

# **MEETING OF THE PARLIAMENT**

Thursday 27 January 2000

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## Scottish Parliament

Thursday 27 January 2000

[THE PRESIDING OFFICER *opened the meeting at 09:30*]

**The Presiding Officer (Sir David Steel):** Good morning, everybody. Today, we have an all-day debate on the Executive's proposals on wider access to further and higher education. It will be interrupted only by question time this afternoon.

Members who wish to speak in the debate—this morning or this afternoon—should press their buttons now, so that while the minister is speaking we can calculate what length members' speeches should be.

### Further and Higher Education

09:31

**The Minister for Enterprise and Lifelong Learning (Henry McLeish):** I will start by briefly reminding members of the outcome of yesterday's discussions—if an objective judgment can be made of them. The Cubie committee report was excellent. It set out a new direction for student support and new principles that we wholeheartedly endorse. I hope that, later today, the whole Parliament will endorse them too.

Our response has been to consider the priorities. We were especially struck by the Cubie committee's reference to equity groups. If there is one issue that transcends all political considerations in Scotland, it should be the need to provide help for those who need it most and the need to break down the barriers—which are still substantial—that prevent access to higher and further education across the country.

We concentrated on three areas. First, we will abolish tuition fees. After the political discussion dies down, I hope that there will be a recognition throughout Scotland that that will be done. It will be achieved by the autumn. Secondly, we decided that bursaries should be targeted at low-income students. Regardless of where the taper takes effect, and regardless of whether one party's view of generosity is different from another's, I hope that our announcement yesterday provides substantial help for those on the lowest incomes in the country. Thirdly, we announced a graduate endowment to fund support for students in the future.

The partnership is no stranger to trying to improve access and funding for students. Since the coalition was established in May last year, we

have doubled the loan funding for part-time students on low incomes to £6 million from 2000-2001. We have introduced a £9 million pilot scheme over three years to encourage students from low-income families to stay on at school with a view to going into higher education. We have also provided more cash for access funds to relieve financial difficulties that are faced by higher education students.

Aside from the political debate—which is an obvious concomitant of our discussion today—I want to impress on the Parliament that this is part of a continuing process of trying to address the issues that the Cubie committee quite rightly addressed. It was important for me to put the debate into the context of what had already been done.

I want to stress how absolutely imperative it is to help people on low incomes. That help does not start in university or college. At the moment, we have a pilot project in Ayrshire, offering an education maintenance allowance. Because of a lack of peer group pressure or a lack of resources, or possibly because their family has never been involved in higher and further education, potential students from low-income families often do not think that they want to go on to college or university.

The tragedy is that there are literally thousands of bright young Scots who—given the removal of constraints—would take up that chance. The Ayrshire project will provide £40 a week to students to encourage them to stay on at school. When they get into school, they have to ensure that they get the necessary qualifications. Substantial transition schemes such as those in Strathclyde and Glasgow make such a major change easier for students from low-income backgrounds.

We are in the position to provide real financial help when it matters so that such young people's student lives can be enhanced and so that they feel they want to be part of further and higher education. I hope that the Parliament will endorse that position today. I cannot stress too much that this is a crucial issue for Scotland. Although we might differ in the margins about what is or is not being done, I hope that we can agree that this is the central issue of the Cubie committee report and of today's debate.

The report comes out against a background of optimism and momentum in higher and further education. Recently, however, there has been much discussion about the diminution in the number of acceptances in Scottish higher education institutions. Figures published by the Universities and Colleges Admissions Service suggest that there has been a 2.3 per cent decrease in acceptances in 1999-2000 compared

with the previous year.

However, a press release that was not picked up last week contained the Scottish Higher Education Funding Council's figures for 1999-2000, which confirm a total of 121,000 full-time equivalents in higher education institutions. That is an increase—not a decrease—of 0.5 per cent. That trend might be small, but it is in the right direction, and we want to accelerate it in the next few years. The total number of part-time students—about 10,500—rose by nearly 500 full-time equivalents; there were 15,600 postgraduate students, which is an increase of 4 per cent, or 600 full-time equivalents; and the number of full-time and sandwich students was 110,700, which is a marginal increase of 250 full-time equivalents, or 0.2 per cent.

We have to use the package to build on a very positive trend without an ounce of complacency, which is why we want to inject a further 42,500 students—2,500 in higher education and 40,000 in further education—over the next three years.

**Mr John Swinney (North Tayside) (SNP):** Is the minister aware of any impending publication containing further statistics from UCAS that might put a rather different gloss on the figures that he has just outlined to Parliament?

**Henry McLeish:** I am always well aware of any reports that UCAS has published or is about to publish. However, an issue that we—and perhaps Mr Swinney's excellent committee—must examine is that although UCAS figures include every English college and university, they give only partial coverage of the colleges in Scotland that provide higher education courses. That tends to distort the figures. However, one issue that cannot be distorted is that the SHEFC figures show a positive trend in the number in higher education institutions, which should encourage Parliament. The important point is that the considerations of the Cubie committee and the Executive should complement what is happening in higher and further education.

Yesterday, I said that the Cubie proposals are part of an excellent report. However, it is important to stress that 30 or 35 recommendations need further work. We are quite happy to undertake that work, and I hope to have discussions with the convener of the Enterprise and Lifelong Learning Committee to find out how that committee can participate in the development of some of those important issues.

However, I should stress that, in the near future, we want to proceed with the child care package. Many people accessing further and higher education want proper support for their children. We believe that that is vital, and I am working with my colleague Sam Galbraith to establish how we

can provide the best package. I hope to have further discussions on that issue.

One thing that I was slightly staggered about was the fact that the means test, which underpins a lot of our work, has not been reviewed in the United Kingdom since 1962—almost 40 years ago. The impact of that is wholly ridiculous. Since then, life has changed. Society has changed. The structure of families has changed. A range of things has changed.

I think that the Parliament will agree that we want to examine those changes closely. It will be for both the Executive and the Parliament to do so.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** Does the minister accept that the easiest way to deal with the means test would be to remove it altogether and to treat students as standalone individuals, deserving respect and not being judged by the income of their parents?

**Henry McLeish:** It would be tempting just to say no. I would like to add the caveat that, in the rather bizarre piece of paper published yesterday by the Conservatives—bizarre is the most complimentary word I can find, Sir David—they portrayed what true conservatism still is, whether in Scotland or in the United Kingdom as a whole.

The Conservatives want students from families earning less than £15,000 to get over £4,000 full stop. That equates to a loan plus their bursary. Students from families earning £50,000, £100,000, £150,000 or £200,000 would get the same amount. In my view, that is not justice and is nothing to do with equity. What it reeks of is that while the face of conservatism may attempt to change, it remains firmly rooted in the privilege of the past. That attitude has no place in a modern higher or further education system.

**David McLetchie (Lothians) (Con):** The principle is called universal provision. It applies to health. Why does it not apply to education? It is something that Henry McLeish used to believe in.

**Henry McLeish:** I am not sure David McLetchie should deliberate on what I used to believe in. That said, I think that every member of this Parliament, with the possible exception of the Conservatives, but maybe including two or three of them who might take a different view, believes in equity, justice and access.

We need to build a system that reflects all the positive considerations. I would like the Tories' education spokesman to go to different parts of Scotland and tell people, "We don't care what your income is. We don't care what your background is. We want a commercial loan to be given to you. It will be income-contingent." They do not give a damn about the real issues that Cubie discussed and that we discussed. Unless they start to do

that, they will continue to be lost in the fog.

**Tommy Sheridan (Glasgow) (SSP):** Given the minister's comments, does he agree that the very principle he is talking about is increasing top rates of taxation? Would it not be better for the minister to argue with his party to increase the top rate of taxation, to pay for higher education and provide better grants?

**Henry McLeish:** We are getting better bursaries with our package. We are getting the abolition of tuition fees. We are getting a student contribution, called the graduate endowment. I would have hoped that Tommy Sheridan would come some way towards my position, which is to say that this is real help for those in Scotland who will benefit from the package—and thousands of them will be in Glasgow.

**Mr Swinney:** The minister has touched on the abolition of tuition fees. I wonder whether he can help me out on a point that I am a little unclear about from his statement yesterday. He has made it clear that for Scottish students at Scottish universities, tuition fees will be translated into a graduate endowment in time for this autumn. Can he explain the mechanism by which that will be done? Is any legislation required?

**Henry McLeish:** I am sorry for repeating myself, but the graduation endowment is nothing to with tuition fees. *[Laughter.]*

**Michael Russell (South of Scotland) (SNP):** It's the way he tells them.

**Mr Swinney:** The ministers are laughing too.

**Henry McLeish:** I am sure that if I repeat it 500 or 1,000—or even more—times, it may penetrate the minds of some of members in the chamber.

**Mr Gil Paterson (Central Scotland) (SNP):** Will the minister give way?

**Henry McLeish:** I am responding to John Swinney first, but I am happy to let Gil Paterson intervene in a moment.

There is no link between the graduate endowment and tuition fees. We in the partnership appreciate that, Scotland will appreciate it and the two main Opposition parties will be isolated.

The more encouraging feature is that we will be able to abolish tuition fees this autumn. That does not require legislation. There will be an Executive action. That shows that we will not hang around on this issue. We want to move quickly.

**Mr Paterson:** I cannot believe the minister if he is saying that the Executive is abolishing tuition fees. All it has done is put them on hire purchase.

**Henry McLeish:** I will be happy to explain some of the details of the report.

Students will get financial help. People appreciate that. Tuition fees will be abolished, no strings attached. There will be a graduate endowment that allows a contribution to be made to the future well-being and welfare of students.

**Mary Scanlon (Highlands and Islands) (Con):** If the minister wants to get more children from lower-income families into higher education, why did the Labour Government, in its first year in office, slash the maintenance grant by £1,000?

**Henry McLeish:** Yesterday, David Blunkett, the Secretary of State for Education and Employment, announced a package of measures to deal with hardship that takes in bursary provision, child care and the raising of the threshold for loan entitlement. I believe that that acknowledges what Mary Scanlon said. However, I am interested in what is about to happen in Scotland.

The Opposition seems to have changed its position. It campaigned vigorously for the abolition of tuition fees. Now that that has been delivered, it believes that tuition fees will continue under the guise of the graduate endowment. Surely, however, the Executive should be supported by all sides of the chamber for the fact that we will abolish tuition fees in the autumn of this year. Does the SNP support that? Does the Conservative party support that? I want to know whether they will support the abolition of tuition fees.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)** *rose—*

**Henry McLeish:** I will not give way as I must make some progress.

I want to examine some of the income groups that will see substantial benefits. The Cubie committee split mature students into two groups. It said that 40 per cent of them would be eligible for a bursary of about £8,000 and a loan of £7,940. We propose to allow mature students access to a loan of £14,000 and a discretionary bursary of £8,000. That means that our mature students could receive nearly £22,000 during their period of study. That compares favourably with the best bet in the Cubie proposals, which was £15,880, and the worst bet, which was £14,055. Not only will they get that money, they will be exempt from the graduate endowment. Mature students make up 30 per cent of the students in Scotland. This package is focused to widen access and it will give those students more money in their pockets when they start out.

The Cubie committee's proposals, which the SNP is signing up to—to be fair to the Conservatives, they are being consistent and have decided not to sign up to the proposals, but to ignore the committee—would halve the loan commitment for mature students. Our proposal

retains the loan commitment and gives them more money when it matters: when they are starting their course. John Swinney will have a chance to explain why he wants to reduce the amount of money available to mature students.

**Ms Margo MacDonald (Lothians) (SNP):** Does the concept of giving money to students when they most need it apply to postgraduate students who are trying to meet loan repayments and pay off credit cards while working for poverty wages in McDonald's?

**Henry McLeish:** Under our proposals, no student will have any more debt to pay off. When it is recognised that there is substantial financial help at the lowest income levels, arguing Margo MacDonald's point is to go in two ways.

Let us spell out the facts about those who are earning £10,000 and less. Under our package, such people will have more than £16,000, combining loan and the access payment. Under Cubie's proposals, they would have slightly less than £16,000. Under our proposals, they will have slightly less debt than under the Cubie proposals—£10,055 rather than slightly over £11,000. This is an allocation of resources to where they matter.

**Fiona Hyslop (Lothians) (SNP):** Will the minister give way?

**Henry McLeish:** I must make some progress.

My final point may be of interest to the Conservatives, if they are still interested in what Cubie is saying. Under the Cubie proposals, it is suggested that families with an income of more than £50,000 should lose access to any state funding. That would mean that the family contribution for those with a combined income of more than £51,000 would rise from £7,740 to £15,880. We are suggesting, as a sensible measure, that those people should still be able to access a loan of £3,000, which would mean that their family contribution would be £11,055. That would ensure that they have less debt at the end of the process than at present and that a family would not jump that amount, in terms of parental contribution.

That is common sense. I would have thought that, if the Conservatives were true to their past, they would welcome what we are doing for that income group.

**Mr Monteith:** If we compare what the minister proposes with what Cubie proposes, yes, one has to welcome it, as it is an improvement on a poor recommendation from Cubie.

Does the minister accept that the problem lies in the fact that he is cutting the loan entitlement of the group he mentions and that the only barrier to ensuring that they have the same loan

entitlement—or an increased entitlement—is the burden that it would place on the public sector borrowing requirement? Does he also accept that, by allowing those students a commercial rate at which they can choose how much they want to borrow, there would be no impact on the PSBR, and they would be able to fund their time at college or university themselves?

**The Presiding Officer (Sir David Steel):** The minister has been generous in giving way, but he is now on his last three minutes.

**Henry McLeish:** To sum up, none of what Brian Monteith is suggesting makes much sense, either to this Parliament or to the students of Scotland who want some improvement in their position.

Sir David, I accept your courteous invitation to wind up. What intrigued me greatly was the SNP's contribution to the Cubie inquiry—a good letter, as usual, written by John Swinney. In that letter, there is an ingenious suggestion that this Parliament may want to debate—one that we have not considered, and one that the Cubie committee did not consider.

The suggestion is that we should consider pre-graduation sponsorship by the business community. I am always willing to consider good ideas, as are my colleagues. Tucked away in the letter is that interesting little gem. I ask the SNP—I hope John Swinney will address it when he speaks—to what extent it wants the business community to get involved in student funding, and whether that means that, under SNP proposals, resources would be shifted into the private sector and the business community so that businesses can participate more wholeheartedly. All I ask for is a definition of that refocusing of moneys from graduate recruitment packages into pre-graduation sponsorship.

Yesterday, the Conservatives made a point that encapsulates their arguments for the future. In paragraph 10 of their response to Cubie, they say:

“Our argument is simple. If students loans are offered at a commercial rate and are income contingent they should not present a barrier to access and will be taken up only by those who genuinely need them.”

So, commercialisation creeps in. Yesterday, a Conservative colleague raised the question of students going south. At the same time, however—on page 19 of the Conservatives' submission—they say:

“The operation of two different schemes within the UK is perfectly feasible”.

**David McLetchie:** In regard to loans.

**Henry McLeish:** As a postscript they add:

“The reality of devolution, and one of the reasons why we see ourselves as the Party which has coped best with change to the constitution, is that it allows different systems



to operate in different parts of the country. We are confident that on issues such as this that Scotland can dare to be bold enough to try new radical methods and are sure that the rest of the UK would follow our lead within a short period of time."

If that is not waving the saltire and saying that Scotland can take the lead, I do not know what is.

The lion has roared and the mouse in the Conservatives' submission says that we should simply give everybody £4,000. They do not care whether a person earns £1 million or less than £10,000—this is old conservatism returned in a new guise.

I hope that later today the chamber will approve the package that the Executive has proposed. I hope that there will be more consultation and more committee dialogue. I hope that we will have the useful involvement of the Enterprise and Lifelong Learning Committee—of which John Swinney is convener—in ensuring that tuition fees are abolished in the autumn of this year. We will then move swiftly on to redressing some of the injustices in higher and further education. The Parliament should be totally committed to that.

I move,

That the Parliament endorses the Scottish Executive's framework, Working Together for Wider Access to Further and Higher Education, its proposals for the abolition of tuition fees for Scottish domiciled students studying in Scotland and its fair, focused and affordable proposals for widening access, promoting lifelong learning, alleviating hardship and providing support during study.

**The Presiding Officer:** Thank you for sticking to the time limit. I see that some members who previously indicated to me that they would like to speak have not pressed the buttons on their consoles. If they still wish to speak, will they press the buttons so that we can improve our calculations on how long each member will have. Speeches should be about four minutes, but the occupants of the chair will allow injury time for interventions. That should mean that all those who wish to speak will be called.

The situation has not been helped by the fact that throughout Mr McLeish's speech my screen produced all sorts of interesting pictures that had nothing to do with the debate. That is new technology for you. [*Laughter.*]

09:57

**Mr John Swinney (North Tayside) (SNP):** I think that I was one of those guilty of not pressing their button. I am sure that by the end of my speech a number of members would prefer it if I had not.

I welcome the opportunity to have a full debate on the Executive's framework document on student finance—it has been a long time coming.

The SNP has consistently argued for a stable regime of funding support for the higher education sector and for higher education students. At the election last year, we argued for the abolition of tuition fees. At that stage, Labour attacked us for taking that position, but the good thing was that the SNP was not alone in that battle—the Liberal Democrats and the Conservatives both argued for the abolition of tuition fees for all students domiciled in Scotland.

At the election, the SNP also argued for the restoration of maintenance support for Scottish students. That was a pretty lonely battle. Labour had only recently abolished maintenance grants and the Conservatives had no credibility on and no commitment to the issue—a lack of commitment that they shared with the Liberal Democrats.

We now hear—with the benefit of the Cubie inquiry—Labour admitting the total failure of the policy that it pioneered in the Teaching and Higher Education Act 1998. Cubie described the existing system as discredited. Labour has now implicitly conceded that that is the case, but its admission has been pretty ungracious. The comparisons of the Executive's proposals that the minister made yesterday in his statement and today in his speech are not with the discredited schemes of the dreaded Conservatives, but with a scheme that the Labour Government produced and promoted and that the minister supported and defended during the 1999 election.

Let me remind Parliament of the Labour party's history on the matter.

"The new student support arrangements . . . are fairer than the present system."

Mr McLeish could easily have coined those words in setting out the Executive's latest position. They are not his words, however—they are the words of Brian Wilson, from a letter he wrote on 8 December 1997 to fifth-year and sixth-year pupils in Scottish schools about the proposals that the Executive has now dumped. If it takes just two years for the previous bunch of Labour proposals to fail the test of fairness and equity, why on earth should we take seriously the latest proposals, which were designed in a political environment to obtain a political fix and not in the considered environment of an independent inquiry?

The Labour party fought the election with a determination to keep tuition fees and denied, throughout the campaign, that there were any problems with the maintenance arrangements for Scotland's students. I am pretty sure that Mr McLeish denied the existence of those problems directly to me during the many debates in which we both participated during the election campaign. A bit more honesty from Labour ministers about the distress and anguish that they have caused

Scottish students and their families would not go amiss.

**George Lyon (Argyll and Bute) (LD):** Does John Swinney maintain his position that Labour has performed a complete U-turn on this matter, an accusation that he made during his appearance on "Scottish Lobby"?

**Mr Swinney:** I have made it clear in my speech that Labour has implicitly accepted the failure of its higher education policy. During the election campaign, the Labour party argued that there was no need to contemplate the abolition of tuition fees or to address the maintenance crisis for Scottish students. In his speech today, the minister has implicitly admitted that that policy has failed.

As I shall outline later, we now have exactly what Mr Lyon hinted at—a complete and total mess of a higher education policy. The Government has failed entirely to win confidence for its position and is now trying desperately to cobble together a compromise.

**Henry McLeish:** Will Mr Swinney make the SNP's position clear? On the one hand, the SNP is saying that tuition fees have not been abolished but, on the other, it is accusing Labour of making a U-turn by abolishing tuition fees. Which is it?

**Mr Swinney:** Let me clear that up—*[Interruption.]* I would love to respond to Mr McLeish's intervention, if our distinguished Deputy First Minister could contain himself long enough to hear my response.

Mr McLeish has performed an absolute U-turn on maintenance grants. That is a fact. He is also, in my interpretation, supporting a position that has translated tuition fees into deferred tuition fees. Mr Wallace and his Liberal Democrat colleagues—a distinguished band, who are all here today—have supported a position whereby their manifesto commitment to the abolition of tuition fees of all Scotland-domiciled students at UK universities has not been fulfilled. That is a fair, factual statement of all that has happened.

**The First Minister (Donald Dewar):** I cannot resist the temptation to intervene.

My understanding of the SNP position is that it is implacably and totally committed to the abolition of tuition fees. However, one morning, I woke up to hear John Swinney say on "Good Morning Scotland" that Labour must implement in full the Cubie report. As the Cubie report would retain tuition fees, why does the SNP support its implementation?

**Mr Swinney:** The First Minister—I was going to call him the secretary of state—should take care when he listens to the radio in the morning. Perhaps it is getting a bit difficult for him—I know that listening to the media is a bit of a tortuous

exercise for him these days.

The First Minister has been merrily peddling that line in the Scottish media, but he should recognise that I said that I supported the Cubie recommendations with one exception—I could not accept the inquiry's commitment to the abolition of the principle of free education. I cannot be responsible if broadcasters trim answers that people give—*[MEMBERS: "Oh!"]*—nor can I be responsible if the First Minister is a bit hard of hearing when he gets up in the morning.

It is opportune that the First Minister intervened on that point as, later in my speech, I will address the principle of free access to higher education in order to clarify beyond doubt the point that he misheard over his cornflakes that morning.

The SNP did not support the establishment of an independent inquiry as proposed by the Government. Back in June, we supported the immediate abolition of tuition fees and the setting of a remit for the independent inquiry that would allow it to examine the serious issues of student hardship.

I am glad that this debate has got too much for the First Minister, who is having to leave. I hope that he will listen to what I have to say on the television. *[Laughter.]*

**The Presiding Officer:** Order. Members should settle down.

**Mr Swinney:** I take pleasure in recording the SNP's admiration for the careful way in which the Cubie committee conducted its business. I say careful, because the committee listened with care to many representations from around Scotland. I say admiration, because the inquiry produced a dispassionate set of proposals that—with one exception, as I have just explained to our departed First Minister—I am happy to support. Because the committee listened with care, we, too, should listen with care to what it said. The Executive has not done that.

