing a “technology neutral” approach to reducing emissions arising from road transport. This means considering all technologies – both existing technology and the most efficient and cost-effective alternative technology under development – so we’re free to capitalise on the most efficient and cost-

effective alternative technology as and when it emerges

Freight Grants (section word count 236)

We can further demonstrate our on-going commitment to maintaining the effectiveness of the transport industry whilst reducing its carbon footprint through our freight grant schemes. All four of the available schemes have the aim of encouraging the transfer of freight from road to rail or water where the rail or water option is more costly than road.

These grants fund projects which provide more environmentally sustainable freight movement.

Over the last 10 years 32 Freight Facilities Grant awards totalling over £60 million have been made in Scotland. These have already removed over 80 million lorry miles from Scotland's roads by transferring freight to rail or water.

Recent projects include:

- an award of £2.3 million to Inverness Harbour Trust which is funding part of their new expansion programme which will enable freight to be transported by sea rather than on the A9;
- supermarkets are moving goods direct by rail from across the border to the central belt. A significant number of lorry trips containing Asda and Tesco goods have

been removed from Scotland's roads as a result of these grants;

- a 12 km over-ground conveyor belt has been built in Ayrshire with freight grant support of £2.2 million. This conveyor belt, the longest in Europe, will transfer 600,000 tonnes of coal a year from an open cast mine to a railhead without having to be moved by road through the village of New Cumnock.

The Freight Action Plan (section word count 110)

The Freight Action Plan covers all modes of transport- road, rail, air and water and was developed following a combination of economic analysis and extensive stakeholder consultation.

Its purpose is to make Scotland a place where movement through the entire supply chain is efficient and sustainable, on an integrated and flexible transport infrastructure thus allowing Scotland's businesses to compete and grow in a global economy.

One of the Plan's main objectives is to minimise the advers

The Scottish Government will continue to work with partners within the freight industry, the business community and the wider public sector in delivering the Freight Action Plan.

Conclusion (section word count 46)

Thank you for the opportunity to talk to you this morning. I hope that I have been able to give you a clear picture of the Scottish

Government's intentions for transport and the impact it will have on the environment. Enjoy the rest of the day.

Total word count = 1633