Mr McLeish made his position on this issue very clear in an interview in *The Scotsman* on 13 September. He said:

"It doesn't serve the interests of the political debate if two or three Lib Dems say 'we have a committee but we will totally ignore the findings'. Public money is being used for this committee and the [public] want to see its findings."

I could not agree more. However, it is not two or three recalcitrant Liberal Democrats who are ignoring the findings, it is the entire Administration. We should be listening with much greater care to the findings of the Cubie committee and taking its views much more seriously than the Executive is doing in its proposals.

I have made it clear that on one point the SNP parts company with Cubie. We part company on

the point of whether the principle of free access to higher education is a principle worth sustaining. Why do we take that view? The reason is clear. We believe that a majority of MSPs were elected to this Parliament expressly to defend that principle. That is why back in June we moved our amendment to the Executive motion—to hive off the issue of tuition fees and settle the matter then, enabling an independent inquiry to tackle the issue of student finance dispassionately. We cannot support the Cubie proposal for a graduate endowment, because it breaches the principle of free access to higher education. This Government's proposal to replace the old tuition fees with a new tuition fee called the graduate endowment should be opposed for exactly the same reason.

The Executive tells us that the graduate endowment is required

"to recognise the benefits all graduates obtain from higher education".

What benefits do students receive when they are in higher education? The principal benefit that they receive is tuition. The principle of free access to higher education was breached by tuition fees. The breach has continued with the failure of the Executive to abolish tuition fees for all Scotland-domiciled students. It has been perpetuated by the establishment of a graduate endowment that is founded on the recognition of the benefits that all graduates obtain from higher education.

**Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I am unclear about the SNP's position on one point. We know that stage 1 of this process is the Executive's abolition of tuition fees at the earliest practical opportunity—

**Members:** It is not.

**Andrew Wilson (Central Scotland) (SNP):** It is the endowment.

**Mr Rumbles:** That is stage 2, if you want to call it that. The Executive is moving to abolish tuition fees for students starting in August and September at colleges and universities. Does Mr Swinney support that abolition this year, at the first practical opportunity—yes or no?

**Mr Swinney:** My position could not be clearer. I want to see the abolition of tuition fees for all Scotland-domiciled students as quickly as possible. However, I do not want them replaced 12 months later by a graduate endowment, which is what is on offer.

**Robert Brown (Glasgow) (LD):** Mr Swinney may be coming on to address this, but will he advise the chamber how the SNP would pay for the £108 million net cost of its proposals to support Cubie without the graduate contribution?

**Mr Swinney:** I have no idea where Mr Brown gets his numbers from, but we can debate that later.

**Dr Richard Simpson (Ochil) (Lab):** Tell us what the figures are.

**Mr Swinney:** I have no idea where Mr Brown gets his numbers from.

**Henry McLeish:** Perhaps I can help. The Cubie committee's proposals would have cost £71 million. If the graduate endowment proposed by Cubie is excluded, £34 million can be added to that figure. If the SNP rejected any graduate contribution, the total bill would be £105 million. Those are the figures, and it is important that John Swinney tells us today where he would find that money. We will feel pain in finding £33 million. How much pain would there be in finding £105 million?

**Mr Swinney:** Not for the first time in this debate, the minister is very helpful. Of course, he will realise that the net difference between the proposals for which we have argued—Cubie plus—and the proposals that the minister is funding is £12 million this year. If the minister can find the resources that he says he can to fund the current proposals, I have no doubt that we can find the £12 million to fund the proposals for which we have argued.

In addition, the minister should consider our range of proposals to expand the revenue base of this Parliament, such as the extension of value programme. Perhaps the Liberal Democrats could align themselves with their federal leader and try to persuade the Government not to proceed with its ludicrous cut in the basic rate of taxation at a time when our public services are under enormous pressure. The Liberal Democrats should not give me any lessons in finance.

**Henry McLeish:** Will the member give way?

**Mr Swinney:** I have given way to Mr McLeish several times, but I want to proceed with my arguments—there is much more to come in this speech.

**Phil Gallie (South of Scotland) (Con):** Will the member give way?

**Mr Swinney:** No. I am running out of time and have much more ground to cover.

In considering the continuation of tuition fees and the translation from upfront to back-end tuition fees, I am struck by a religious comparison. We are witnessing a battle between the Free Church and the Free Church (Continuing). Our version of that is tuition fees and tuition fees continuing. A fee is a fee is a fee, whether one is charged today or repays tomorrow. Either education is free or it is not.

**Henry McLeish** rose—

**Mr Swinney:** In the wreckage that remains of the coalition agreement lies the issue of Scotland-domiciled students at universities south of the border. Perhaps this is the moment for Mr McLeish to address—this may be the point that he rises to make himself clear—the difficulties that will be faced by Scottish students attending universities in England and Wales, when the course of their choice is offered only there. I did not get an answer when I raised that issue yesterday; perhaps Mr Stephen will give me an answer when he sums up.

It is time for the Executive to come clean on that point. European law does not prevent the payment of the tuition fees of Scottish students at UK universities. The problem lies in the unwillingness of the UK Government to deal with any consequences of the Scottish Parliament's rightful entitlement to take decisions within its jurisdiction. If Westminster were prepared to pick up the tab for the fees of EU students at English and Welsh universities, as the Scottish Executive proposes to do for the fees of EU students at Scottish universities, the issue would be resolved. The reluctance of Westminster ministers to face the realities of the total failure of their higher education policy holds Scotland back from a fair and stable regime.

The Executive statement makes great play of the 10,000 young students who will receive access payments of £2,000 per year, and the 5,000 students who will benefit from more support while studying. We welcome that, as we have long supported maintenance regimes.

**The Deputy First Minister and Minister for Justice (Mr Jim Wallace):** I am interested to know how the SNP would fund its proposals. It is obvious that Mr Swinney has not understood the Cubie economics, but perhaps he will understand the economics of his own manifesto, which said that the SNP had allocated £38 million to abolish tuition fees for Scotland-domiciled students attending higher education institutions in Scotland and furth of Scotland. What part of that £38 million did he earmark to pay the fees of European students attending institutions in England and Wales? How much of that £38 million was earmarked to fund the fees of English students who, if Scotland were independent, would be foreign nationals?

**Mr Swinney:** Mr Wallace has raised two separate issues. The first question is adequately explained in our proposals for funding the arrangements for students from outwith Scotland. The figure was sourced from the House of Commons library, which I take to be a reputable source of estimates of the amount of money that would be required.

If Scotland were independent, of course there would be differences and changes. However, if Mr Wallace thinks that English students coming to Scotland are to be viewed with hostility, he demonstrates a little Scotlander attitude with which I do not associate myself.

**Mr Wallace** rose—

**Mr Swinney:** Mr Wallace should sit tight while I give a critique of his position. Much of the—

**Hugh Henry (Paisley South) (Lab):** Will Mr Swinney give way?

**Mr Swinney:** No, I want to proceed with my speech.

Much of the heat of this debate has centred on the role of the Liberal Democrats in the coalition partnership. On 17 June last year, Liberal Democrat members argued in this chamber that the quickest way of securing the abolition of tuition fees was to have a committee of inquiry. During that debate, I asked a Liberal Democrat member—I think that it was Mr Rumbles—to explain the logic of that idea. Now it is clear. The minister has told us this morning that no legislation is required and that this is an Executive action. So what was preventing the Liberal Democrats from voting for a motion to abolish tuition fees last June rather than wasting time to reach the position that we are now in, where we will have an extra year in which that burden will continue to fall on Scottish students?

**Mr Rumbles:** I must declare an interest. Before coming to this Parliament, I was a lecturer at Aberdeen College for four years. I therefore have first-hand experience of how colleges work and of the receipt of those fees. If Mr Swinney were to read the *Official Report*, he would see that I said at the time that to abolish tuition fees then would ruin the finances of further and higher education establishments. The SNP motion called on the Executive simply to withdraw fees, but suggested no alternative plans for the universities and colleges. What is being proposed is the fastest possible practical way to abolish tuition fees for students starting courses in the next academic year.

**Mr Swinney:** I simply do not understand that logic. The Liberal Democrats say that there must be a graduate endowment to complete the picture, but tuition fees are allegedly to be abolished this October. We cannot have it both ways, but that is exactly what the Liberal Democrats are trying to do.

**Henry McLeish:** Will Mr Swinney give way?

**Mr Swinney:** I have only one minute left and I still have other points to make.

In June 1999, Mr Wallace raised a point—

**Nora Radcliffe (Gordon) (LD)** rose—

**The Presiding Officer:** Mr Swinney has been generous in giving way, but he has indicated that he is winding up and will accept no more interventions.

**Mr Swinney:** Not happy with the wording of the Opposition amendment in the June debate, Mr Wallace said:

"The amendment would also mean that . . . Scottish students studying in other parts of the United Kingdom would still have to pay tuition fees. That, expressly, was not part of the Liberal Democrat manifesto."—[*Official Report*, 17 June 1999; Vol 1, c 594.]

It may not have been part of Mr Wallace's manifesto then, but it is now. The Liberal Democrats have signed up to a position in which they have delivered an unsatisfactory package and failed on their manifesto commitments.

On the day of the publication of the Cubie report, George Lyon said in a radio interview:

"The deferred system is unacceptable to us."

A repayment of £3,000 on a threshold income of £25,000 is unacceptable, but take £1,000 off that fee and drastically lower the threshold to £10,000 and, somehow, the deal is acceptable.

**Henry McLeish:** Will Mr Swinney give way?

**Mr Swinney:** I have to wind up now.

The style of the scheme is the same, but the shape is a bit fatter, a bit wider and hits more people. The hypocrisy of the Liberal Democrats' submission to the Cubie committee could not be clearer.

The Liberal Democrats' submission is a wonderful document. I could not quite believe it when I saw it. It is entitled "Towards Free Education". Were they in the ministerial car when they decided to go towards free education? Was the ministerial car so comfortable that they decided not to reach that destination? They have certainly failed to reach it.

This is a shabby deal. It is not a mature, sensible, modern view of where Scottish higher education funding should be going in the 21<sup>st</sup> century—the description that Mr McLeish gave yesterday of the Cubie report. It is a political fix designed to keep two parties together in coalition. It is an admission of failure of Labour's higher education policy from Westminster. It is an abandonment of the principles of the Scottish Liberal Democrats, who, despite their protestations, have replaced front-end tuition fees with back-end tuition fees, creating a big disincentive for Scottish students to go to the university of their choice.

The deal will not last. It will not pass its essential tests. Scotland's students have been betrayed by the Executive. They deserve better, and we will

hold the Executive to account for its failure to deliver. [*Applause.*]

I move amendment S1M-461.1, to leave out from "endorses" to end and insert:

"resolves that the principle of free access to higher education must be restored; calls upon the Scottish Executive to abolish tuition fees for all Scottish students at UK universities and opposes the proposals for a Scottish Graduate Endowment as tuition fees by another name, and demands the implementation in full of the other recommendations of the Independent Inquiry into Student Finance."

10:19

**David McLetchie (Lothians) (Con):** In the beginning, there was a man called Tony Blair, who was determined to be Prime Minister at all costs and to say anything and do anything to achieve that objective. In the style that has become his trademark in his first thousand days in office, he promised before the previous election that he had

"no plans to introduce tuition fees for higher education".

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD) rose—**

**David McLetchie:** I shall accept interventions in a moment, but I would like to get started first.

Tony Blair then broke that promise within months of coming to office. Not only that; he abolished what remained of the student grant system at the same time.

The Labour party in Scotland stuck with that policy throughout the Scottish parliamentary election, although fees were highly unpopular, and it won seats in this Parliament on that basis. I respect the Labour party for its integrity on that issue during the Scottish election campaign. It was not easy to defend that policy on the hustings, given that it must have run counter to the political instincts of most of the party's candidates. So I give the Labour party respect for sticking to its guns. However, the coalition partners, the Liberal Democrats, are an entirely different proposition. How much must they now regret all those pledges about abolishing tuition fees that they made during the Scottish election campaign. Who can forget those old election favourites, Jim Wallace and Sir David Steel, the Presiding Officer?

**The Presiding Officer:** You are treading on dangerous ground now.

**David McLetchie:** Who can forget them duetting on that catchy little number,

"tuition fees are dead as of next Friday"?

That was Friday 7 May 1999, lest we forget. Another number was:

"The people of Scotland have made it non-negotiable".

Presiding Officer, we then had your good self taking the lead with words such as:

"tuition fees will go if Labour do not get an overall majority", and, of course, with that much-loved comedy record:

"Mr Dewar has no choice but to accept that tuition fees are effectively dead".

After the election, that happy little duo broke up and went their separate ways. Jim Wallace disowned his earlier compositions and the promises that he made to his fans in his famous election rhetoric piece, and went off to join Donald's rival group, which he had been planning to do all along. Meantime, the Presiding Officer moved on to much higher things, and it was left to a few die-hards to keep the faith alive. Donald Gorrie put out an angry release, calling Wallace's new group

"the biggest bunch of liars you could meet".

Given the events of the past few days, how prescient that remark was. And of course, we had the redoubtable Mr Raffan maintaining that he would

"never, ever compromise on tuition fees".

The Liberal Democrats were given an early opportunity in this Parliament to vote to abolish tuition fees, and to do so with effect from September 1999, because it could be achieved by Executive action, as the minister acknowledged. Instead, most of them meekly followed their leader in voting with Labour to establish the committee of inquiry.

**The Deputy Minister for Parliament (Iain Smith) rose—**

**David McLetchie:** Not just now.

Not surprisingly, that about-turn was not popular with supporters of the Liberal Democrats, who concluded, along with the rest of us, that the party was not one of principle, and had promised to abolish tuition fees only for short-term chart success. The party had no real artistic integrity, and simply was trying to be all things to all men, as per usual. So it came to pass that for the first time in our history, a political party was beaten at politics by a football team.

**Iain Smith rose—**

**Ian Jenkins rose—**

**David McLetchie:** I will take Mr Jenkins first, and Mr Smith later.

**Ian Jenkins:** If I remember after all this time, Mr McLetchie said at the beginning of his speech that in the beginning was Tony Blair. Am I right in thinking that before the beginning there was chaos and darkness?

**David McLetchie:** Very good. The Bible also has a lot to say about—*[Interruption.]* Before Tony Blair, we had seen the fastest expansion in higher education this century. That is a fact, and I will address it later. In addition, in the Bible, which Mr Jenkins clearly is fond of quoting, there is a great deal about truth, honesty and integrity—qualities that he and his party have failed to exhibit in the past eight or nine months.

**Andrew Wilson:** Rather than quote Genesis, would not it be more accurate to say that Maggie begat Tony?

**David McLetchie:** We have probably had enough of the Old and New Testaments.

When we were in office, we did not introduce tuition fees for our students. One of our proudest achievements—as I attempted to explain to Mr Jenkins—was that during that 18 years the number of students going into higher education in the UK rose from just under 800,000 in 1979 to just under 2 million in 1997. In Scotland, the number of school leavers going on to further or higher education rose from 17 per cent to 43 per cent in the same period. We are proud of that achievement, which came about without the introduction of front-end or back-end tuition fees or tuition taxes.

**Dr Simpson:** Is David McLetchie equally proud of the fact that the efficiency savings that the Conservative Government imposed on higher education reduced it to a parlous state? This Government has begun to restore it.

**David McLetchie:** Dr Simpson should not delude himself. That is complete nonsense.

No one pretends that there is an unlimited pot of money for higher education or any other branch of expenditure—*[Interruption.]* Perhaps the Scottish National party does, but I certainly do not. As we demonstrated in the debate yesterday on the Budget (Scotland) Bill, it is absurd for Dr Simpson to pretend that the Executive has unlimited pots of money and that universities are exempt from producing efficiency in the delivery of education to our children, when no one else is.

An even more significant achievement in the period while we were in office was the fact that the proportion of students from low-income families going on to higher education went up from 4 per cent in 1980 to 25 per cent in 1997. That proves that our policies were making higher education more accessible for all.

In keeping with that tradition, we were the first party to produce a costed scheme to abolish tuition fees, the Saltire award, costed at £42 million and agreed at that figure by the Cubie committee. We were naturally delighted when all the other parties—bar one—joined us in the

Scottish Parliament election campaign: the SNP, the Liberal Democrats, the Scottish Socialist party and the Green party all joined us in the call to abolish tuition fees for Scottish students.

Our scheme and the other parties' ideas were based on listening to the concerns of people in Scotland, listening to the fact that the tuition tax—the tax on learning—was highly unpopular. Our scheme would abolish fees outright for Scottish students—no matter where they studied—and give them real choice as to the university that they attended and the course that they followed. We do not accept that it would fall foul of any European Union law. As I said, it has been fully costed.

**Mrs Margaret Smith (Edinburgh West) (LD):** Is it not the case that under the Conservative scheme, the abolition of tuition fees would be funded by charging students double the current interest rates for their student loans? They would be charged commercial interest rates on their loans, which would make them worse off.

**David McLetchie:** That is not true. The detail of the scheme is that the repayment timetable of the loans is income contingent. We do not deny that an element of state subsidy is involved in providing for the maintenance of our students. What we say is that it should be directed through a commercial loan scheme, so that the amount of money involved does not become a burden on the public sector borrowing requirement and a constraint on the spending policies of the Executive. I do not accept that it makes people worse off.

We have lodged a member's bill in this Parliament, on which I hope members will have an opportunity to vote, to bring in our scheme, notwithstanding the fact that we are now being invited to proceed with the dog's breakfast of a proposal produced by the Scottish Executive, which takes the Cubie recommendations and makes them even worse.

A particularly inglorious aspect of this saga is the parochialisation of Scottish universities and the discrimination against Scottish students who wish to study at universities elsewhere in the United Kingdom. That has apparently happened because of legal advice given to the Executive.

We are told that it cannot be done, and that EU law forbids it and presents an insurmountable obstacle. We asked yesterday whether the Scottish Executive would publish the reasoned opinion on which that decision was based, but that request was refused point-blank. So Henry and Jim's lawyers say no. They are a busy band of legal eagles, not only ruling out the proposals of Mr Cubie's committee—and he is himself a distinguished lawyer—but busy analysing our proposals and those of the SNP and the Liberal

Democrats and saying that they would not work either.

**George Lyon:** What do Mr McLetchie's lawyers say? If he comes forward with a proposal to get round the problem, as was said yesterday, the Executive will look at it and act on it.

**David McLetchie:** We are convinced that our scheme will work. If the Executive and HM Government would publish the detailed reasoned opinion, we could have an informed debate on the subject in Parliament. We are being asked to accept the simple assertion by the Minister for Enterprise and Lifelong Learning that it cannot be done. This is a major constraint on the policy-making power of the Parliament. The minister says no and we are supposed meekly to accept that without examination or scrutiny.

**Mr Swinney rose—**

**David McLetchie:** One minute, Mr Swinney. That is from a minister in an Executive that preens itself as a champion of freedom of information—what a fraud.

**Mr Swinney:** Is not it incumbent on a Government that supports freedom of information—as my party does, although Mr McLetchie's party does not have much to be proud of on that in the past—and which is asking Parliament seriously to debate an issue and to recognise serious legal obstacles to proposals being taken forward, to treat Parliament with more courtesy and to make that legal opinion available to Parliament?

**David McLetchie:** I agree. Mr McLeish talks a lot about openness, inclusiveness and involvement and I believe he is sincere in that, so I hope that when the proposals are examined by the Enterprise and Lifelong Learning Committee, he will give the legal facts and allow the matter to be scrutinised and debated.

After all, if we look at the record of the lawyers advising the Scottish Executive to date, they have hardly covered themselves in glory. The same lawyers allowed Mr Ruddle to walk out of Carstairs without pulling out all the legal stops to prevent him; they did not think it worth while appealing the case involving temporary sheriffs. The Scottish Executive was singularly ill prepared for that landmark decision. Perhaps we should import a few French Government lawyers—as we have seen with the beef ban, they do not quail in terror before EU law when it comes to defending the interests of their citizens and their Government. They use their creative talents to further the policies that their people want.

**Iain Smith rose—**

**The Minister for Rural Affairs (Ross Finnie) rose—**

**David McLetchie:** Why is it that the £700,000 investigation undertaken by Mr Cubie's committee did not examine the EU implications of its recommendations, so that our debate could be fully informed by his research?

I think Mr Smith was first.

**Iain Smith:** I ask Mr McLetchie, who is himself a lawyer, whether he is advocating—as he seems to be—that the Executive should ignore and break the law. Is he seriously suggesting that?

**David McLetchie:** Of course not. I wish that the member would not make such fatuous remarks. Everybody who knows anything about the law knows that it is capable of many different interpretations. There are many creative minds that could be put to work to find a non-discriminatory solution to the problem that would not fall foul of European law. I call on the Minister for Enterprise and Lifelong Learning—

**Mr Swinney** *rose*—

**David McLetchie:** Not now, Mr Swinney. I must move on.

**Ross Finnie:** Give way.

**Ian Jenkins** *rose*—

**David McLetchie:** No. I have had enough, Mr Jenkins. I am sorry. [*Interruption.*] No. I have been very generous.

The compromise deal that has been agreed by the Executive is a con that simply substitutes a tuition tax for a tuition fee. It increases division in education and reduces the opportunity for Scots to study elsewhere in the United Kingdom. Jim Wallace and his colleagues have hailed it as a great triumph for their party and a fulfilment of their commitment. I hate to lecture Jim Wallace on his election manifesto—a work of pulp fiction, if ever there was one—but it committed his party to

“Abolish tuition fees for all Scottish students at UK universities.”

Indeed, during our debate on 17 June, Jim Wallace reminded Ms Sturgeon of that fact by repeating the quotation. He went on to attack her, and the amendment that she moved that day, on the ground that

“Under the proposal that she is asking us to vote for, Scottish students at English universities would still have to pay fees.”—[*Official Report*, 17 June 1999; Vol 1, c 618.]

Those were Mr Wallace's words; they are on the record.

Under the Executive's proposals, those students will still pay fees—

**Mr Jim Wallace:** I accept that those were my words. I have indicated that I am dismayed and disappointed that we cannot deliver on that.

If Mr McLetchie would stop for one moment and think, he would realise that the amount concerned would be affordable if we did not, potentially, have to pick up a tab of about £20 million to fund European Union nationals at English and Welsh universities. It is something that we want to do, but it is not being done because the consequences are that we could end up spending substantial money from the Scottish block on funding EU nationals at English, Welsh and Northern Irish universities. I think that the Scottish people would rather see us invest that vast sum of money in Scottish education.

**David McLetchie:** I understand Mr Wallace's point—

**Mr Swinney:** Is it the law, or is it money?

**The Presiding Officer:** Order. Mr McLetchie must be allowed to speak. He is in the last minute of his speech.

**David McLetchie:** I understand Mr Wallace's point; I accept it, but the fact is that he is accepting a blithe assertion on the legal position, and the creative minds have not been employed in achieving the fulfilment of his pledge.

**Ian Jenkins** *rose*—

**David McLetchie:** No, thank you, Mr Jenkins.

This is a cost-cutting exercise. After all the time and money that went into the Cubie proposals, and the discussions that have been had, it seems now that we will go from a position where 60 per cent of students pay fees in whole or in part, to one where 50 per cent of graduating students will pay a tuition tax in full.

The Executive says that things will be no worse. That may be okay for members of the Labour party—they can square that with their own consciences—but the Liberal Democrats were supposed to make things better. They may be able to kid themselves, but they cannot kid the Scottish people. Contrary to what Liberal Democrats may think, we did not all come up the Clyde on a bicycle. Henry McLeish has—

**Ian Jenkins** *rose*—

**David McLetchie:** No, thank you, Mr Jenkins—you probably could manage to come up the Clyde on a bicycle.

Henry McLeish demonstrated the amazing capacity for self-delusion in the Executive when he said today that the graduate endowment had nothing to do with tuition fees. That is absolute nonsense.

**Henry McLeish** *rose*—

**David McLetchie:** The minister also talked about repeating that point 500 times, but the “big



lie" theory of politics did not work for its previous practitioner and it will not work for him or the coalition.

The truth of the matter is—

**Henry McLeish:** Will the member give way?

**David McLetchie:** No. I am in my last minute.

**The Presiding Officer:** No. He is in his last minute.

**Henry McLeish:** Will the member give way?

**David McLetchie:** No, I am sorry. I am in my last minute.

**The Presiding Officer:** He is not giving way.

**David McLetchie:** The truth of the matter is that the majority of students going from school to university will be worse off as a result of the new arrangement. That is nothing to be proud of.

**Henry McLeish:** Will the member give way?

**David McLetchie:** No. I am summing up.

The proposals are a stealth tax—a tax on learning and achievement—and they demonstrate the poverty of the Executive's ambitions. The Liberal Democrats in particular should be hanging their heads in shame for recommending this shabby deal to the Parliament. The only edifying thing that will come out of the whole affair is that no one will ever believe a word that the Liberal Democrats say, about anything, ever again. Thank goodness—it is about time, too.

The motion is yet another reason for the Scottish public to be cynical about the Parliament and politicians in general. We need to get the Parliament back on the right track, as a matter of urgency, to address the issues and concerns that matter to people in Scotland. That means abolishing tuition fees before, during or after the completion of education—as Mr Gorrie said; I agree with him on that. Our amendment seeks to achieve that; the Executive's shabby deal does not.

I move amendment S1M-461.4, to leave out from "endorses" to end and insert:

"rejects the Scottish Executive's framework for its failure to abolish unconditionally tuition fees for all Scottish students and its introduction of a new tuition tax which together with the reduction in loan entitlement for a significant number of applicants puts many Scottish students in a worse position than before."

**The Presiding Officer:** Mr George Lyon will open for the Liberal Democrats.

10:39

**George Lyon (Argyll and Bute) (LD):** Thank you, Presiding Officer. [MEMBERS: "Here we go."]

The cheers have started already.

I give a warm welcome to the new package of student support, as announced by the Executive. I remind everyone that the package is worth £200 million over the lifetime of the Parliament. That is a huge investment in student support.

First, I pay tribute to the hard work of Andrew Cubie and his committee. They established the guiding principles that student support should maximise the opportunity for everyone to gain access to high-quality lifelong learning, and that it should promote social inclusion and the knowledge economy, and enhance a civil society. The package addresses those basic principles.

Cubie identified the present arrangements as being broadly discredited—John Swinney alluded to that in his speech. He identified loan aversion and, most important, tuition fees, as barriers to accessing higher and further education. The £200 million package, which abolishes tuition fees and reintroduces grants of up to £8,000, removes those barriers and provides the best student support package in Europe.

It is a fair package that reverses—

**Bruce Crawford (Mid Scotland and Fife) (SNP):** I seek some advice from George. I do not intend to make a habit of it.

The son of one of my constituents is a medical student at the University of St Andrews. He has to spend three years at St Andrews and two at the University of Manchester. Will George tell me whether a different set of rules will apply for the three years the individual concerned spends at St Andrews to those that will apply when he is at Manchester? How should I respond to my constituent?

**George Lyon:** Of course there will be a different set of rules. Devolution was designed to set up Scottish solutions to Scottish problems.

This is a fair package, which reverses 20 years of cuts in student support by Tory and Labour Governments and abolishes tuition fees.

John Swinney, in an interview yesterday, and Tommy Sheridan, in the Parliament yesterday, both accused the Labour party of doing a U-turn on abolishing tuition fees and reintroducing grants.

**Fergus Ewing rose—**

**George Lyon:** I am glad that John Swinney and Tommy Sheridan recognise that the U-turn came about because the Liberal Democrats are in government, delivering their manifesto commitments. Members cannot have it both ways: they cannot accuse the Labour party of doing a U-turn and accuse us of not delivering.

**Mr Swinney:** I am grateful to Mr Lyon for giving

way.

He said that the Liberal Democrats had delivered their manifesto commitment. Correct me if I am wrong, but did the Liberal Democrats not have a manifesto commitment to abolish tuition fees for all Scotland-domiciled students at UK universities?

**George Lyon:** We did. As I have said already, if the Scottish National party or the Conservatives have the solution, they should bring it forward. We are willing to listen to it.

**Tommy Sheridan:** Will the member give way?

**George Lyon:** I have just taken an intervention. I need to make progress.

The new £200 million package of student support, which abolishes tuition fees and brings back generous grants of up to £8,000, demonstrates that the Liberal Democrats, in government, are delivering on education. Coming on top of the £80 million for education that is already in place, over the period of this Government that is a total of £280 million extra for education. That is a significant investment in our children's future. It is the Liberal Democrats who have delivered that.

**Nicola Sturgeon (Glasgow) (SNP):** Will Mr Lyon clarify whether the new arrangements for tuition fees, to be introduced in August this year, will apply to all students, whether new or existing? If they apply to existing students, perhaps he can answer the following question, which was e-mailed to me this morning by a member of the public:

"My daughter is in first year of a University course. I will have paid £1025 fees this session. With the abolition of fees will my daughter only have to pay £975 after she graduates and is earning £10,000?"

**George Lyon:** Next year she will pay nothing.

**Nicola Sturgeon:** What about when she is earning £10,000?

**George Lyon:** She will pay nothing. Does the member not understand that student fees are abolished from 1 September? *[Interruption.]*

**The Deputy Presiding Officer (Patricia Ferguson):** Order. Please continue, Mr Lyon.

**George Lyon:** She will not pay the endowment grant; from 1 September, tuition fees are abolished.

**Brian Adam (North-East Scotland) (SNP):** Will the member give way?

**George Lyon:** I have given way several times.

**The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen):** Will the member give way?

**George Lyon:** Yes. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**Nicol Stephen:** It might be helpful if I clarify the situation. Student fees are being abolished. That means that the fees of students in the situation that Nicola Sturgeon describes will continue to be paid until the end of their course. Those students will not have to pay the graduate endowment.

I remind members that the graduate endowment is being introduced to fund a package of maintenance for students from disadvantaged families. That is its purpose.

**George Lyon:** I would like to discuss some examples of the benefits of the new package. Mature students will no longer have to pay tuition fees. They will also benefit from £10 million additional grant support, worth an average of £2,000. They will be exempted from the graduate contribution scheme, but will still be entitled to full loan support. That means £2,000 extra cash while they study and not a penny extra in debt when they graduate.

**Tommy Sheridan:** Can George Lyon give examples of employees whose daughters and sons will qualify for the full grant or access fund entitlement? Given that he referred to the comments that I made yesterday, does he agree that his new Labour partners should apologise to the students of Scotland for introducing fees in the first place?

**George Lyon:** I support the comments made by Tommy Sheridan yesterday.

Students with a family income of less than £10,000—10 per cent of students—will not have to pay tuition fees. Those students will benefit from £8,000 in three maintenance grants and a total of £2,000 extra to live on. Furthermore, they will graduate with £4,000 less debt than under the current arrangements. That is a huge benefit to those students who are grossly under-represented in higher and further education.

**David Mundell (South of Scotland) (Con):** Will the member give way?

**Fergus Ewing:** Will the member give way?

**George Lyon:** I have taken several interventions and I would like to make some progress.

Students with a family income of £22,000 per annum will have their fees abolished and will receive £1,200 extra grant. They will graduate £4,330 less in debt than under Cubie's proposals.

**Ms MacDonald:** Will the member give way?

**George Lyon:** I am conscious of the time.

Those figures demonstrate that, across the range of income levels, the majority will benefit

from the package. However, the biggest beneficiaries—this relates to Tommy Sheridan's point—are the students from low-income families who are currently vastly under-represented in our Scottish universities. That is a significant step forward.

**David Mundell:** If those benefits are as Mr Lyon describes—and I do not accept that they are—why should a small group of people living in a community such as Langholm be deprived of those benefits because of their geographic location? They have little or no choice but to study in Carlisle.

**George Lyon:** As the minister said in his reply yesterday, he is very willing to consider providing the grant maintenance package to those students who are attending universities and further education colleges south of the border.

**David Mundell:** He did not say that.

**Mr Swinney:** Will the member give way?

**Fergus Ewing:** Will the member give way?

**Christine Grahame (South of Scotland) (SNP):** Give way.

**Mr Monteith:** Will the member give way?

**George Lyon:** I have taken many interventions. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**George Lyon:** I want to discuss the graduate contribution scheme, which the Opposition is trying to present as some form of tuition tax. Let us get the facts straight: 50 per cent of students will be exempt from repayment. There is a cast-iron guarantee that the majority of students will have less debt than under the present system, even with the loan and contribution combined.

We have also guaranteed that, with the loan and the £2,000 contribution combined, no student will owe a penny more than they would under the current loan system. No graduate will pay a penny extra on their monthly payments, and the majority of graduates, even with the loan and the contribution taken together, will pay off their debts much more quickly than they would under the current arrangements.

**Andrew Wilson** *rose*—

**Fergus Ewing** *rose*—

**Mr Monteith** *rose*—

**George Lyon:** No graduate loans will take any longer to pay off, and most students will pay off their debts much quicker. That is good news for students, and it deals with the issue of loan aversion that Andrew Cubie highlighted in his report.

**Ms MacDonald** *rose*—

**Andrew Wilson:** I have listened closely to Mr Lyon. Will he explain to the chamber and to the watching public why on Scot FM, on 21 December, he said that the Cubie report did not go far enough?

**George Lyon:** Exactly—and that is why this deal abolishes tuition fees with no deferment whatsoever. Fifty per cent of students will not have to make any contribution to the graduate endowment.

**Colin Campbell (West of Scotland) (SNP)** *rose*—

**Fergus Ewing:** Will the member give way?

**George Lyon:** I have given way a good number of times, but Fergus should not worry, because I am keeping an eye on him and he will get a chance yet.

We have heard a good deal of criticism from the SNP and the Tories that Scottish students at English universities will not have their fees abolished. I am glad that they recognise that they are being abolished in Scotland. I repeat our challenge of yesterday: if they have a sensible solution to that intricate legal problem, let us see them put their money where their mouths are and come forward with proposals.

**Mr Lloyd Quinan (West of Scotland) (SNP)** *rose*—

**Fergus Ewing** *rose*—

**Christine Grahame** *rose*—

**George Lyon:** As the minister indicated yesterday, he will be willing to examine and act upon any real solution to the problem that is proposed.

I will give way to Fergus, who has been very patient. I am always very generous to him.

**Fergus Ewing:** Thank you. Speaking as a humble lawyer, I feel that a debt renamed is still a debt, and that a debt deferred is a debt preserved. To illustrate the logic that has been employed by the Liberal Democrats, I ask George Lyon whether he thinks that to defer capital punishment is the same as to abolish capital punishment. Would the answer be different if capital punishment were renamed as involuntary discontinuance of respiration? *[Laughter.]*

**George Lyon:** Fergus has just demonstrated why he needed a career change.

What do the Opposition offer us? David McLetchie of the Tories is now pretending to be the students' champion. That is nothing less than two-faced political opportunism. The Tories have no credibility on higher education and student

support.

**David McLetchie:** Will the member give way?

**George Lyon:** Eighteen years of Tory rule featured cut after cut, 13 separate cuts in all, from the abolition of minimum grants to the removal of benefits and the annual cuts in grants. Eighteen years of Tory cuts created the crises in student funding and the higher education sector. The Tories were the architects of student poverty, so I hope that we will see no crocodile tears from Mr McLetchie.

**David McLetchie:** Tony Blair is the architect of student poverty. And if it was all cut, cut, cut, will Mr Lyon explain why the number of students in higher education in the United Kingdom rose from just under 800,000 in 1979 to nearly 2 million in 1997, a major expansion of which Conservatives are proud? Answer that.

**George Lyon:** Mr McLetchie has given the explanation of why the Tories were the architects of student poverty. The numbers rose and no extra money went in; indeed, the money was cut.

The other Opposition party and partner, the SNP, has so far had five different policies on student support since the previous general election. There have been no fewer than three in the past seven months. The SNP has been consistent in only one respect—the price tag keeps rising, from £50 million at the election in May to more than £110 million today.

John Swinney pledged yesterday that another £20 million would be made available for English students studying in an independent Scotland. Indeed, Nicola Sturgeon, the SNP education spokeswoman, told *The Sunday Times* in September 1998 that the Scottish Parliament could not afford to reintroduce grants. She said:

“When we have got the resources of independence, then we will restore student grants.”

Perhaps that is why the SNP manifesto for the May election promised a grant of just £500 a year for the poorest 20,000 students.

**Mr Swinney:** Will George Lyon set out to Parliament both the Liberal Democrat manifesto commitment on student maintenance for last May's elections and the proposals for student maintenance that his party suggested to the Cubie inquiry?

**George Lyon:** On our commitment on student maintenance, the manifesto mentions

“maintenance of up to £2,000 a year”.

**Mr Swinney:** Will George Lyon give way for a further small intervention?

**George Lyon:** No, I want to finish.

A Scottish Parliament run by the SNP could afford only a grant of £500 a year. The grant proposed by the Liberal Democrat/Labour Executive will be four times greater and will cover 30,000 students—10,000 more than the SNP pledge.

On every issue faced by the Parliament, the SNP's policy has been quite simple: if the Executive spends £100, it will spend £200. Time and time again, the SNP doubles the spend.

**Mr Jamie McGrigor (Highlands and Islands) (Con)** rose—

**George Lyon:** For example, when the Executive says that it will spend £100 million on roads, Kenny MacAskill doubles that figure again and again and again and says that the SNP will spend £800 million on roads. It is the same again today. The Executive is spending £50 million and John Swinney says: “I'll double your money. We will spend £110 million”. This is game show economics.

The SNP's spending pledges since September stand at £2.3 billion, which is £15 million a day of promises. Even supposing the jelly chancellor Andrew Wilson's balls come up in the lottery every Wednesday and Saturday for the next year, he still could not raise enough money to meet SNP pledges. The SNP's double-your-money policies are more suited to Chris Tarrant on the telly, but of course Andrew Wilson would need to phone a friend.

**Mr McGrigor** rose—

**George Lyon:** If it were not for the Scottish Liberal Democrats in government, there would be no Cubie report, no abolition of fees, no reintroduction of £8,000 of grants and no £50 million package for education. We have demonstrated that, under devolution, radical Scottish solutions can be delivered for Scottish problems.

**Mr David Davidson (North-East) (Con)** rose—

**George Lyon:** The question today for the Tory and SNP Opposition partners is whether they will vote with us to abolish tuition fees and restore grants, or whether they will abandon their manifesto commitments and vote against a package that delivers £200 million extra to Scottish students.

**The Deputy Presiding Officer:** We now move to the open session of the debate. As normal, members will have four minutes to speak.

10:59

**Malcolm Chisholm (Edinburgh North and**

**Leith (Lab):** The debate about student funding is a variant of the wider debate about universal versus targeted benefits, and is helped by the concept of opportunity cost, which is unfortunately outside the conceptual universe of the SNP. In other words, it may be desirable to implement Cubie plus at £105 million or even Cubie plus plus at £200 million a year, but not if that means raiding other budgets.

Since 1997, I have taken the view that, ideally, university tuition should be available as a universal benefit, but not if the opportunity cost of that is fewer students in higher education and slowing down the process of widening access for students, particularly those from lower-income backgrounds. I am therefore delighted that the package before us today enables tuition fees to be abolished and access to be widened. Because the opportunity cost of less access is not there, I fully support that aspect of the package.

My primary concern in this debate about student funding has always been about the abolition of grants. Let us remember that grants have always been a targeted or means-tested benefit. I am an honest enough Labour politician to admit that the Labour Government at Westminster has made one or two mistakes in its first 1,000 days. I think that the abolition of grants was one such mistake.

**Tommy Sheridan:** I would just like to make a short intervention. I have been a wee bit encouraged by the Liberal Democrat members behind me. Could Malcolm Chisholm tell us what he thinks are the other mistakes that the Labour Government has made?

**Malcolm Chisholm:** Right, well—

**Tommy Sheridan:** In only four minutes.

**Malcolm Chisholm:** Well, I was going to say something about one that I was involved in, but I will stick to student funding.

Labour has the primary objective of widening access to higher education, in particular for those from low-income backgrounds who would not have gone to university in the past. This is the point that people who praise the old funding arrangements should remember. Those arrangements did not deliver that wider access for students from low-income backgrounds. I am, therefore, delighted that today's package restores a measure of grant to such students. That is the best thing about the package.

I was pleased that Henry McLeish said yesterday that he would investigate the possibility of Scottish students who are studying in England also benefiting from the bursaries. I think that we should all accept—including, I hope, the Opposition parties—that there is a definite problem in European law about tuition fees, with

reference to Scottish students in England. I am by no means convinced that there would be such a problem with bursaries.

I am also delighted by Henry McLeish's announcement today about a forthcoming child care package. I like Cubie's proposal of a £1,500 child care grant for lone parents and I hope that such a proposal will be included in the child care package.

We have to keep an eye on the situation with grants, and I hope that my colleagues in England will do so too. David Blunkett showed yesterday that he is prepared to revise his views on the matter, because there is now a wider access package for England.

We need to monitor how the new student support systems operate, and the test should be to ask whether they enable wider access, in particular for students from low-income families. If we do not get the desired results in terms of our policies for social inclusion and wider opportunities, we will have to revisit the issue of bursaries and grants, possibly with a view to increasing them and widening their scope. Today's package is a sensible first step, and I welcome it totally.

11:03

**Michael Russell (South of Scotland) (SNP):** I support John Swinney's amendment. It gets to the central issue of this debate. The Minister for Enterprise and Lifelong Learning tried to define the central issue in about five different ways in his opening speech. The central issue of the debate is clearly the principle of free access to education.

That is a principle which our predecessors, to their credit, in all the Scottish Parliaments before the union, strongly defended. Scotland was the first to have free access to education. Even in the Westminster Parliament, which I do not refer to often, there was a consistent attempt to continue that principle, largely by the Labour party now in government here. Of the 10 members in this chamber who were MPs when student grants were abolished in 1990, only two in this chamber voted for it. As a little historical footnote, one was, of course, Lord James Douglas-Hamilton. The other was that stout defender of the rights of students to finance, Mr Keith Raffan. The Executive's proposals breach the principle of free access to education. That is what this debate should be about, and we should restate that.

I am sorry that the minister is not in his seat because I have a lot of admiration for Mr McLeish. He can put in some nifty footwork when called on to do so. However, what we heard from him yesterday and today was not so much nifty footwork as bare-faced cheek. He is trying to

present himself as the caped crusader, rushing to the aid of the Scottish student population, which is being threatened by the awful imposition of tuition fees, but he is more like those fantasists who set fires and try to get the credit for putting them out. Who imposed tuition fees? Henry McLeish and his colleagues. The reality is that Mr McLeish is not Batman and Nicol Stephen is not Robin. Mr McLeish is the Joker—he created the problem that he is now trying to take away.

Mr McLeish is guilty of another bit of cheek. He is not doing what he claims to be doing. There is a three-card trick going on—find the lady. It is a trick designed to fool the gullible, and the gullible have been fooled. There sit the Liberal Democrats, content in the belief that tuition fees are being abolished. As Fergus Ewing pointed out, tuition fees are not being abolished. The Executive's sleight of hand has taken in those who want to be taken in.

**Ian Jenkins:** John Swinney made a fuss about a student wanting to go to Loughborough. Why does he think that there is a disincentive to going to an English university? The reason he thinks that is because students get a better deal in Scotland.

**Michael Russell:** The point is simple: certain courses cannot be studied in Scotland. The course at Loughborough was an example of that. I am sure that Mr Swinney will be able to furnish Mr Jenkins with a long list of courses that cannot be studied in Scotland.

**Ian Jenkins:** I reject that. As I have said umpteen times, we should find a way forward together. However, the SNP cannot complain about people not going to England because they are getting good treatment in Scotland. It is ridiculous that a party that calls itself Scotland's party does not like it when a Scottish Parliament produces a good solution for Scottish students in Scotland.

**Michael Russell:** Mr Jenkins does not want to understand this point because gaps appear in his argument once one starts to think about it. We hear that the problem is due to a legal opinion, but nobody can produce the evidence. Mr Wallace let the cat out of the bag and revealed that it was all about money. Access to free education is an inalienable right and the Executive is prejudicing that by the actions that it is taking.

The honest position would be to say that tuition fees should go. The Liberal Democrats said that endlessly in the election campaign. In May 1999, Jim Wallace said that the people of Scotland had made the scrapping of tuition fees non-negotiable. We have since had the longest period of non-negotiations that we have ever seen. There have been six weeks of non-negotiations designed not to help students but to ensure that the makeshift

coalition goes on as long as possible.

The principle of free access to education is dear in Scotland and produces great results. We are used to the shifting sands of new Labour, but the Liberals—although known to be vacillating and vague—once had principles. As I was falling off to sleep last night, I was reading the Liberal party's 1945 election manifesto. [*Laughter.*] I find Liberal manifestos to be more effective than any sleeping draught. It said:

"Our place in the world will depend on the character of our people and on minds trained to understand and operate the complex technical achievements of the modern world. We cannot afford to neglect talent which lies unused because of the poverty of parents."

If the Liberals had stuck to their principles, today we would be voting down tuition fees, not imposing new ones.

11:09

**Dr Sylvia Jackson (Stirling) (Lab):** In a previous debate on tuition fees, I supported the need for an independent review to examine not just tuition fees, but student finance in general, including student hardship.

Listening to SNP members this morning, it seems to me that they cannot get out of the groove of tuition fees to look at the wider issues. That is one of their big problems.

I remind all members that the Scottish Executive's "Partnership for Scotland" document not only emphasises the importance of education and lifelong learning, but talks about

"a culture of lifelong learning which cuts across traditional boundaries and reaches Scottish people of all ages and all backgrounds."

The key intention is to maximise opportunity for all to be able to access high quality lifelong learning.

I would argue that the principles in the partnership document are the same as those in the Cubie report and the proposals that were announced yesterday. Henry McLeish spoke yesterday and today about widening access. At the moment, only 10 per cent from the lowest income groups go on to higher education. I ask Mr McLetchie where he gets 25 per cent from. He also seemed to be somewhat overstating things when he talked about funding. As I understand it, funding decreased by 30 per cent per student during the Tory years.

Henry McLeish also talked of the importance of widening access in terms of social justice and—for the Scottish economy—the knowledge economy. Because I believe widening access and the need to focus precious resources—this is an important aspect of affordability—on those who might otherwise be excluded from further and higher

education is important, I shall spend the remainder of my speech addressing the ways in which the proposals will affect students in further education.

We all agree that, up to now, further education has been the Cinderella of the system. Further education is the sector in which 40 per cent of Scots enter full-time higher education for the first time, and the sector in which, on completion of an HNC or HND—according to the figures for 1996-97—53 per cent continue in full-time study. It is the sector in which 70 per cent of those who receive Students Awards Agency Scotland awards make no contribution because of low family income, and in which colleges distributed £44 million of bursary awards to 26,000 full-time students in 1997-98. It is the sector in which students suffer hardship.

What will the new proposals mean for the 52,000 full-time students in further education colleges? I will quote from the briefing of the Association of Scottish Colleges. They will mean:

“Abolishing . . . tuition fees for all full-time students.

Exempting students on Higher National courses (as well as students who are mature, disabled or lone parents) from having to contribute to the Scottish Endowment or graduate endowment scheme.”

**Brian Adam:** Does Dr Jackson share my view that that is yet another example of new Labour spin-doctoring and an abuse of language? My understanding of the word endowment is that it is a gift. As far as I can tell, there is no gift here at all—merely a tax. Does she share my condemnation of the use of the term endowment when a tax is meant, which is the opposite of a gift?

**Dr Jackson:** I disagree totally with Brian Adam. It is money that is going to be put back into the system to help students from poorer backgrounds.

The ASC briefing continues by saying that

“Offering £2000 Access payments towards living costs of students from the poorest families”

will also help.

**Andrew Wilson:** According to the logic that Dr Jackson has just used, the poll tax—or community charge, as the Government liked to call it—would be called the poll endowment.

**Dr Jackson:** Let us stick to student funding this morning, please; time is running out.

Although the Association of Scottish Colleges recognises that the proposals constitute a substantial step forward, it accepts that there is still some way to go. It

“welcomes . . . the assurances given in the Scottish Executive’s ‘Framework Documents’ that:

No Scottish student will be worse off than under the present arrangements

The shortfall from abolishing tuition fee contributions will be made good in grant funding for colleges (and universities)”.

It is obvious that more can be done in a sector in which 81 per cent of students study part time. That figure includes the 350,000 students who currently receive no help with paying their fees and study expenses or with costs such as travel and child care. Henry McLeish mentioned, however, that some measures to deal with that are in train, including funding for part-time students and students continuing at school.

Finally, while I recognise that the proposals could not deliver everything for everybody and that affordability is a big issue, I urge the chamber to support the coalition motion. It is a valiant attempt to address the key issues of widening access to education and social justice within the resources that are available to Parliament.

11:15

**David Mundell (South of Scotland) (Con):** I should point out that I prepared my remarks before I understood that Mr George Lyon was speaking on behalf of the Executive, so they were, perhaps, written in a slightly different context.

I always understood that the purpose of devolution—and the result of it—was that no group in Scotland would be unduly discriminated against. The word fairness appears in very large letters on the front cover of the Cubie inquiry consultation document. I was therefore particularly disappointed yesterday by Henry McLeish’s response to my question on the position of students from the south of Scotland who study in Carlisle and elsewhere in the north of England. They will be forced to pay tuition fees while other students—[*Interruption.*]

Sorry; given his constant bobbing so far this morning, I thought Ian Jenkins was about to bob up just then.

Students from the south of Scotland who study in the north of England will have to pay tuition fees, while those who move to Glasgow or Aberdeen will not. That is all the more disappointing as it was announced by a minister who has, on previous occasions, given such a boost to students in the south of Scotland through his support for the Crichton College of the University of Glasgow in Dumfries.

The Crichton campus is not a solution for all students in the south of Scotland—at least until further technological links are developed. The geography of, and the transport links in, Eskdale and lower Annandale, for example, mean that Carlisle is the only practical option for many students. We are not talking about a purely academic choice, such as whether to go to university in Oxford, Cambridge or even

Loughborough; the choice is influenced by bus services to the only place that can be reached in a reasonable time. It is ridiculous to suggest that students from Eskdale should travel to Carlisle and then on to Dumfries—as the transport routes would require—to qualify for the Executive's new proposals.

Many other students in the Borders are in a similar position.

**Ian Jenkins** *rose*—

**David Mundell:** As Euan Robson is not present, it would be useful if Mr Jenkins would address the important issue of students from the Borders.

**Ian Jenkins:** I agree with everything David Mundell has said and I will join all those who want to improve the proposals to support such students. Let us not kid ourselves—this is a problem. Stepping back from the current position does not mean that we must not introduce some of the other proposals for giving students a better deal in Scotland. David said that it is a shame that students from the south of Scotland who study in the north of England should have to pay tuition fees. Tuition fees are being abolished, but it is a pity that there are problems in the Borders. We should try to solve them

**David Mundell:** That was a generally useful contribution, but simply saying that tuition fees will be abolished does not make it happen. I have said many things that it would have been extremely helpful to have become reality just because I said them often enough.

**Mr Keith Raffan (Mid Scotland and Fife) (LD):** Will Mr Mundell give way?

**David Mundell:** I will not, unfortunately, give way to Mr Raffan.

**Mr Rumbles:** He is feart.

**David Mundell:** Having seen Mr Raffan's voting record on the issue, I will give way.

**Mr Raffan:** Will Mr Mundell congratulate the Executive on abolishing tuition fees for more than 97 per cent of higher education students and for all full-time further education students? That means that 40,000 more students will benefit than would have benefited as a result of the original pledge. Will Mr Mundell accept and acknowledge that?

**David Mundell:** No, I will not acknowledge that, Keith. However, I will acknowledge that an arrangement has been put together to allow the coalition to stay in place—that is the reality of the situation.

I shall now return to my speech. The minister previously argued that no one would be worse off under these proposals. I contend that students for

whom studying in Scotland is not a practical option should not be deprived.

**Dr Elaine Murray (Dumfries) (Lab)** *rose*—

**David Mundell:** I was going to mention Elaine Murray, so I will take her intervention.

**Dr Murray:** David Mundell is aware that we share a concern for students who live in the areas he mentioned, for whom there may be no alternative to studying in the north of England. Does he accept that it may be a question of what is legal, as making out an exceptional case for those students may be prevented by EU law? Does he agree that we should ask the Executive to investigate whether other imaginative solutions exist that could alleviate the problem for those few students who fall into that category?

**David Mundell:** I agree in broad terms with Elaine Murray. Yesterday, I asked the Executive to apply as much imaginative thinking to come up with a solution for those students as it applied to keeping the coalition together. If as much effort went into dealing with those students as went into preserving the coalition, given the number of meetings that were held and the amount of resources that were used up, the Executive would probably have come up with a solution.

I am pleased that there is consensus that that issue must be addressed and that it goes wider than the issue raised by Richard Simpson yesterday, which focused more on poverty than on the broader issue of accessibility.

The Conservatives are confident that our proposed saltire awards scheme would meet the legal requirements. We are not confident in the legal advice that the Executive says it has been given, but will not show us.

Recently, the Executive seems to have been good at getting rid of advisers, whether for reasons of advice that it did not like or otherwise. It seems to me that it is time the Executive got rid of its present legal advisers and employed someone who will give an objective view of the EU issue.

11:22

**Dr Richard Simpson (Ochil) (Lab):** I welcome, in general, the package that has been put together and recognise that some transition arrangements—the fine detail—still have to be made. Frankly, if the opposition parties are reduced to attacking that fine detail, they should at least acknowledge as valid and important the changes that the Executive has made.

I have raised already the issue of poorer students who study in England. I welcome the fact that the minister will consider that issue. David Mundell raised important elements, which must be



considered. If we can find a way to help those students, we should do so.

**Fiona Hyslop:** Will the member give way?

**Dr Simpson:** I will not give way yet—I want to get into my stride.

Margo MacDonald said that independence would help. Independence would add further to the SNP's problems of finance. It would have to fund all the English students who study in Scotland, as fees would also be abolished for those students. I cannot see how independence would help our budget to any great extent.

I wish to pick up on the myth of free education, which has been peddled during the debate. What about the further education students who have had to pay fees for years? It is nonsense to talk about free education.

**Andrew Wilson** rose—

**Dr Simpson:** I wish to address serious issues that lie beyond the present agreement. In my submission to Cubie, I raised concerns about students on longer courses. While I welcome the £2,000 for poorer families, I remain concerned about the fact that very few people from poorer backgrounds get on the longer courses, such as medicine, dentistry and veterinary science. I hope that, as we develop our economy and generate more money, we are able to consider increasing access for those people.

I will take an intervention from Andrew Wilson now.

**Andrew Wilson:** I am grateful to Dr Simpson for giving way. He is to be congratulated on asking about bursaries for students south of the border, which was one of yesterday's more helpful questions.

If it is illegal to pay tuition fees for students from Scotland who study south of the border, but legal to pay them a bursary, can Dr Simpson tell me whether it is illegal to pay them a bursary that covers the cost of their tuition?

**Dr Simpson:** I cannot give Andrew Wilson an honest answer to that question, as I am not a lawyer. This is a complicated situation and, undoubtedly, his question raises just the sort of issue that must be addressed. Ian Jenkins and, I am sure, other members, would welcome a positive input from the opposition parties on how we can manage the situation in the best possible way.

I welcome in this package the exemption of disabled students from the graduate endowment, which is very much in line with new Labour's philosophy of focusing resources to the best advantage of those who are disadvantaged. I also welcome in the framework document that has

been produced, Sam Galbraith's commitment to examine child care. In my evidence to Cubie, I pointed out that only eight establishments currently provide free child care and that at 23 there is no provision. In the interests of greater access, we need uniformity in that area.

A number of the Cubie committee's recommendations relate to reserved matters. In my evidence to the committee, I indicated my concern about prescription charges for students. The problem is that student loans are treated as income when assessing benefits, irrespective of whether students take out loans. We need to address that, as some students are unable to afford prescription charges. The £2,000 access charges will help the poorest students in that regard.

In this speech, I have chosen to look forward and to raise issues that are of continuing concern, and I call on the Opposition to join me in that. I am concerned about the fact that the SNP is talking about £100 million plus—throwing the money around willy-nilly, rather than focusing it on groups that need it. The SNP needs to tell us precisely which problems it would address, or whether it simply intends to continue spraying money around.

Mr McLetchie responded to my intervention by saying that university funding had been increased. I do not doubt that, but the per capita expenditure was so reduced and the universities' position so disabled that the Dearing committee had to be set up, which led to the introduction of tuition fees. We must remember that tuition fees were introduced in a way that was designed to protect the poorest families and the poorest students. The intention was to provide universities and colleges with an income stream. I welcome, therefore, the Executive's absolute commitment to maintain the £42 million that is being invested in the higher and further education sector, because we must preserve its competitiveness. I hope that, as the economy grows, we will address some of the discrepancies in funding certain groups of teachers in the higher and further education sector.

I welcome this package. We need to address some of the issues that are left outstanding, in both reserved and general matters. However, I call on the Opposition to work positively with us, instead of carping or calling for us to spend vast amounts in a totally profligate manner.

11:28

**Robin Harper (Lothians) (Green):** Yesterday, at its invitation, I visited the National Union of Students at its offices in Forth Street and listened

to its concerns about the Executive's proposals. I remind all members present that on the front of the Cubie report is the word "Fairness". Representing my party, I am absolutely opposed to the introduction of a student tax. Whatever the Executive says about this proposal, it is a student tax. Standing here on behalf of people who have been listening to constituents—

**Mr Rumbles:** Will the member take an intervention?

**Robin Harper:** A very short one.

**Mr Rumbles:** Does Robin Harper recognise the limitations on the authority of this Parliament, and that it is not allowed—even if it wanted to—to create a new tax, other than to raise income tax?

**Robin Harper:** I will come to that. Of course I recognise what Mr Rumbles has said. If he had not interrupted me, he would have heard my next sentence, which is that I am prepared to face the realities that are before us. I am, therefore, addressing the Executive's proposals from a realistic point of view—from the perspective of what needs to be debated in this chamber, rather than in the context of basic policies that have been adumbrated in the past. We must move forward.

The Executive proposal is very different from recommendation 35 of the Cubie report, which seemed fair to the students. Recommendation 35 states that only people who go straight or soon into jobs with salaries of more than £25,000 should contribute to the endowment fund. Students do not think it is fair that people must start to repay once they have a salary of £10,000. The measure is, in effect, a student poll tax.

Mike Russell describes the Executive's proposals as a three card trick—the £2,000 that students pay in addition to everything else has suddenly gone. Where is it? In winding up, will the minister explain how the £2,000 disappears in the Executive's calculations?

It appears that the Executive has examined the realities but has addressed them through a philosophy of fiscal and administrative convenience—similar to the philosophy of Wendy Alexander in extending the right to buy to housing associations. The endowment fund will be the quickest way of raising the money needed to pay for maintenance grants, which I congratulate the minister for addressing first, as that is to get things the right way round.

I ask the minister to pay careful attention to the concerns expressed by Malcolm Chisholm, and by the students in the short time they have had to consider the proposals. The students feel that although maintenance grants are a start, they will not do enough to encourage pupils from poorer families to enter higher education.

I shall have to vote for the SNP amendment. I do not know what I will do in the final vote, because I am not satisfied that the Executive has accepted Cubie in the spirit of fairness in which it should be accepted, either for students who must pay money back or for students who are held back by their straitened circumstances.

11:32

**Fiona Hyslop (Lothians) (SNP):** I should declare an interest, as I worked in financial services and, unlike the Government, know the difference between an endowment and a mortgage: an endowment is a gift and a mortgage is a debt. The Executive proposes a debt to pay for university education, so this package does not deliver free education; it just delays when the debt accrues so that, instead of accruing during the period of study, it becomes liable at the end. It is a fee system that produces a millstone mortgage debt or, worse, regressive taxation. We have back-door instead of up-front fees.

I want to take up Robin Harper's point about fairness. Let us consider the threshold for repayment of this debt. Yesterday, Henry McLeish said:

"We think that the £10,000 level is imaginative, as it removes the need for another administrative burden. It is important that we spell out that message throughout Scotland."—[*Official Report*, 26 January 2000; Vol 4, c 428.]

It is important not that the level should be fair, but that it should be convenient to the Government. Presumably, the minister thinks that the level is fair and that graduates can afford repayments.

**Robert Brown:** Will the member give way?

**Fiona Hyslop:** No. The Lib-Lab coalition is keen to gloss over the fact that £10,000 is less than the figure for male median earnings. We all know that in the current job market many graduates' first jobs are low paid. Under the Executive's proposals, a person earning as little as £4.80 an hour will have to pay back tuition fees. An adviser in a call centre or a charge-hand in a fast food restaurant is deemed by this Government to have earned sufficient premium from their education to warrant the repayment of their debt to the state.

The principle of deferred fees that Cubie outlined relies on an education premium. Cubie's proposals recognise that the possession of a degree gives a premium, but that it is not always immediate or inevitable. The important issue is when the education premium should kick in. Page 128 of the Cubie report states:

"A high threshold for repayments provides an in-built mechanism to ensure that no student or potential student need be disinclined to study for a degree. They are 'insured' against the risk of not earning a graduate salary

premium, in that they will not be expected to contribute to the Endowment unless they are earning a salary significantly higher than annual average income."

**Robert Brown:** That is all very well and I think members will have sympathy for the points Fiona Hyslop makes, but is the SNP proposing a separate system of collection for those repayments?

**Fiona Hyslop:** To spell it out, we would not have tuition fees, so we would not have to find solutions to the coalition's problem of fee repayment.

**Ian Jenkins:** Will Fiona Hyslop give way?

**Fiona Hyslop:** I would like to move on.

The minister assures us that fewer people will repay the graduate contribution than pay tuition fees. That is the nub of the problem. In straight language, the proposals mean that whereas only 30 per cent of students paid the old full tuition fees, 50 per cent will have to pay the new tuition fees. That is double-speak. It is quite clear that if 50 per cent of students are liable, more people will pay the new tuition fees than pay the old tuition fees. That is Orwellian in the extreme—and that is with only seven spin-doctors.

Many people who are thinking about going into higher education will be deterred. Steve Durrant, president of the University of St Andrews students association, was quoted in *The Scotsman* yesterday as saying:

"We are particularly unimpressed with the idea of repaying tuition fees once a graduate is earning £10,000."

The Scottish Low Pay Unit recognises that £10,000 is a poverty wage.

This Parliament condemns the Executive, because the Lib-Lab coalition insists that recent graduates—people who may want to set up home and have families—must pay tuition fees. It is feeble to try to shift the burden of the old tuition fees from middle-aged parents to young families starting out in life. Where once the Labour party sought to lift people out of poverty it now condemns them to return again to poverty. This is a face-saving exercise for the Lib-Lab coalition and a slap in the face for the young people of Scotland.

The new tuition fees are a form of regressive taxation. There is much talk from the Executive about social inclusion, but people can see through that sham. The Scottish people are sharper than the Executive thinks. They know that the Liberal Democrats have sold out. With a £10,000 annual threshold, they also know that the Labour party has sold them short.

11:37

**Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I have spent the whole of my adult life in adult education and training. In the four years before I entered Parliament, I worked at Aberdeen College, which has many higher national diploma and higher national certificate students, so I know something about the sharp end of student funding.

On 17 June 1999, in the previous debate on tuition fees, I said:

"I will finish by warning the coalition Government. I have heard mention of abolishing tuition fees in 2001-02. That is not on. It is my clear understanding, and I was delighted to hear Jim Wallace confirm it today, that the committee of inquiry will report to this Parliament by the end of this year . . . and we will abolish fees for the next academic year at the first practical opportunity."—[*Official Report*, 17 June 1999; Vol 1, c 608-09.]

Well, the time has now come to end tuition fees and this is indeed the first practical opportunity to get rid of them. I welcome enthusiastically the Executive's proposals.

In the media and among Opposition MSPs, attention has unfortunately focused almost exclusively on the issue of tuition fees. However, I must point out that our manifesto last May highlighted two main issues. We said that not only would we abolish tuition fees but that we would widen access and attack student poverty by funding maintenance of up to £2,000 a year. Is that familiar?

**Andrew Wilson rose—**

**Mr Rumbles:** Wait a minute; wait for it. We said that that maintenance money would be paid to mature students and to those in greatest financial difficulty. We have improved on that with this agreement.

**Andrew Wilson:** Will Mr Rumbles give way?

**Mr Rumbles:** Give me a moment. It is no wonder that the Liberal Democrat group was unanimous in welcoming the Executive's proposals, which are without doubt first-class news, as they mean that fees will be abolished now. There is no longer any question of anybody writing out cheques to go to university. I wish that David Mundell were still in the chamber to hear me say that. It is not wishful thinking; it will actually happen if he votes for it.

Students in further education establishments, such as Aberdeen College of Further Education, will be pleased, as not only will there be no fees for HNC and HND students, but there will be no requirement on them to make a graduate contribution. We are talking about thousands of students.

Next, we shall introduce a new endowment

programme, which will mean the restoration of student grants of up to £2,000, especially for the poorest students. As we all know, that will be funded by contributions from the Executive and from ex-students, once they are in a financial position to contribute to a special endowment fund for future students.

**Christine Grahame:** I am seeking an explanation. I am a simple person. If someone pays their tuition fees now, they will not have to pay the £2,000. If they have them paid for them under the new scheme, they have to pay back the £2,000 when their income reaches £10,000. Obviously, there is a link between not having to pay under the old scheme and having to pay back the money under the new scheme. When is a loan not a loan, or a tax not a tax? Mr Rumbles is dealing in sophistry.

**Mr Rumbles:** The tuition fees of £3,075 that students currently pay will be abolished if Christine Grahame votes to abolish them. Students who go to college in September will not pay any fees and will not pay a contribution to anyone. Christine Grahame should put her vote where her talk is.

I have one technical point to make to the Minister for Enterprise and Lifelong Learning about the fund.

**Andrew Wilson rose—**

**Mr Rumbles:** Hang on a minute. I want to make my technical point and have a proper debate. To be effective, the fund must be separate from, and be administered separately from, general taxation. That would improve the scheme. I hope that that point will be addressed when the legislation is brought forward in due course, so that we can see clearly that the fund is an endowment.

Two of our manifesto commitments—the abolition of tuition fees and the widening of access to further and higher education—are now being delivered and the supporters of the Liberal Democrats in this country are well pleased.

**Mr Davidson:** Would not it have been clearer and more honest to the Scottish people for members to acknowledge that three separate issues are being fudged today? One is the issue of tuition fees, on which we had clarity of view before the election. The second is student poverty and the third is adequate funding of further and higher education. Does not Mr Rumbles honestly wish that the Liberals had gone down the original route, where we could have disposed of tuition fees—as we said we would—and then dealt with the other issues properly and not put them together in a fudge? That requires a yes or no answer.

**Mr Rumbles:** I will answer those questions about the fudge that Mr Davidson keeps talking about. In his letter that was published in *The Press*

and *Journal* this morning, he said that he was moving to my constituency of West Aberdeenshire and Kincardine. Are we starting the election already? Can we keep the rhetoric down and just look at the facts?

Let us turn to the nationalists. I know that their frustration is genuine, because they cannot successfully portray this agreement between the Labour party and the Liberal Democrats north of the border as a U-turn by Labour and a sell-out by the Liberal Democrats. The agreement cannot be both at the same time. They are frustrated because they do not understand.

**The Deputy Presiding Officer (Mr George Reid):** I have been relaxed about time, Mr Rumbles, but you have one minute left.

**Mr Rumbles:** In conclusion, this is a first-class agreement. I am delighted that our partners have agreed to scrap fees and establish a new package from 2001 for the reintroduction of grants for at least a third of our students. I would like to think that this is not an example of the tail wagging the dog, as it was described in yesterday's *The Scotsman*, but that it is an example for the Westminster Government to follow. I am sure that it will take action, because demand to follow our lead in Scotland surely will increase down south, as it is obvious to all that the partnership deal—made by the Liberal Democrats and the Labour party north of the border—for students is so much better than the current system.

11:45

**Mr John McAllion (Dundee East) (Lab):** I, for one, am not sure whether the darkness and chaos, which was referred to earlier, came before or after Tony Blair.

I am reminded of a statement made by my colleague, the Welsh Labour MP Paul Flynn, in his book about the Welsh Labour party leadership elections, "Dragons led by Poodles". He said that, for new Labour,

"Only the future is certain: the past is always changing."

I firmly reject any suggestion that the Labour party that I joined in 1977 is the equivalent of darkness and chaos.

It is unfortunate that most of the speeches today have been made from a party political perspective. If members examine the SNP amendment, they will see that it deals only with tuition fees, because the SNP senses that it can make political capital from tuition fees. The other recommendations of the Cubie report are added on at the end of the amendment, almost as an afterthought. There is no reference to student hardship, student poverty or widening access for low-income groups. I know that it is the nature of the beast that we all

manoeuvre for party political advantage but, if that is all that we do today, we will not have a sensible and constructive debate about the future of higher education in Scotland. I would like to see less party political rhetoric and more members addressing the real issues that face the higher education sector in Scotland.

I do not agree that tuition fees are the central issue. This debate should be about widening access, tackling student poverty and doing something about the awful debt burdens that most students have when they leave higher education.

I have a number of questions for the Executive about the package that it proposes. I welcome the fact that £50 million is to be injected into higher education in Scotland, but I want to know why £27 million of that is to go towards scrapping tuition fees when students from low-income backgrounds will not benefit from a single penny of that money. The main beneficiaries of that £27 million will be those who come from middle-income and high-income families. Why is the balance in favour of the better-off rather than the worse-off? That is not what Cubie recommended.

Cubie made two main recommendations for students from families with lower incomes. The first was that each of those students should be given a bursary of half the level of student support whether they are staying at home or living away from home, which I work out to be a grant of about £2,050. He also recommended that a wider access bursary scheme for especially disadvantaged students should be set up to fund those students to the tune of another £2,050, which would restore a full grant to students who came from very low-income families. He estimated that that would cost about £19 million in the first year and £45 million in the longer term.

Cubie also indicated how many students would be affected. He defined what a low-income background meant—families who had incomes of less than £17,000 a year. He estimated that, currently, about 15,000 students in the higher education system came from that background. Why were his recommendations for families from low-income backgrounds rejected? Is the Executive's position that they will be phased in eventually or is it opposed in principle to what Cubie recommended?

What are the first-year and longer-terms costs of the Executive's proposal that students from families with incomes of less than £10,000 should receive only a £2,000 bursary? If the cost is less than what Cubie proposes and less than the cost of abolishing tuition fees, why is that?

Why does the Executive disagree with Cubie's definition of a low-income family? Why is such a family now defined as one with an income of less

than £10,000 rather than less than £17,000? If that definition were used in the poverty statistics that are issued by the same Executive, the number of people counted as living in poverty would collapse. If we agree with the definition of poverty that is used by the Executive in its poverty statistics, why are we not giving grants to students whom we recognise to come from families who are in poverty? That question must be addressed.

I recognise the constraints imposed by affordability. I also recognise what Malcolm Chisholm calls opportunity cost. This Parliament has limited powers, especially in terms of finance. For all our proposals that will cost money, we must indicate where the money is coming from. That is an important point.

However, we should not allow the limits of devolution to act as blinkers that will prevent us from looking at what Tony Blair likes to call the bigger picture. There is a bigger picture in higher education. Part of this debate should be about the alternatives to the limited support that we give students at present and about what, as a society and a nation, we can afford. How do we begin as, I hope, a socialist society to find a way of funding higher education? I do not want this debate to be limited to only what devolution can offer; I want it to be widened out to what we, as a society, can offer.

11:50

**Andrew Wilson (Central Scotland) (SNP):** It is about seven years and two stone since I was a student. I congratulate John McAllion on an excellent speech. I think that we are all concerned with the wider issues of access and student finance. This is one of the defining issues of the Parliament and the fact that we are having this debate and in this manner marks the Scottish Parliament out as very different from the London legislature. There can be no question but that Scotland demands a more just and social democratic programme from its Executive and Parliament. The only issue now is the ability of Parliament to meet that demand.

Like my colleagues, I have been struck by the Lib-Lab pact's Orwellian doublethink and Newspeak. We are told that fees do not exist anymore because people will pay them after they graduate and because the budgets are being shifted about so that the payment does not go towards tuition. What is the equity or sense of imposing a specific charge on one section of the community to pay for a welfare payment to another, rather than funding that welfare payment out of general taxation? This exercise in political fixery does not wash. More people are paying more than they were before Labour came to power and that is why student leaders are calling the deal

a sell-out.

The Executive gives something a nice name and expects people to believe that it is fair, just as the Conservatives did with the community charge. However, the community charge was a poll tax; people called it a poll tax and rejected it. The inequity of the charge on students, irrespective of what it is called, is that it will be paid by people on just over half average earnings and will be linked not to average earnings but to the retail prices index—that means that, within a few years, people on poverty wages will have to pay the charge.

**Dr Murray:** I share some of Mr Wilson's concern about the level of repayment and hope that the Enterprise and Lifelong Learning Committee will look at that. Will he accept, however, that the repayment figure is 9 per cent of the income above the eligibility figure, which is £7.50 a month per £1,000 above £10,000? When the sum of money is translated into the repayment figure, it is not huge.

**Andrew Wilson:** I accept that but, as I was about to say, that is equivalent to a marginal rate of taxation on the lowest earners of 49p. That is more regressive than the higher rate of income tax, which applies to people who earn more than £60,000 a year. It is not fair and it is not progressive.

This is happening because higher education budgets have been plundered. For every pound per student spent in 1979, Scotland is now investing 65p. How can we hope to take advantage of the knowledge economy if we are putting less per student into higher education than we were before the Thatcher era? That is the harsh and shameful reality. The Government's focus is entirely on a numbers-based approach to higher education rather than on quality.

The cost of our proposals has attracted a great deal of mirth from other parties, which I take as a compliment—[*Interruption.*] Members from the Executive parties are saying, "You can't, you can't." [*Interruption.*] Yes, I hear Mr Rumbles shouting. In their manifesto, the Liberal Democrats proposed the abolition of charges and the introduction of a grant. I do not remember reading in their manifesto how they were going to pay for that. In our manifestos, we have fully costed what we have proposed; we would have liked to have done more and I fully understand what John McAllion said about student grants—

**Donald Gorrie (Central Scotland) (LD) rose—**

**Andrew Wilson:** I will just develop this point and come back to Mr Gorrie.

I understand that we have to take into account the Parliament's powers in a devolved context; I agree with Mr McAllion on that. Following the

publication of the largely excellent and "mature", as Mr McLeish described it, Cubie report, we decided to accept its recommendations, with the exception of the income stream that would come from the deferred payments.

The net cost of the Cubie recommendations—and I ask members to focus on the actual cost, rather than the imagined one—[*Interruption.*] If Mr Rumbles would listen, rather than engaging mouth before brain, he might learn something.

The net cost of the Cubie recommendations would be £12 million per year. The net cost of the loss of the income stream, which is deferred, will not kick in until 2005. In other words, through the course of this session, the net cost per year of our proposals—including the abolition of any fee—is £12 million per year. None of those costs will kick in before the next comprehensive spending review.

**Robert Brown:** If I understand Mr Wilson's rather peculiar figures correctly, there is a payback, which will increase in years to come. Does Mr Wilson accept that?

**Andrew Wilson:** Clearly. That is the point that I am making.

The deferred income stream, which we would forgo, would not kick in until 2005. It does not exist yet. The figure of £105 million, which Mr Brown's colleagues give, is an error of 875 per cent. That is bizarre. As Mr McAllion said, we should engage seriously in the facts of the debate. In this session, to do what the SNP suggests would cost £12 million a year. The key question is, can we afford it? In answer, I point out that that is 0.075 per cent of the entire Scottish budget, or 4 per cent of the £309 million underspend this year that Mr McConnell announced.

Mr McAllion is totally correct. We have to make judgments about how we allocate the resources that we have at our disposal now and about what we want Scotland to achieve in future. What the SNP suggests can be done; it is a question of choice. We would all do well to look to the bigger questions, as Mr McAllion said. We should not dismiss that in a bizarre fashion by using big numbers to scare the children, when the reality is quite different. Our plans can and should be afforded. We are richer now than we have ever been before, but the way in which we invest in students does not reflect that fact.

11:57

**Nick Johnston (Mid Scotland and Fife) (Con):** It is obvious that we will not agree today on what is a fee and what is an endowment. This morning, I looked up the definition of a fee in Chambers dictionary. One definition is

"the price paid for services".

I presume that a university education is a service, in some meaning of the word. Another definition of fee is

"the sum extracted for any special privilege".

By any definition, a university education is a special privilege. I think that we are talking about the retention of fees, albeit fees that will be delayed rather than paid up front.

**Mr Rumbles** rose—

**Nick Johnston:** I have listened to the Liberal Democrats this morning and I hope that Mr Rumbles will not think me offensive if I refuse to take interventions from him.

We are not debating student finance or even access to university; we are debating what is, as Henry McLeish admitted yesterday, a point of principle. The point is, however, that the Government has no principles. Right from the time before the 1997 election, when Tony Blair promised that there would be no tuition fees, the Government has abandoned any principles. That is the only reason why we have spent seven months and £750,000 on the Cubie inquiry only to see the major part of its recommendations shelved.

The Executive's shabby deal—I have resisted the temptation to call it the lapdog's breakfast—throws up many questions. I understand that a student from Birmingham, who is studying in Scotland, will be subject to tuition fees, whereas a student from Belgium, also studying in Scotland, will not. Will the student from Belgium be subject to the graduate tax, and how will it be collected and enforced? What does the Executive intend to do about students who drop out of university in their first, second or third years? Will the bursary—or maintenance grant, or enhanced help—that we are led to believe will be available be recovered from those students? Will they be liable to pay a proportional amount of graduate tax, or will they just take up a place that could have been used by someone else and then get away scot free?

Furthermore, I understand that HND students will be exempt from the graduate tax. Will the minister shed some light on the situation that pertains in some of our further education colleges, whereby the achievement of an HND can lead straight to the final year and an award of a bachelor's degree? Will the graduate in that case be subject to a graduate tax, or does the Executive hold to the view that only university graduates, and not graduates from further education colleges, will be subject to the tax?

As a member of the Enterprise and Lifelong Learning Committee, I support Mr McLeish fully in his desire to raise skills in the work force, but will

he explain how the further education anomalies will be addressed? How will the new graduate tax drive forward the Executive's desire—which the Conservatives have supported whole-heartedly—to improve skills and continue the cause of lifelong education? I doubt that it will. Does Mr McLeish feel that one of the results of this package will be to drive students away from universities and into further education colleges, or other methods of study, to escape the fees?

Will Mr McLeish also address the concerns of the Association of Scottish Colleges about part-time students and the fact that significant improvements are still needed for many of the 350,000 part-time students who currently get no help with their fees, study expenses, travel and child care costs? Does the Executive not regret having narrowed the horizons for students? Does Mr McLeish not think that that is regressive, and contrary to all that was achieved under the Conservative Government from 1979?

Are not the public entitled to expect that, when politicians say that they will not impose tuition fees, they mean that they will not impose tuition fees? Are not the public entitled to expect that £750,000 will not be spent on an inquiry just to keep the shabby coalition in power?

12:01

**Pauline McNeill (Glasgow Kelvin) (Lab):** I want to address some of the general principles behind the package. Any objective assessment of the education system in the 1980s and the 1990s would conclude that expansion in higher education primarily benefited the better-off.

It is easier to get into university now than it has ever been, with fewer qualifications in some cases. However, people from lower-income families are still five times more likely to enter a low-paid job. The proportion of that group among those participating in education has remained tiny for too long. We aim to change that.

The Opposition may disagree with what Labour and the partnership are trying to achieve, but our motivation in designing wider access principles is the need to support those already in the system, while ensuring that continued expansion is not carried out at the expense of those who have historically been excluded.

**Mr Monteith:** Does the member accept that all studies that address our higher education system since 1962 have shown that the introduction of the maintenance grant to which Ms McNeill is so attached made no significant difference to the social profile of those attending university? When we consider countries such as Sweden, we find that the gender and social profile is considerably different from what she would advocate. Surely it

is not the question—

**Pauline McNeill:** I get Mr Monteith's point. It is surprising, but I do not disagree with him. It is important that members understand that the introduction of grants in 1962 has not significantly increased the participation of marginalised groups. That is why we have to move on to wider access principles; it is why we have to go beyond finance, and address attitudes. That is what I would like the chamber to address. Why is it that the people from the groups that are excluded do not apply in the first place?

**Ms MacDonald:** Will the member give way?

**Pauline McNeill:** Would the member allow me to get a wee bit further? I have addressed Brian Monteith's point.

One or two members have talked about the importance of the further education sector. However, members must understand that the FE sector represents the link to higher education for people who have struggled in night classes and through sandwich courses without financial support from the state. We need to find money in our budget, beyond the £50 million package, to ensure that money is available for those in higher education.

The exclusion of the HNC and HND from any fee is of major significance, because that is the link from further education to higher education. It is a link that we can all embrace.

**Ms MacDonald:** I agree with what the member has said about students in FE colleges and so on. However, I was a student when the regulations changed. If I had been considering entering higher education at that point, I would not have done so. That is a personal testimony. I agree that we must change attitudes, but please do not move away from understanding that people from very low-income backgrounds will not take on debt unless they can be sure of repaying it.

**Pauline McNeill:** Lifelong learning, which we all talk about in the Parliament, has become a buzzword. We cannot allow it to remain a buzzword; we must make it happen. All parties must be committed to ensuring that lifelong learning becomes a reality. The £50 million package—£8 million more than the saltire award scheme proposed by the Conservatives—is expensive, but has been cleverly focused on the principles to which we adhere. We have exempted disabled students and mature students. We believe that the contribution scheme is necessary—I know that the Opposition disagrees. I remind Andrew Wilson that a tax is something that never ends, yet under the contribution scheme, once the money is repaid, the contribution will come to an end. That is an important difference.

We need to give security to those institutions that run our higher and further education systems. The £50 million package addresses that. It also addresses the issue of non-traditional entrants. The removal of a charge on entry to higher education is a relief to thousands of students and parents. That is very important. All members have received letters from parents who felt that the thresholds were not right. The package will allow them to choose for their sons and daughters. We have given at least some independence to those 16-year-olds and 17-year-olds to whom Nicola Sturgeon referred.

The demise of the student grant began in 1981 and I would like to think that, some 19 years after that, our acceptance of the principle of reintroducing a maintenance award represents a turning point. I know that the National Union of Students welcomes that principle, even if it disagrees with the thresholds. Those who disagree can make their arguments, but let us all embrace the change in direction, which is for the better.

12:06

**Dennis Canavan (Falkirk West):** I pay tribute to the work of Andrew Cubie and his committee in highlighting the extent of student poverty and the disincentive that that creates for many potential students from low-income backgrounds.

The Cubie recommendations did not go far enough. I am sure that many potential students and their parents will be very disappointed that the Executive thinks that Cubie was too generous. The Cubie proposals would have cost about £71 million per year and the Executive proposals will cost about £50 million—that is a cut of about 30 per cent.

The Executive is proposing a maximum grant—or access payment—of £2,000 per annum. It is worth recalling that, back in 1979, the maximum grant was £1,250, which would now be worth £3,450. After 1,001 days of new Labour, we are nowhere near the level where real Labour left off, more than 20 years ago.

Under the Cubie proposals, graduates would not have to start paying money into the endowment fund until their salary reached £25,000 per annum. Under the Executive proposals, that salary threshold would be cut to £10,000, a reduction of 60 per cent. Average earnings are just over £20,000 per year, so people who are on less than half of average earnings could find themselves liable to pay a contribution to the endowment fund.

The Executive claims that it is abolishing tuition fees, yet 6,000 Scottish students attending universities elsewhere in the UK will still have to pay up-front tuition fees. Since the introduction of



fees and the anomaly whereby students from other parts of the UK who study at Scottish universities will have to pay up to £1,000 more, we have seen a reduction in the number of students from other parts of the UK enrolling at Scottish universities. As a result of the Executive's proposals, we will almost certainly see a reduction in the number of Scottish students going to universities in other parts of the UK. Such moves will impoverish the university system, because the cross-border flow of students, in both directions, helps to ensure a better mix and greater opportunity for the cross-fertilisation of ideas from people of different backgrounds.

Universities should not simply be local, parochial institutions. They should not simply be national institutions either. They are international institutions, and many universities have traditionally taken students not only from other parts of the UK but from many other countries in the world. My fear is that the combined actions of the British Government and the Scottish Executive will do very little to alleviate student poverty. They will also impoverish some of our universities by diminishing their international status.

The Executive claims that it would be a breach of European law to give the 6,000 Scottish students who attend universities elsewhere in the UK the same benefits as Scottish students who attend Scottish universities. However, I understand that the legal advice that was given to the Cubie committee did not support that view. I suspect that those in the Executive are just making excuses for the failure of their colleagues at Westminster to take action to abolish tuition fees throughout the rest of the UK.

The Executive's response to Cubie is simply not good enough. I urge the minister to take appropriate action and to demand that the British Government take appropriate action to abolish all tuition fees and introduce a much more generous system of student grants, especially for students from low-income backgrounds.

12:11

**Robert Brown (Glasgow) (LD):** About 30 years ago, along with a few colleagues, I graduated in law from Aberdeen University. I had a means-tested student grant, without which my parents would not have been able to send me to university. The iniquitous concept of imposing tuition fees on British students to pay for education was unknown to us at that time. It therefore gives me huge personal pleasure to stand in the chamber today and say that I played a part in writing the Liberal Democrat manifesto, that I played a part in supporting the stand that we took during the partnership negotiations, that tuition fees should be abolished, and that I played a part

in the discussions that led up to yesterday's announcement that tuition fees would be abolished and student grants reintroduced.

However, I am disappointed—to say the least—at the unreality that has permeated much of the discussion today. As John McAllion said, it has been far too party political. The Opposition's attitude has been extremely niggardly towards the good package of proposals that has been put forward. The Scottish National party in particular has made a way of life of vituperative abuse of the Liberal Democrats. A stranger looking in on our debates last May might have thought that Jim Wallace, the leader of the Liberal Democrats, had ordered the death of the first-born of the nation. In fact, he and his party were instrumental in setting up the Cubie committee, whose work is now praised by all sides and, more important, whose work has moved the debate on to a new level. That is seen clearly in the movement in the five different SNP policies that we have heard in the chamber.

The result of our work is a set of proposals for consideration by Parliament that—and I say this without hesitation—is significantly better than we thought possible at the time of the election and significantly better than the SNP, with its miserable pledge of £500 as a maximum grant, thought possible.

**Tommy Sheridan:** Mr Brown will recall that Cubie recommended that the threshold for the access funds would be £17,000 per annum. The Executive's proposals lower that to £10,000 per annum. That is below the official poverty line. Does Mr Brown agree that that will exclude thousands of students who should have access?

**Robert Brown:** Tommy Sheridan makes a good point. However, he will be aware from earlier contributions that there is a very good reason for the figure of £10,000—the mechanism for recollecting. Access funding is linked to the student loan arrangements, and that is why there is a £10,000 link.

It is fair to say that people in my party share the concern over the level of income at which repayment will start. We hope that representations will be made to the UK Government—which put the student loan arrangements in place—to try to increase that figure. That is important.

**Fiona Hyslop:** Will the member give way?

**Robert Brown:** No. If Fiona Hyslop does not mind, I will proceed with my speech, because I do not have much time.

It is noteworthy that the Opposition has concentrated on the issue of Scottish students studying in England, which is to some extent a side issue. I was tempted to suggest that the First

Minister, who is lacking a special adviser or two at the moment, should take on Mr McLetchie as his legal adviser and Mr Swinney as his financial adviser, but I am not entirely convinced that those choices would carry credibility with the European Court of Justice or with financial people in the City.

More seriously, a small issue emerged from some members' comments about the problem of the border and people who study in England because there is no equivalent course in Scotland. Perhaps, when the detail is examined, the department might consider the discretion of paying tuition fees to Scottish students in England where there is no alternative course in Scotland. That might provide a way of dealing with the matter without opening the European floodgates that we have heard about. Important comments have been made about colleges, and we have touched on the question of the repayment threshold.

This package of measures has the benefit of being even better in detail when it is examined. It fits together; it is prudent and radical and gives a lot of help to poorer students; and it is a tribute to and triumph for this Parliament, the consultative processes that it uses and the democratic support in the chamber for the abolition of fees, which has been recognised and effected by the Executive. There is cross-party agreement on many issues in the chamber. Will the Opposition parties rise to the challenge today and give this Parliament's united backing to a higher education and student support system that is fit for the new century?

I support the Executive's motion.

12:16

**Ms Margo MacDonald (Lothians) (SNP):** In Mr Brown's concluding remarks, he suggested that this chamber should let Westminster off the hook for the new Labour Government's continuation of the mistake made by the past Conservative Government in introducing tuition fees. We should not be in the business of letting Westminster off the hook. Instead, we should make it realise the folly of its ways and we will not do that if we accept the cobbled-together compromise in front of us.

When Henry McLeish introduced this package of measures, he said that the parties differed in the margins. However, the Scottish National party does not differ in the margins; it differs fundamentally. We would not have endorsed or reintroduced tuition fees, because if we start from such a position of compromise, we simply add that layer upon layer of compromise to that position and produce an anomalous situation. Henry McLeish, who is a very decent man, was embarrassed when he tried to deny the link between tuition fees and endowment; what cannot be denied is that the latter is instituted as a

consequence of the former.

We would not have produced such an anomalous scheme. We might have produced a scheme with which many people disagreed, but it would not have been as fundamentally flawed as this. We would not have had to preserve a coalition in the way that this coalition has had to be preserved, and that flaw has fed through to the quality of the legislation that we are about to pass. This is poor-quality legislation which reflects badly on the chamber at a time when we should be trying to raise aspirations and to demonstrate our ability to produce better-quality legislation.

**Mr Rumbles rose—**

**Ms MacDonald:** With all due respect to Mike Rumbles, I will not give way because I do not have time.

I have listened to everyone and agree with many of the comments that have been made. I am proud to associate myself with John McAllion's remarks, and I share the priorities that I think he and Pauline McNeill have. Furthermore, I appreciate that the compromise tries to reach areas that grants and loans have not reached in the past. However, the scheme is not equitable; there is too much indication of how difficult it will be for students who do not walk into good jobs immediately after graduation to repay their tuition fees. Many of us are concerned about that, because we feel that lifelong learning is an aspiration to which the legislation introduces all sorts of barriers.

I regret that the Liberal Democrats—many of whom are friends of long standing—have departed from the principle that was enshrined in their submission to the Cubie inquiry. In it, they said:

"A majority of votes were cast for candidates supporting the abolition of tuition fees. The people of Scotland will expect the new Parliament to deliver on this issue."

I appreciate that, in the sophistry of political debate, a case can be made for the compromise. However, outside this chamber, people will see that tuition fees have been retained, and we will be blamed for that. That is why I am opposed to the Executive proposal.

**Nora Radcliffe:** Will Ms MacDonald give way?

**Ms MacDonald:** I am sorry, but I must carry on.

When this anomalous legislation was produced, did anyone consider—

**Mr Rumbles:** Proposed legislation.

**Ms MacDonald:** Proposed legislation—but because the coalition has to be preserved, it will unfortunately become legislation. The committee of which I am a member will be asked to clear up all the anomalies that we have already heard

outlined this morning. I have no doubt that we will hear more this afternoon.

What about the position of students who, like me, come from homes which would normally have been awarded the maintenance grant, even as in the current Executive proposal, and who then get lucky after graduation and get very rich? They would not be asked to repay anything.

What about the student who comes from a household that earns £24,000 per annum? That is not exactly a high-earning household. The student from that family would be expected to repay that fee once they had graduated—admittedly only £7.50 a month, as Elaine Murray reminded us. That sum might not represent all of their bus fares down to work at the call centre or at McDonald's, but it is a considerable amount of money to be repaid by someone who is already deeply in debt because of student loans, and now because of deferred tuition fees.

**Nicol Stephen:** Will Ms MacDonald give way?

**Ms MacDonald:** I am sorry, Nicol. I have a very short time.

Are the Executive's proposals an equitable way to sort things out? Of course not. We have arrived at this situation because tuition fees have been kept by another name, and I greatly regret that.

12:22

**Bristow Muldoon (Livingston) (Lab):** There seems to be a dilemma among Scottish National party members as to whether the proposed measures are a good or a bad thing. In Mr Swinney's first question yesterday, he suggested that one of his constituents might feel it necessary to take the Executive to court because she was not being treated as well as students studying in Scotland. If that is the case, why is Mr Swinney opposed to the proposals? They are a good deal for students, which is the real reason why the SNP is upset about them.

**Mr Swinney:** This is a classic case of missing the point. I raised a particular circumstance with the Minister for Enterprise and Lifelong Learning yesterday, and I took the trouble of looking at the *Official Report* to clarify what he said. If I am supposed to reply to my constituent, clarifying how her circumstances have changed as a result of the Executive's cobbled-together package, I am none the wiser from reading the minister's response.

Perhaps, in his speech, Bristow Muldoon will address the issue that I raised yesterday. If my constituent cannot get on the course that she wants in Scotland, and has to go to a university in England, will the Scottish Executive do anything to address the difficulties that she faces? Will she have any entitlement to raise a legal action against

the Scottish Executive for failing to meet her aspirations?

**Bristow Muldoon:** Mr Swinney fails to address the point. If his constituent has any grievance at all, it starts from the proposition that there is a better system for students in Scotland than exists in other parts of the United Kingdom. If he accepts that, he should be backing the Executive's proposals.

The real reason why the SNP is upset is that the Executive's aims will be delivered through the proposals. They will be delivered by widening access and by providing a better deal for students. That will be done in a number of ways. First, the aims will be delivered through the abolition of student tuition fees. I thought that the SNP was in favour of that, although it does not want to give its backing to the proposals. More important, they will be delivered through the introduction of bursaries of up to £2,000 for low-income families.

Other parts of the Executive's proposals are also to be welcomed. They include the exemption from the graduate endowment for mature students, disabled students, lone parents and higher national diploma and higher national certificate students.

Further education has already been mentioned in today's debate. Yesterday, I attended a ceremony to mark the start of construction of the new West Lothian College, another part of the Executive's proposals to widen access to further education. In West Lothian alone, there will be a further 3,000 places. Nicol Stephen attended the opening to mark the occasion. At the ceremony, the principal of West Lothian College, Tony Godden, welcomed the proposals that he had read in the press. He believed that they would have a positive effect on students and would contribute towards the delivery of the Executive's aims in further education and lifelong learning.

As many members have mentioned, too few people from poorer backgrounds go to university. The reintroduction of support for people from the poorer backgrounds is one of the most welcome aspects of the proposals.

The SNP has not addressed the question that was put by Henry McLeish yesterday and was also mentioned yesterday in Iain McWhirter's column in *The Herald*. In every debate in the chamber, the SNP claims that independence will solve all our problems. Can the SNP explain how independence would help us to deal with England-domiciled students who, as EU citizens, would qualify for the same system of support in Scotland that we are proposing to introduce? How would the SNP pay for that? Would not it result in an increase in applications from England-domiciled students to Scottish universities? I suggest that

those questions point to the advantages of the devolution settlement as opposed to the SNP's policy of separation from the rest of the UK.

Margo MacDonald might be right: perhaps the SNP leadership is going soft on independence and this debate is an example of that. Perhaps the party's leadership has started to realise that independence would not work.

The proposals put forward by Henry McLeish represent a fair deal for students and illustrate the advantages of having a Scottish Parliament that can deliver Scottish solutions to Scottish problems. The other thing that upsets the SNP is that the proposals represent the fact that the partnership Executive is working to deliver for Scotland.

12:27

*Meeting suspended until 14:30.*

14:30

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

**The Presiding Officer (Sir David Steel):** The first item of business this afternoon is question time. As usual, I urge members to ensure that supplementary questions are brief and that they relate to the question on the business bulletin.

#### Drugs Enforcement Agency

**1. Mr Keith Raffan (Mid Scotland and Fife) (LD):** To ask the Scottish Executive what consultations have been held and continue to be held with senior police officers over the setting up of the drugs enforcement agency. (S10-999)

**The Deputy Minister for Justice (Angus MacKay):** The Association of Chief Police Officers in Scotland and representatives of all the other enforcement agencies operating in this country have been and will continue to be consulted about the establishment of the Scottish drugs enforcement agency.

**Mr Raffan:** Is the minister aware of the serious concerns of senior police officers about the establishment of the DEA? One deputy chief constable recently told me that he felt that the money would be better spent on treatment. A chief constable expressed concern about losing senior drugs officers and becoming operationally less effective. How can Mr MacKay allay those concerns, which I am afraid were only increased last week by his statement that the operational objectives of the agency had yet to be decided?

**Angus MacKay:** It is right and proper that the new director of the agency, who will take up the post in February, should be the individual with key responsibility for setting up the operational targets for the agency. It is not a matter of proceeding either with investment in enforcement or with investment in rehabilitation and education; it is a matter of doing both appropriately, and that is what the Executive intends to do.

Of course, it will be necessary to build up the agency in a structured way, because experienced operational officers will be required. It would certainly be counterproductive to recruit those officers en masse, thereby leaving gaps in police forces. One of the first tasks for the director after his or her appointment will be to develop a detailed manpower plan for the agency.

**Mr David Davidson (North-East Scotland) (Con):** Further to that response, is there any truth

in the rumour that people will be selectively taken from the police forces into the DEA? Will the minister assure the police forces of Scotland that they will have the funding to train other officers to take their place?

**Angus MacKay:** Yes, of course I can give that assurance. It would be inappropriate to denude local forces of experienced officers without suitable replacements coming in, supporting the work of the agency centrally only to see enforcement efforts weakened locally. That is not what the Executive intends and we will certainly not allow that to happen.

### **M8 (Multi-Modal Study)**

**2. Mr Gil Paterson (Central Scotland) (SNP):** To ask the Scottish Executive what progress it has made with its multi-modal study of the M8 to date. (S10-990)

**The Minister for Transport and the Environment (Sarah Boyack):** We advertised in early January for consultants to undertake the preliminary stage of the study, and intend to make an appointment by the end of February.

**Mr Paterson:** There is a catchphrase that is much used by members of the minister's party. They talk about such things as joined-up writing, joined-up this, joined-up that and joined-up policy.

**The Presiding Officer:** Let us have a joined-up question, Mr Paterson.

**Mr Paterson:** My question is simply this. Will the minister announce in the lifetime of the Parliament that the M8 will be a joined-up motorway?

**Sarah Boyack:** I think that if he were to travel between Edinburgh and Glasgow, Mr Paterson would find that he would travel on the same stretch of road. The multi-modal study will enable us to take account of the views of the local authorities and the business community, and to examine the opportunities for improving access between Lanarkshire and the central belt of Glasgow and Edinburgh. It will also enable us to manage our road traffic in the future and to give people the high-quality public transport options that they need.

We will ensure that the freight industry and the public transport operators can also contribute to that study.

**Karen Whitefield (Airdrie and Shotts) (Lab):** Does the minister agree that it is only through a detailed and comprehensive analysis of the transport requirements around the M8 corridor that we will arrive at a solution that will address all the needs of the communities of Lanarkshire, including car users, buses, freight carriers and public transport? Does she further agree that the multi-modal study that is currently being

undertaken is the best way forward? Will she visit Lanarkshire and meet those who have an interest in the outcome of the study?

**Sarah Boyack:** I am happy to reassure Karen Whitefield that we will take forward those multi-modals. I visited Freightliner before Christmas, and we talked about the major infrastructure issues in the area. I am happy to take up the request to meet people from Lanarkshire in the future.

### **Telephone Debt Helpline**

**3. Christine Grahame (South of Scotland) (SNP):** To ask the Scottish Executive whether it will fund a telephone debt helpline. (S10-985)

**The Deputy Minister for Communities (Jackie Baillie):** As part of our work to address financial exclusion, we are keen to ensure that, throughout Scotland, everyone will have equal access to quality money advice services. Currently, we are discussing with Money Advice Scotland its plans to establish a national money advice and debt counselling telephone hotline.

**Christine Grahame:** Is the minister aware of the substantially increased debt problems in the Borders as a direct consequence of the Viasystems closure and the collapse of the textiles and farming industries? Does the minister agree that, given that litany, the least that the Labour-Lib Dem Government can do is provide proper funding for a Borders railway line to regenerate the economy of the area?

**The Presiding Officer:** This question is about a telephone helpline, not a railway line.

**Jackie Baillie:** I was going to establish from Christine Grahame whether there was some linkage to the question of a telephone debt helpline.

**Christine Grahame:** There is a link.

**Jackie Baillie:** The Executive is firmly committed to tackling financial exclusion wherever it occurs. I am concerned to hear that there are problems in any area of Scotland. That is why we are keen to examine a helpline that will cover everybody, including those people in rural areas. I hope that Christine Grahame will welcome that.

**Dorothy-Grace Elder (Glasgow) (SNP):** Will the minister join me in congratulating the Scottish League of Credit Unions, which is a true people's movement and helps to save lives in Scotland, because, as the minister knows, many people are driven to contemplate suicide through debt? Will she ensure that, in future, the Scottish League of Credit Unions will not be excluded from major consultations, as it was by the Treasury? Will the minister assure us that the Scottish League of Credit Unions will be involved in the new social

economic forum that she will launch in February?

**Jackie Baillie:** The member will be pleased to hear that I have met the Association of British Credit Unions Ltd and the Scottish League of Credit Unions on a number of occasions. I understand that the Scottish League of Credit Unions was consulted by the Treasury. As an open and accessible Executive, we will continue to do that.

### Scottish Opera Rescue Package

#### 4. Mr Keith Harding (Mid Scotland and Fife)

**(Con):** To ask the Scottish Executive, further to the answer to question S1W-3438 by Mr Sam Galbraith on 11 January 2000, what implications the use of savings from the assisted places scheme for the Scottish Opera rescue package will have for its commitment to reduce class sizes in primary schools. (S1O-960)

**The Minister for Children and Education (Mr Sam Galbraith):** None. The funds to assist Scottish Opera were drawn from additional in-year savings from the assisted places scheme, and not from the resources that were identified to support the programme of reducing class sizes. Our commitment to reduce class sizes, and the resources that are required to do it, are unaffected.

**Mr Harding:** I thank the minister for his reply, but his party's manifesto commitment said that the moneys saved from the assisted places scheme would go to reducing class sizes. Does he agree that given that manifesto commitment to use the funding to reduce class sizes in primary schools, it is entirely wrong of him to rob Scotland's schools of an accelerated rate of reduction in class sizes?

**Mr Galbraith:** That is completely and utterly wrong, and obviously was thought up before I gave my answer. However, I am grateful to the Conservative party for wasting even more money than we thought on the assisted places scheme, because much more has been available for us to use.

#### Bruce Crawford (Mid Scotland and Fife)

**(SNP):** We have heard about possible teacher redundancies in Aberdeenshire and Dunbartonshire, and there are savage cuts to come in Scottish councils, such as £12 million in Perth and Kinross—

**The Presiding Officer:** No, come on. This question is about Scottish Opera.

**Bruce Crawford:** I am aware of that, Sir David.

There also will be cuts of £23 million in Fife. With regard to the extra money that has been found from the assisted places scheme, does Mr Galbraith agree that it would have been more appropriate to put that money into Scotland's

schools and into preventing potential redundancies, and to find money from the joined-up government that we hear so much about?

**Mr Galbraith:** That is the usual sort of whining complaint that we get from the nationalists. Bruce Crawford failed to point out that local authorities are budgeted to increase their expenditure on education by 8 per cent this year. I thought that the SNP would have had more to say about that, rather than its usual whining complaints.

### Local Government Act 1986

**5. Mr Andy Kerr (East Kilbride) (Lab):** To ask the Scottish Executive whether it will provide a time scale for reviewing appropriate teaching guidelines with regard to section 2A of the Local Government Act 1986. (S1O-1018)

**The Minister for Children and Education (Mr Sam Galbraith):** Presiding Officer, because of the current interest in this matter my answer will take longer than usual. Could I ask your indulgence for that?

**The Presiding Officer:** Yes.

**Mr Galbraith:** Reviewing the guidelines is only one element of a package of safeguards that the Executive is putting in place to ensure that existing good practice continues after repeal of section 2A. We are establishing a working group to examine the existing curricular advice and supporting materials used in schools and consider what changes are needed. Its proposals will be available to members before a final vote is taken on the ethical standards in public life bill. The group will also consult widely on any changes or new material that it proposes. That may take some time, but the repeal of section 2A will not come into effect until that work has been concluded.

In addition, we will make it clear that schools and authorities should adhere to existing good practice and consult parents about planned sex education. There will also be simple procedures for parents to raise concerns. Those issues will be underlined in an official circular to directors of education. A draft of the circular will be available to members at the introduction of the bill.

We will ask the working group to consider whether the package of safeguards meets the needs of parents and schools. We will publish its views before MSPs are asked to vote on repeal of section 2A.

I am writing today to school boards, directors of education, head teachers and a range of other bodies to explain this more fully. A copy of that letter will be placed in the Scottish Parliament information centre.

**Mr Kerr:** I thank the minister for that welcome and full response. Does he agree that this

response will go a long way to satisfying the concerns of young people, parents, teachers and the community?

**Mr Galbraith:** I understand the concerns of parents, being one myself. Given some of the misinformation that has been put about, I understand why they are confused. I hope that my remarks today will reassure them. I stand willing to reassure them at any time in the future.

**Michael Matheson (Central Scotland) (SNP):** I welcome the minister's announcement this afternoon in relation to the repeal of section 2A. I am sure that he will welcome the opportunity to address any issue of ambiguity around the guidelines which will be in place after the repeal of section 2A.

Can we be clear that those guidelines will be in place prior to the section's repeal? Does the minister recognise that this is a sensitive issue and that it is time for the parties in this chamber to work together on this issue in as constructive a manner as possible?

**Mr Galbraith:** I agree with that. I am grateful to Michael Matheson for his constructive comments. I gave the SNP spokesman a copy of my letter earlier today to ensure that she was kept informed.

This is a difficult and sensitive issue. We must deal with it appropriately and address the issues. I am grateful to all the members in this Parliament who have dealt with this matter in an appropriate and reasonable manner.

**Phil Gallie (South of Scotland) (Con):** I welcome the minister's statement. A step back is very welcome. Will he explain why the existing guidelines, which mandate teachers to control bullying and counsel children with problems of sexuality, are inadequate? Given the current high percentage of teenage pregnancies, would he consider it worth while for this review to examine sex education in schools to a fuller extent?

**Mr Galbraith:** I am grateful to Mr Gallie. This subject goes wider than sex education guidelines. It is also part of environmental studies, five to 14 guidelines, personal and social development guidelines and health guidelines. It is important to keep this in the context of the structural and moral relationships that are put forward in our schools.

We regularly review all guidelines to schools. As the member knows, we do not have a statutory curriculum; rather we have guidelines that are constantly under review. We gave a commitment to review the guidelines in October and we are fulfilling it.

## Housing

**6. Pauline McNeill (Glasgow Kelvin) (Lab):** To ask the Scottish Executive what progress is being

made on the legislation regulating houses in multiple occupation. (S1O-988)

**The Minister for Communities (Ms Wendy Alexander):** We are currently finalising the terms of an order under the Civic Government (Scotland) Act 1982 to introduce mandatory licensing for houses in multiple occupation. We hope to lay the order soon and, subject to parliamentary approval, to bring it into operation in the late spring.

**Pauline McNeill:** Thank you. Does the minister agree that the measure will put an end to unscrupulous landlords and improve conditions in houses in multiple occupation so that the tenants in Sauchiehall Street in my constituency who were reported last week to be living in squalor will no longer be forced to accept Dickensian conditions? Will she confirm that a breach of the proposed order will be a criminal offence?

**Ms Alexander:** I am happy to confirm that the mandatory scheme will strengthen the penalties available. There will be additional powers to enter and search properties operating without a licence. It will be a criminal offence and we will raise the penalty to £5,000.

**Patricia Ferguson (Glasgow Maryhill) (Lab):** Is the Minister considering the issue of the threshold for the definition of a house in multiple occupancy, with a view to having a common threshold throughout Scotland?

**Ms Alexander:** We are currently preparing the order. We have been in discussion with the Convention of Scottish Local Authorities. As suggested, one of the unsatisfactory aspects of the current voluntary scheme is the variation in thresholds across Scotland. The scheme we will introduce will set thresholds for all Scotland, progressively reducing from a larger to a very small number and will cover, for example, the cases in her constituency that led to the action in the first place.

## Healthy Gay Scotland

**7. Nick Johnston (Mid Scotland and Fife) (Con):** To ask the Scottish Executive whether the organisation Healthy Gay Scotland receives any public funding and, if so, how much; what the structure of this organisation is and to whom it reports. (S1O-975)

**The Deputy Minister for Community Care (Iain Gray):** The National Aids Trust has been offered funding of up to £150,000 in the current financial year in support of the Healthy Gay Scotland campaign, as part of the Executive's effort to prevent the transmission of HIV.

**Nick Johnston:** The Deputy Minister for Community Care will be aware of the nature of the graphic images of homosexual intercourse on the

Healthy Gay Scotland website and that the site, although purportedly a health education site, is little more than a contact point for sexual encounters. Does he agree that the use of public funds to promote pornography of any sort is inappropriate?

**Iain Gray:** I certainly agree that the use of public funds to promote pornography is inappropriate; it is also illegal.

A number of misunderstandings are evident in Mr Johnston's question. Healthy Gay Scotland is not an organisation; it is a campaign to prevent the transmission of HIV. It does that by ensuring that adult gay men have clear, accurate and effective sexual health advice. Not only is that laudable, it is exactly what was demanded in the Government policy statement of 1995, which says that community-based voluntary organisations are best placed to develop health promotion—better placed than Government—among groups particularly vulnerable to HIV transmission.

The Tory Government of that time got that one thing right. It is still correct.

**Nick Johnston:** I ask the deputy minister to examine the photographs on that web page and then reply in writing to tell me that the use of public money is appropriate in publishing that sort of photograph on a website.

**Iain Gray:** I have examined the material and it is clear to me that it is aimed, in language that is accessible, at adult gay men who are seeking clear information about health risks and sexual practices. That is my view. I am happy to confirm it to Mr Johnston in writing.

#### Millennium Arrangements

**8. Mr Michael McMahon (Hamilton North and Bellshill) (Lab):** To ask the Scottish Executive what reports have been received from the police and fire services regarding arrangements for the millennium and what lessons may be learned. (S10-981)

**The Deputy First Minister and Minister for Justice (Mr Jim Wallace):** Status reports for police and fire services showed a high level of preparedness and no operational problems on the day. While the main lesson learned is that thorough planning and preparation pay off, we are participating with the Cabinet Office in a review of the lessons learned and the benefits of the work across the whole Scottish infrastructure.

**Mr McMahon:** I thank the minister for his reply. I welcome the fact that there will be a review of the services, but will the review contain information on, for example, drug-related crime over the millennium period and the deaths and injuries caused by fireworks? Will the review cover

potential problems with future date changes such as 29 February?

**Mr Wallace:** I can assure Mr McMahon that, notwithstanding the review, the emergency services are expected to show vigilance with regard to future date changes such as the leap year day. I am sure that they will do so.

On fireworks and other dangers, I will ensure that the member's comments are drawn to the attention of the police and fire services that are conducting the review and I will ask them to report on those particular points.

#### Fatal Road Accidents (Highlands)

**9. Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** To ask the Scottish Executive what plans it has to address the high rate of fatal road accidents in the Highlands. (S10-979)

**The Minister for Transport and the Environment (Sarah Boyack):** The Scottish Executive is responsible for safety on trunk roads. We review and monitor the routes constantly to identify and implement the appropriate accident investigation and prevention measures and minor improvement schemes. Road safety measures on local roads in the Highlands are the responsibility of Highland Council.

**Mr Stone:** I thank the minister for her answer. As many accidents in the Highlands are caused by driver frustration and speed, does the minister agree that one way forward would be for the Scottish Executive to consider the potential of targeted defensive driving and road hazard analysis campaigns?

**Sarah Boyack:** Mr Stone's point about the need to carry out research is absolutely correct. I know that Highland Council is reviewing its local roads and considering the measures that might be taken on them. Through our route accident reduction plans, we monitor regularly the state of the roads and identify improvements, which might be minor but which can make changes for the better in regard to both speed and safety.

I also highlight the issue of tourists using our roads, in particular during the summer. We know that accident rates and hospital admissions in the Highlands are higher at that time of the year. We addressed that problem last summer by launching multilingual leaflets to ensure that people were aware of the safety implications of driving on single-carriageway roads, and to remind them to keep to the left.

**Rhoda Grant (Highlands and Islands) (Lab):** I agree that many accidents are caused by foreign drivers driving on the wrong side of the road. They are also caused by young people who lack driving



experience. Will the minister examine ways of improving road signage for tourists? Will she consider lending her support to the pass-plus scheme, which provides further experience for recently qualified drivers?

**Sarah Boyack:** Yes. We will consider any measures that help us to promote driver safety and safety on our roads. The measures mentioned by Rhoda Grant are precisely the sort of things that need to be done in addition to road accident reduction measures. It is important that we tackle both driver safety and the condition of our roads.

**Mr Murray Tosh (South of Scotland) (Con):** Does the Executive intend to vary the criteria for allocating grant-aided expenditure to local authorities to ensure that rural councils such as Highland Council, which has no realistic prospect of ever raising significant sums of money from congestion or parking charges, are given additional resources to assist them with safety measures, including the road improvement schemes mentioned by the minister in her first answer and public transport initiatives?

**Sarah Boyack:** It is up to local authorities to identify appropriate levels of expenditure on all services. The Executive remains fully committed to ensuring that our expenditure on the trunk roads for which we are responsible leads to the highest possible standards on roads throughout Scotland, in particular in the Highlands.

### Pig Industry

**10. Richard Lochhead (North-East Scotland) (SNP):** To ask the Scottish Executive how many meetings it has had with European agriculture commissioner Franz Fischler to discuss the problems in the pig industry in Scotland. (S10-995)

**The Minister for Rural Affairs (Ross Finnie):** Commissioner Fischler understands fully the difficulties that affect the pig sector in the United Kingdom, and indeed in Scotland. Those difficulties have been raised at the Commission's pig management committee, in which Scottish Executive officials play their part, at every meeting since September 1998. There have also been discussions with the Commission about the scope for assistance to the industry. The most recent discussion with Commissioner Fischler took place on Monday this week.

**Richard Lochhead:** I will take that as a no.

Farmers have been pulling their hair out about the lack of response from the Scottish Executive to their plight. Will the minister tell us whether he is willing to jump on a plane to Brussels, have a face-to-face meeting with Franz Fischler and come back with some clear, straight answers—no ifs, buts or maybes—about the availability of state aid

for the pig industry? If the minister is not willing to do that, our farmers will begin to wonder what point there is in having a Minister for Rural Affairs who is too shy to speak to the commissioner and too weak to stand up to the Treasury in London.

**Ross Finnie:** I must explain to Mr Lochhead that the solution to the present crisis in the pig industry does not lie in the number of times I doorstep Commissioner Franz Fischler in Brussels.

**Mr Alex Salmond (Banff and Buchan) (SNP):** What is the minister going to do about it?

**Ross Finnie:** That is the question that I will come to answer, so allow me to make that response. This is about teasing out how we can overcome the problems that arise in relation to state aid. Everyone in the chamber has had either one of the two most recent letters from Franz Fischler, in which he makes it clear that the Commission would be against state aid if we were to do anything against the law laid down by the member states. That relates to the stall and tether ban, about which the industry is particularly concerned. He goes on to explain that the BSE crisis may not now be a sufficient reason. We have to find a reason within that. He talks about the fact that the general state of the pig sector or the strength of sterling would not be sufficient.

Commissioner Fischler, in his recent letters, does not give us the answer as to how we should overcome that problem. My officials and I are in communication, to try to find a solution. The issue of meat and bone meal has arisen in the Spongiform Encephalopathy Advisory Committee, which may change the information to which he responded in December.

It is only by examining those issues carefully and by not attempting to doorstep Franz Fischler that we will get the right answer to the problem. That is what my officials in the Scottish Executive and I will continue to do.

**Richard Lochhead:** Given that state aid has not been ruled out, will the minister answer the industry's appeal with the positive response that he will have a face-to-face meeting with the European Union commissioner?

**Ross Finnie:** I can only repeat that it is not a question of having a face-to-face meeting. We have to find a way to overcome—

**Mr John Swinney (North Tayside) (SNP):** The member is the Minister for Rural Affairs of the Scottish Parliament.

**Ross Finnie:** If Mr Swinney wants to indulge in gesture politics, he can do so.

I am engaged in finding a serious solution to a serious problem within the pig industry. We do not,

as yet, have a way of overcoming the very reasons, as set out in Franz Fischler's letters, why state aid rules still apply. It is imperative that, through our officials and those in the United Kingdom permanent representation to the European Union, we examine every avenue to overcoming that. If we have a basis for making that case to Franz Fischler, I will do so.

I make it clear to the pig sector that I am exploring every avenue possible to find the answer. Simply doorstepping Franz Fischler, ill prepared, will not solve the problem.

**Dr Sylvia Jackson (Stirling) (Lab):** Because of the concern that has been expressed over the pig industry, particularly in my constituency, I ask the minister whether there is any information, additional to what has been given today, which he could give to me in writing, so that I can pass it on to my constituents.

**Ross Finnie:** I would be most delighted to do so.

### Manufacturing Industry

**11. Mr Duncan McNeil (Greenock and Inverclyde) (Lab):** To ask the Scottish Executive whether Scotland's manufacturing industry is in a competitive position in relation to its domestic and main export markets. (S10-989)

**The Minister for Enterprise and Lifelong Learning (Henry McLeish):** Overall, manufacturing industry in Scotland is in a similar position to the rest of the United Kingdom in regard to global competitiveness. The latest available data show increases in manufacturing output and exports, and that conditions in the manufacturing sector continue to improve.

**Mr McNeil:** Will the minister confirm that Scottish manufacturing is a success story? Does he agree that the shipbuilding and electronics industries that are important to the local economy of my constituency—and indeed to the whole of Scotland—need our support, and that the greetin and the girnin that comes from sections of the chamber only serve to undermine that success?

**Henry McLeish:** I would certainly endorse the sentiment that the Parliament and all its political parties should be talking up real achievements in the economy of Scotland, which will lead to improvements in productivity, competitiveness, exports and investment in research and development.

I am delighted to read in the Confederation of British Industry "Industrial Trends Survey", published this morning, that business optimism is rising, total orders are increasing and output is growing. We established the manufacturing task group to address the key questions that I have

raised today. Manufacturing has a vital part to play in the future economy of Scotland. I hope that every MSP will recognise that. Let us work in partnership. A successful manufacturing sector means a successful Scottish economy.

**Mr John Swinney (North Tayside) (SNP):** As the minister recognises the challenges that face the manufacturing sector, will he share with the Parliament the strategic guidance that he has given to his officials in carrying out the review of Scottish Enterprise? What measures can be taken, what initiatives can be designed, what approaches are correct and, most important, what structures will provide the optimum value to deliver competitive improvements for the manufacturing sector in Scotland?

**Henry McLeish:** I agree with John Swinney's point about the competitive nature of the Scottish manufacturing industry. We share the view that it must be improved.

The Executive is about to embark on a review of the enterprise network. We will issue the outline of that review in the near future. I am grateful for the work that has been done by the Enterprise and Lifelong Learning Committee on the interface between the local economic network and other agencies. The phase 1 report was first class. I hope that we can build on it.

It is vital that we have a consensus. Scottish Enterprise is doing some excellent work on manufacturing, the knowledge economy and the development of a new business strategy, and is working towards the modernisation of the Scottish economy. I am delighted to work with the Enterprise and Lifelong Learning Committee to ensure that we have that consensus.

### Rough Sleepers Initiative

**12. Mr Lloyd Quinan (West of Scotland) (SNP):** To ask the Scottish Executive what procedures and checks and balances are in place to ensure that it has confidence in the accuracy of content in applications for challenge funding for the rough sleepers initiative. (S10-983)

**The Deputy Minister for Communities (Jackie Baillie):** Scottish Executive ministers are advised by members of the rough sleepers advisory group, which considers each application for funding on its merits. Bids for rough sleepers initiative funding are supported by information from a range of sources, including street counts and user questionnaires.

**Mr Quinan:** Is the minister aware that the report used in the construction of West Dunbartonshire Council's bid for RSI money was later discredited by the council as being "inaccurate and unsubstantiated"? What measures will she take to ensure that information for future bids is accurate?

**Jackie Baillie:** Mr Quinan is well aware that RSI applications are considered by an external panel, which assesses the validity and robustness of bids. It is incumbent on members to be accurate about statements made to the Parliament and I would be grateful if Mr Quinan showed some responsibility in that respect.

**Mr Quinan:** Bearing in mind the council's admitted inaccuracy, will the minister comment on the procedure for West Dunbartonshire Council's application for RSI funding and whether it will be required to resubmit and substantiate that application?

**Jackie Baillie:** Perhaps Mr Quinan should have contacted West Dunbartonshire Council to ascertain accurate information before taking part in the debate on housing at the beginning of January. I would like to correct one of his inaccuracies. He was wrong in asserting that I appointed one of the members of the rough sleepers advisory group. I remind Mr Quinan that that appointment was made in February 1997 and that the Scottish Parliament elections took place in May 1999. I regret that I do not have that degree of influence.

**Bill Aitken (Glasgow) (Con):** Does the minister agree that the fact that, in the past year, 11 people have died in the streets of Edinburgh as a result of homelessness and rough sleeping, is a damning indictment of Labour's failure to respond to the problem? When considering the next bids for RSI funding, will she undertake to give priority to putting people into medium-term accommodation, rather than sweeping them into hostels, out of public sight?

**Jackie Baillie:** We deeply regret the fact that people died over the winter as a result of rough sleeping. For that reason, the Scottish Executive is committed, as part of the programme for government, to end rough sleeping by 2003. To reinforce that commitment, and to ensure that we deliver on it, we have increased that budget by 40 per cent.

### Sea Fisheries (Safety)

**13. Lewis Macdonald (Aberdeen Central) (Lab):** To ask the Scottish Executive whether it will make a statement on the proposed Scottish sea fisheries safety scheme. (S1O-1003)

**The Deputy Minister for Rural Affairs (Mr John Home Robertson):** I announced plans for a new Scottish sea fisheries safety grant scheme on 8 December. Officials have since opened discussions with industry representatives about the scheme and about arrangements for its future development. It remains my intention to introduce the new safety scheme during the next financial year.

**Lewis Macdonald:** Does the minister recognise that fishing remains one of the most hazardous of all occupations, as we have all been reminded in recent weeks? Will he assure Parliament that the new scheme will go beyond technical safety measures and provide the kind of safety, training and support that most people working in land-based industries take for granted?

**Mr Home Robertson:** My friend from Aberdeen Central makes a very important point in a fortnight that has seen the loss of the Astra from Mallaig, the fire on the Be Ready from Lerwick, and—worst of all—the tragic loss of the Solway Harvester from Kirkcudbright. It would be inappropriate to speculate on the cause of any of those incidents, but I intend to do everything I can to help the industry reduce the risks seafarers face. We are consulting the Scottish Fishermen's Federation about the terms of the new safety scheme. I intend that the scheme should cover all relevant issues, including equipment and training.

**Alasdair Morgan (Galloway and Upper Nithsdale) (SNP):** Will the minister join me in congratulating the Manx Government on its decision to underwrite the cost of raising the Solway Harvester? Will he study that decision carefully, with a view to influencing any future decisions of the Scottish Executive or the United Kingdom Government should such a tragedy occur in Scottish waters?

**Mr Home Robertson:** As Mr Morgan is aware, marine safety is the responsibility of the UK Government. However, I join him in thanking the Isle of Man Government for the very helpful and sensitive way in which it has dealt with this matter. I have been in almost daily telephone contact with Alex Downie, the Manx fisheries minister. The approach of the Isle of Man Government is very much appreciated and I hope that its efforts to recover the bodies will be successful. I fully understand the views of the families involved, and I am sure that everyone in the chamber will sympathise with them.

### Caledonian MacBrayne

**14. George Lyon (Argyll and Bute) (LD):** To ask the Scottish Executive whether, in his previous post, the new Caledonian MacBrayne chairman Harold Mills ever gave advice to ministers regarding the possible privatisation of Caledonian MacBrayne and, if so, what that advice was. (S1O-997)

**The Minister for Transport and the Environment (Sarah Boyack):** No. The previous Government's decision not to privatise Caledonian MacBrayne was taken in 1994. It predated the transfer of transport responsibilities to the Scottish Office development department, of which Mr Mills was then head.

**George Lyon:** In his former position, did the new chairman of Caledonian MacBrayne ever give previous Administrations advice on the setting up of the Campbeltown-Ballycastle service?

**Sarah Boyack:** The decision to sell off the CalMac vessel to Sea Containers was taken by the then Secretary of State for Scotland, Michael Forsyth. Uniquely, a direction was sent to CalMac to force it to sell the vessel. It is not normal practice to give out information on any advice that officials give to ministers, because any such disclosure would harm the long-term future of the candour of the advice that they would feel able to give to the Government of the day.

**Lord James Douglas-Hamilton (Lothians) (Con):** I had the opportunity to work with Harold Mills for many years in connection with CalMac. To be fair to him, does the minister accept that at all times he supported CalMac's lifeline services and that calls for privatisation did not come from either him or me, but come from the Treasury in Whitehall, whose blandishments did not prevail?

**Sarah Boyack:** That question has given a lot of information to all members of this chamber, and I am deeply grateful to Lord James. This Government's commitment is to retain CalMac's lifeline services. We have provided the highest ever levels of investment in CalMac. Two new vessels have been commissioned and will be built in Scottish yards. That is a record of which this Executive and this Parliament should be proud.

**Mr Duncan Hamilton (Highlands and Islands) (SNP):** Will the minister comment on press speculation that the Executive has come under severe pressure from the European Commission competition department to privatise CalMac? Furthermore, will she recognise the core commitment of people throughout the Highlands and Islands to the public ownership of CalMac and the vital service it provides?

**Sarah Boyack:** I absolutely recognise the commitment in the Highlands and Islands and off the west coast of Scotland to ensuring that CalMac provides the best possible services. We have absolutely no intention of privatising CalMac. However, we have to comply with European state aid rules and I have asked my officials to examine the matter urgently. Other European countries have had to investigate the issue of ferries and state aid and we will do that as soon as possible to ensure that we retain our lifeline services and that CalMac operates to the highest possible standards.

## First Minister's Question Time

### SCOTTISH EXECUTIVE

#### Scottish Executive Cabinet (Meeting)

**1. Mr Alex Salmond (Banff and Buchan) (SNP):** To ask the First Minister what issues were discussed at the last meeting of the Scottish Executive's Cabinet. (S1F-50)

**The First Minister (Donald Dewar):** We discussed several matters of significance to the Executive and the people of Scotland.

**Mr Salmond:** In that case, can I congratulate the First Minister on following the Opposition's advice on slimming down his army of special advisers and spin-doctors?

However, would not this matter benefit from a Cabinet discussion? After a sacking, a resignation and a grovelling apology in the space of a month, is not this Parliament entitled to ask the First Minister when he will get a grip on the chaos at the heart of his Administration?

**The First Minister:** I need hardly stress to the chamber that I deeply regret what has happened. Above all, it is a devastating tragedy for Philip Chalmers and his family. He went; he had to go. Obviously it is my intention that we should continue with the essentials of this Administration: the fight for social justice; the fight for economic growth in Scotland; and the answering and delivery of the pledges that we made at the previous election.

**Mr Salmond:** Does the First Minister recall that, during the demise of Mr John Rafferty, he sent me a copy of the model contract for special advisers, which says that they

"must observe discretion and express comment with moderation, and avoid personal attacks"?

Is not it the case that Mr David Whitton is in breach of all three terms of reference in his own contract? Is that the First Minister's opinion? Does he intend to do anything about it?

**The First Minister:** Mr Salmond refers to an incident in which David Whitton was talking to a journalist in the course of a discussion about a very difficult and traumatic series of events. He made remarks which he should not have made. David Whitton saw me on Wednesday morning and immediately stated his intention to put the record straight. He did so, and rightly so. He held up his hand and apologised for what had been said.

I should make it clear that we do not know how the information about Philip Chalmers's troubles

reached the press; only the newspaper that first received that information can answer that question.

**Mr Salmond:** And the question was whether Mr David Whitton was in breach of his own contract and whether the First Minister was planning any disciplinary action.

Has the First Minister seen the affidavit from Mr John Scott, an Edinburgh solicitor and chairman of the Scottish Human Rights Centre, which says that Mr Brian Fitzpatrick, another of the First Minister's men, made a statement that suggests influence over judicial appointments and is prejudicial to the president of the Glasgow Bar Association? Has the First Minister investigated this matter? Does he take it seriously? Is he in a position to tell us whether this is true? Are any of his special advisers obeying the terms of reference on their contracts? Does he intend to do anything about it?

**The First Minister:** The answer to Mr Salmond's final point is yes. As for David Whitton, he apologised for an error that I know he regrets. He was working under extreme pressure. I and a great many people who work with him in this building know him well as a good colleague. I put the question seriously to Mr Salmond: which of us in the heat of the day have not said things that we wish we could unsay? What matters is how someone in that position acts and puts it right.

I have not seen the affidavit to which Mr Salmond refers, but there have been a couple of items in the newspapers. Brian Fitzpatrick has made it very clear to me that there is no foundation in the matter.

**Dr Elaine Murray (Dumfries) (Lab):** Does the First Minister agree that the issues that really matter to the people of Scotland are housing, health and employment, and that it is about those matters, not the behaviour of certain discredited advisers, that people want to hear? Does he agree that far too much time is being spent discussing those issues rather than the really important things that matter to the people of our country?

**The First Minister:** I ought to make it clear that I take the matters that have been raised very seriously. I am disappointed and dismayed by what has happened, and nothing that I say now should take away from that.

Of course, as Elaine Murray says, the Government's record will be judged on these issues: social justice, education and housing. I would be very disappointed if I were not in a position to defend a record that shows the lowest unemployment in Scotland for 24 years, an investment of £50 million per annum in a new scheme for student support and the many other improvements that we will rightly put before the

country and on which we will ultimately be judged.

### **Joint Ministerial Committees (Meetings)**

**2. David McLetchie (Lothians) (Con):** To ask the First Minister how many meetings of joint ministerial committees have taken place and whether there are any plans to create further such committees. (S1F-57)

**The First Minister (Donald Dewar):** The joint ministerial committee on poverty has met once. The memorandum of understanding between the United Kingdom Government and the devolved Administration allows for the establishment of further sub-committees as the joint ministerial committee sees fit.

**David McLetchie:** I am glad to see that the First Minister's briefing book for today's question time is as voluminous as ever. Given the casualty rate among his advisers, I thought he might have been reduced to thinking for himself by now.

Could I suggest that a new joint ministerial committee be established to consider the terms and conditions of employment of Government special advisers, so as to ensure fairness at work—a concept that I believe is dear to the Labour party's heart?

Could that committee investigate double standards? Why is it, for example, that Mr John Rafferty is dismissed for allegedly making inappropriate comments to journalists, which he strenuously denies, whereas Mr David Whitton remains in his post for making inappropriate comments to journalists, which he freely admits?

**The First Minister:** That would be a clever debating point, but I do not regard this as a debating matter. It would be a clever point if Mr McLetchie was working on the right premise. If he would like to look at the record of what I have said here today, and of what I have said about other aspects of the difficulties that led to John Rafferty leaving the civil service, he will find that I made it clear that I was not asking Mr Rafferty to go on the basis that Mr McLetchie has suggested.

**David McLetchie:** I think the First Minister acknowledged that there was a loss of confidence. I suggest that that must extend further, to those who advise him. Does he agree that the actions of his aides, not least in operating behind his back to conceal the truth from him about the activities of Mr Chalmers, are bringing him, the Scottish Executive and the whole Scottish Parliament into disrepute?

The First Minister's failure to control the activities of his advisers, combined with his failure to address the real issues facing the Scottish people, is leading to growing public contempt for his Administration and for this Parliament. Is it not

about time the First Minister took charge of events instead of constantly being at the mercy of them?

**The First Minister:** I say to David McLetchie, very seriously, that I know it is always tempting to have a crescendo of abuse on occasions such as this, but I resent the suggestion that any of the special advisers was aware of the difficulties that became all too evident in the private life of Mr Chalmers and deliberately withheld them from me. That is not the position.

I take such matters seriously, and I deal with them as and when they come to my notice. I will continue to do so. I do not think that the spirit in which Mr McLetchie is approaching the matter is very helpful.

**Alex Neil (Central Scotland) (SNP):** I wish to ask the First Minister about the joint ministerial committee on poverty, which he says has already met once. Will he raise in that committee the issue of pensioner poverty in Scotland? In particular, will he make representations through the committee about the minimum income guarantee? It is a very minimum income, and given that 60,000 pensioners in Scotland who are entitled to get it do not get it, it is certainly no guarantee.

**The First Minister:** The representative of the Executive who attends those meetings will consider the situation of pensioners, who make up a section of our society that needs support.

I take it from Alex Neil's attack that he believes that the guaranteed minimum pension represents an advance, although he would like to it to be more broad-based and at a higher level. I am glad to welcome him as an ally in building in a minimum floor of this kind, which will mean that many pensioners will see a substantial increase in income.

The joint ministerial committees are helpful. They allow us to discuss and co-ordinate matters with colleagues who face similar problems in other parts of the UK. I hope that everyone will benefit from that exchange of information. I assure Alex Neil that the improvements that have been brought in—such as the guaranteed minimum pension and the £100 winter allowance—are of great importance and will be built on in the future.

**Mr John McAllion (Dundee East) (Lab):** Is the First Minister aware that there is widespread uncertainty about whether the funding that pays for the rent rebate portion of the housing benefit to council tenants across Scotland has been transferred to the Scottish Executive block of expenditure? From his knowledge of the joint ministerial committee on poverty, will the First Minister say whether that is the case? If it is the case, does he accept that that will cap housing benefit expenditure for council tenants in Scotland? Will he explain how the Executive

intends to fund council rent rises for those tenants?

**The First Minister:** A short and snappy answer is obviously being invited.

I do not believe that the matter raised by Mr McAllion was discussed in depth at the first meeting of the joint ministerial committee on poverty. There will be subsequent meetings and Mr McAllion is right to point out that subjects that are mutual to our two jurisdictions are particularly valuable for discussion and examination. All Governments of recent years have attempted to refine and improve the housing benefit system. In previous years, the attempts have met with somewhat disappointing results. I know that Alistair Darling and his colleagues will want to consider the matter again. Because we are on the committee, our views will have an impact when that happens. That alone justifies the committee, despite Mr McLetchie's rather outré constitutional theories.

### Education Funding

#### 3. Elaine Thomson (Aberdeen North) (Lab):

To ask the First Minister what progress is being made by the joint ministerial working group considering further and higher education funding and student support. (S1F-62)

**The First Minister (Donald Dewar):** That sensitive question was anticipated by the announcement made by Henry McLeish yesterday that formed our response to the Cubie committee's report.

I am puzzled by the fact that many people in this chamber—particularly SNP members—have not given a warm welcome to our proposals which, after all, put £50 million into student support in Scotland. Andrew Cubie, whose opinion might be relevant, described that investment as “a good thing”. That is a simple truth that I hope all members will endorse.

We have adopted the Cubie philosophy, which we could not implement in full for financial reasons. He drew the map and the thrust of his intention is evident, even if the scale is—though still generous—a little lower.

I remind the chamber that the graduate endowment includes a 50 per cent exemption for Scottish students—that is unlike Cubie's recommendations. I remind the chamber that the wider access pledge in the Cubie report has been met, that those at the bottom end of the family income scale—earning less than £10,000—will have another £2,000 of purchasing power and will be £4,000 less in debt than they would be under the present system.

Our solution is progressive, sensible and—given

the restrictions and practicalities of government—extremely generous.

When David Caldwell was interviewed on “Good Morning Scotland” the other day, he was asked whether we were playing a new ball game. Speaking on behalf of the Committee of Scottish Higher Education Principals, he said that we were, but that it was a better ball game. I agree with that entirely.

**Elaine Thomson:** I thank the First Minister for his response. Given the importance of the expansion of higher and further education to, for example, Aberdeen’s two universities and further education college, and throughout Scotland, can he tell me exactly how students from low-income families will be assisted under this scheme?

**The First Minister:** I thought I had made a good shot at it. Elaine Thomson is right: if she looks at the exemplifications that have been produced, she will see that no student—even taking into account the graduate endowment, which is £2,000 rather than the £3,000 Cubie suggested—will be left with a higher debt at the end of their course than they have at present, and that the vast number will be left with a reduced debt.

Further education students—people who are studying for higher national diplomas and higher national certificates—come out of the arithmetic extremely well in terms of the treatment of the abolition of fees. That is important in the context of wider access, as it is in that kind of area that we must establish a good record and a welcoming atmosphere for those who are considering entering higher education.

**Tommy Sheridan (Glasgow) (SSP):** Does the First Minister agree that the access fund threshold that has been set during this deal is far too low? Does he acknowledge that the Minister for Communities recently wrote to me to tell me that, in Scotland, poverty income is considered to be £10,704 per annum, and that someone would have to be below poverty income before they would qualify for a full access fund?

**The First Minister:** I would like to think that Tommy Sheridan will have a look at the figures and see the weighting that has been built in, not just for those earning less than £10,000, but for those earning up to £15,000. There is also protection for those earning up to £23,000—I stress the word protection—so that no one loses out following the changes.

I recognise that I have probably been guilty in the past—during the long 18 years—of making claims about what Governments should do that were less than practical. However, we have a duty to try to stay in touch with reality. The £50 million investment—£33 million net when the endowment scheme is running—is a pretty generous effort to

meet the outline of Andrew Cubie and his colleagues. Cubie was not asked in particular to consider the affordability of the measures, but I think he would accept—he has, in the sense that I have already quoted—that we have made a pretty good job of trying to meet the requirements and needs of Scottish students.

### Convicted Sex Offenders

**4. Roseanna Cunningham (Perth) (SNP):** To ask the First Minister what proposals there are to deal with the release of convicted sex offenders back into the community. (S1F-58)

**The First Minister (Donald Dewar):** Protecting the public from sex offenders is the paramount consideration; that is common ground between me and Roseanna Cunningham. A good number of measures have been established and are working well, but there is no room for complacency and work to enhance public protection is continuing.

**Roseanna Cunningham:** I thank the First Minister for his reply. In the light of John Cronin’s release from supervision, does he share my concern that many female lawyers and MSPs appear to be reluctant to comment, on the record, on that and similar cases? Does he agree that the challenge that is posed to the criminal justice system by a very small number of individuals needs to be addressed urgently by reconsidering the options that are open to sheriffs and judges when they are confronted by such as Cronin?

**The First Minister:** I hope that no one will think that I am being a stickler for protocol, in any sense, but it would be dangerous for me to comment too directly on a specific case.

If someone was convicted of offences of a sexual nature before 1 September 1997, the Sex Offenders Act 1997 does not apply to them. If, since then, they have been convicted of a totally different sort of offence, they serve the sentence that is appropriate to that offence. That does not allow us retrospectively to include them in the provisions of the 1997 act.

It is a difficult and very delicate problem, and there are always European convention on human rights considerations. As Roseanna Cunningham will know, a committee chaired by Lady Cosgrove is examining sex offences and the treatment of sex offenders. Another committee, which is headed by Lord Maclean, is examining violent and dangerous offences. When their reports are available we will carefully reconsider the best way forward.

**Janis Hughes (Glasgow Rutherglen) (Lab):** Does the First Minister agree that the overriding concern in such cases must be the safeguarding of victims and the wider community through measures such as the sex offenders orders that

he has supported?

**The First Minister:** I am grateful to Janis Hughes—I should perhaps have mentioned that point in my reply to Roseanna Cunningham. It is, however, difficult to cover all the ground. The sex offenders orders were introduced on 1 December 1998 and they allow the police to apply to a sheriff for a civil order against any person who has a previous conviction for a sex offence, if their conduct gives rise to concern. That is a matter for the judgment of the courts.

There are, obviously, difficulties that we must recognise—the courts must be satisfied that the serious matter of imposing such an order is justified by the evidence that is produced. That power is a step beyond what has been available in the past and I am sure that it will be used when there is good justification for doing so. I agree with Janis Hughes that safety and protection of the public are considerations in all such matters.

## Further and Higher Education

*Resumed debate.*

15:31

**Alex Neil (Central Scotland) (SNP):** In the space of four minutes, I will be able to address three points. I would first like to mention something that has not come up in the debate—the lack of commitment to implementation of the other recommendations of the Cubie committee. I say that particularly in respect of benefit entitlement for students.

When the minister began his statement yesterday, he made it clear that the Executive would consider such matters—*[Interruption.]*

**The Deputy Presiding Officer (Mr George Reid):** Order. Members leaving the chamber must do so quickly and without conducting consultations and conversations.

**Alex Neil:** When the Minister for Enterprise and Lifelong Learning made his statement, he said that he hoped to make a further statement in the spring on the other recommendations in the Cubie report. Yesterday, however, in the *Edinburgh Evening News*, the First Minister was quoted as saying that the Scottish Cabinet had no intention of referring the other recommendations on student benefits to the UK Government. I ask the minister to make it clear when he sums up that that is not the Executive's position and that the Executive's position is, as was stated yesterday, that it will take up the recommendations of the Cubie committee on benefit entitlement and other related issues.

I hope that the Executive will, through the Enterprise and Lifelong Learning Committee and the joint ministerial committee of this and the other Parliaments of the UK, examine implementation of the other proposals in the Cubie report. I say that with particular reference to the restoration of benefit entitlement to students during the summer vacation if they cannot get work. The recommendation that there should be a £1,500 child care allowance for lone parents and the recommendations on benefit safeguards for full-time mature students should also be implemented.

When we talk about the student population, we often think of it as consisting of young people only. A college principal told me the other day that the average age of a student in his college is 37 or 38. The position of mature students is extremely important. We must get a commitment from the Executive that the other recommendations will be examined seriously, and that their implementation will be pursued here and at Westminster.



I would also like to deal with the deferred tuition tax, which raises two poverty issues. One is student poverty, on which we rightly focused this morning. The second is graduate poverty. As Margo MacDonald pointed out, the kinds of work that graduates are landed with are low-paid, poverty-wage jobs in McDonald's and elsewhere.

The deferred tuition tax is an attack on the living standards of graduates who have low incomes. Their total tax liability will be 25 per cent higher as a result of having to pay the deferred tuition tax than it would otherwise be. For somebody who earns between £10,000 and £15,000, that is substantial taxation. When members of the Enterprise and Lifelong Learning Committee consider these proposals in detail, I ask them to address that issue and to examine ways of changing the approach. It is clear that the change in the threshold from £17,000 to £10,000 will condemn many more people to poverty after they have graduated. As Tommy Sheridan pointed out, £10,000 is well below the poverty income level that ministers have referred to more than once.

My third point is that, if Scotland were independent, we would have to pay for the 20,000 English students who study at Scottish universities—the Lib Dems are making a big issue of that. As a nationalist and an internationalist, I say that we would be delighted to fund 20,000 English students at Scottish universities, at a cost of just under £10 million. However, that is not a cost—it is an investment. Unlike those of a kailyard mentality on the Lib-Lab benches, we want to see Scotland's universities welcome students from all over Europe, in the same way as the Irish, who have just abolished tuition fees, welcome Scots, English and other European students.

**Mr Keith Raffan (Mid Scotland and Fife) (LD):** Will the member give way?

**Alex Neil:** Unfortunately, I am summing up, although I am always keen to give way to Keith Raffan.

**The Minister for Enterprise and Lifelong Learning (Henry McLeish):** Give way to Mr Raffan.

**Alex Neil:** I have told Mr Raffan that I am summing up.

**The Deputy Presiding Officer:** I will allow you to take one intervention, Mr Neil.

**Mr Raffan:** The SNP manifesto, which is my favourite reading, refers not just to Scotland-domiciled students, but to those who study "furth of Scotland". Mr Neil used the phrase "furth of Scotland" in the Social Inclusion, Housing and Voluntary Sector Committee yesterday to include even those countries beyond UK shores, covering

Europe, north America and so on. Is he prepared to pay the tuition fees of Scottish students worldwide?

**The Deputy Presiding Officer:** You may address that intervention, Mr Neil, and then wind up your speech.

**Alex Neil:** We have used good examples in our questions, but we have not received answers. This morning, Bruce Crawford cited the example of a student going to the University of St Andrews for the first three years of a course and then to Manchester for the next two or three years. Of course, we would have to pay for that student. If Scottish students have to go furth of Scotland or furth of the UK to get a proper education, they are entitled to do so. If education is free—*[Interruption.]* I do not know of any course that is available in California that is not available in Scotland or in other parts of the UK.

Let me sum up with these three points, which are bad news for the Lib Dems. First, through the deferred tuition tax, the Executive is condemning graduates and students to poverty. Secondly, the Executive must make a commitment to implement the rest of the Cubie recommendations. Thirdly, let us be proud to be internationalists and to welcome students to Scotland from all over Europe.

15:38

**Des McNulty (Clydebank and Milngavie) (Lab):** As usual, Alex Neil has given us cauld kail.

I will concentrate on the impact of the Executive's proposals on the barriers to entry to further and higher education. Listening to some of the Opposition speeches, one might get the impression that, under the present arrangements, all Scottish students pay tuition fees and that the abolition of tuition fees has been the single most important issue for students in Scottish higher education.

As one who worked in the sector for the past 20 years, I know that that is not the case—a cursory reading of the Cubie report confirms that conclusion. At the university at which I was employed until last May, almost 40 per cent of students paid no tuition fees. A further 30 per cent paid part fees and the remainder, approximately 35 per cent, paid the full amount. There was some evidence that, initially, the fee structure was a barrier to entry, but modifications to the system, which increased both the thresholds and the taper on which liability to pay was calculated, dealt with most of the difficulties.

The Opposition parties—and even our coalition partners—concentrated on fees during the election campaign, wrongly, in my view. The biggest real barrier to participation in higher and further

education lies in the removal of student support, which, as was noted this morning, was one of the more shameful acts of the Tory Administrations during those 18 years of darkness and chaos.

**Tommy Sheridan (Glasgow) (SSP):** Will the member give way?

**Des McNulty:** The Tories spent 18 years short-changing students and the higher education system. It is entirely consistent that their only constant theme in this debate has been that tuition fees should be abolished—a policy aimed squarely at the better off. Privately, many Tories think that access to universities should be confined to the sons and daughters of the better off. A free system of higher education for the better off would compensate for the costs borne by those who opt their children out of state education at primary and secondary level. Their arguments deserve to be treated with contempt, because they are promoting a principle in which they do not believe.

Let me be explicit about where I think we should stand. If we want a mass higher education system—as I strongly believe we must—to equip our people with the skills that they need to achieve their full potential and to promote our prosperity as a nation, those who benefit must expect to pay. It is manifestly unfair to expect those who do not benefit from higher education to share in underwriting the full costs of higher education for those who do.

In my view, fees were not the best method of collecting that contribution, because the payment anticipated the benefit. Moreover, the confusion about how much people might have been expected to pay dissuaded some people—especially people whose income was limited—from entering higher education, even though they might have been exempt from fees or liable to pay a reduced amount.

**Mr John Swinney (North Tayside) (SNP):** Will the member give way?

**Des McNulty:** Perhaps Mr Swinney wants to apologise for confusing people.

**Mr Swinney:** I am apologising for nothing. I would like Mr McNulty to clarify one point for me. Will more people pay the new deferred tuition fee than paid the old full tuition fee?

**Des McNulty:** The real barrier to entry has never been fees; it has been the financial plight that students were plunged into by the removal of maintenance support.

**Tommy Sheridan:** Answer the question.

**Mr Swinney:** Is the answer coming? Shall I wait?

**Des McNulty:** I will come to it. The impact of the

removal of maintenance support was felt by those with the fewest resources to call on—those from less well-off families, those with responsibilities for children, and mature students with no parental support. Those are the people who suffered the greatest hardship.

The Executive's proposal directly addresses those areas of disadvantage; that fact, rather than the abolition of tuition fees, is its greatest virtue. The targeting of resources and the creation of new entitlements to support to replace discretionary funding for access are greatly to be welcomed. To answer Mr Swinney's question, there is no doubt that the overwhelming majority of students in Scotland will benefit, and that the poorest students will benefit most of all.

**Mr Swinney:** Will the member give way?

**Des McNulty:** Let me finish. The SNP is very fond of using comparisons between Scotland and independent nations and disparaging our country to its own political advantage. Can SNP members provide us with an example of a country anywhere in Europe that provides an equivalent or better package of student support in the context of participation rates in higher education in excess of 40 per cent? Can they do it? They have not mentioned one example.

This package will secure widespread support from students and from those who work in higher education, because it is a fairer system than what has gone before. It is a package that is already attracting envious glances from people south of the border, who see the improvements in our arrangements compared with those that will continue to operate down there. John Swinney is opposing a better deal for students in further and higher education in Scotland. I see that deal as a considerable achievement. If we are honest, we will admit that that is how the rest of the world will see it.

15:43

**Mary Scanlon (Highlands and Islands) (Con):** Like Des McNulty, I was a lecturer this time last year and had a long queue of students outside my door who were suffering because of poverty, working too many hours and not being able to study. We ought to have something in common.

Most of today's debate has concentrated on finance, but I am more concerned about standards of education, which are affected by student hardship. I know that in recent years many students have been working more than 40 hours a week in pubs and supermarkets. That results in coursework being handed in late, students having less time to research and study, and a lower standard of work. We should not divorce student hardship from standards in education.

I would like to widen the debate to cover funding and to acknowledge that 48 out of 53 colleges of further education in Scotland are facing serious financial deficits. The college that I worked at in Inverness is facing a deficit of around £6 million. Since Labour came to power, the number of courses and lecturers has been cut.

When is a tuition fee not a tuition fee—when it has to be paid at the beginning of the course, or when it has to be paid at the end of the course? Many students have to use student loans to pay for tuition fees; they pay back the money when they finish their course. That is no different from what is being offered today. Anyone who says that, because one pays at the end rather than at the beginning, the charge is not a tuition fee, is certainly naive and perhaps economical with the truth.

In the first year of the Labour Government, the maintenance grant was reduced from £1,700 to £700 and travel expenses for students were slashed from 70 per cent of standard rail or bus fares to £2 to £3 a day. In a triple whammy, tuition fees were introduced.

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD):** Will the member give way?

**Mary Scanlon:** No.

We are comparing today's proposals not with the situation in 1997, but with the draconian measures that Labour has imposed since it came to power in 1997.

HNC and HND students are exempt from the endowment. All the HNC and HND courses that I taught—accounting, business administration and so on—articulated to a degree course. Will it be the case that students will have the first two years of study free but, when they enter a third year to convert an HND into a bachelor of arts degree, will have to pay £2,000 because they are now degree students? Having spoken about that question to many colleagues in the sector last night, I think that the minister must answer. If it is the case, it creates a disincentive to students going from two years of education into a third year. It also leads one to question whether 50 per cent of students are exempt.

The University of Abertay Dundee, where I have also lectured, has moved away from offering HNC and HND qualifications. Students leaving at the end of first year are now offered a certificate in higher education and those leaving at the end of second year get a diploma in higher education. Those qualifications are identical to an HNC and HND respectively. Will the minister discriminate against students taking courses leading to the certificate or diploma in higher education, or will those students also be exempted from paying the endowment?

Another matter that puzzles me is the question of English students who come to study in Scotland and then remain here. If an English student decides at the beginning of his course that he will be domiciled in Scotland, will he have to pay his fees up front, or will he be eligible to pay the endowment fee at the end? When is an English student a Scottish student? Many English students came as far north as Inverness College and then did not go back.

Finally, I note that the access bursary scheme will be similar to the present access arrangements. I would be delighted if that were not the case. My experience of access funds is that they do not reward students who manage their finances well and that they put people off—students face extensive questioning about their personal finances. Assertive students benefited more from access funds than shier ones did, who did not want to undergo that form of scrutiny.

I hope that the minister will answer the serious questions that I have raised, which are based on experience.

15:49

**Mrs Mary Mulligan (Linlithgow) (Lab):** I welcome the minister's announcement of the abolition of tuition fees. Members are aware that not everybody paid tuition fees: some students were exempt and some had partial exemption. However, there was a perception that everybody did pay, which was used to deter people from applying for courses.

For that reason, we must all welcome the fact that the partnership has put together a package that means that tuition fees have now been abolished. If this Parliament is to be able to make decisions in response to the people of Scotland, accusations of U-turns are, at the very least, unhelpful.

Like many members, I have had discussions with students and others working in the provision of higher and further education. A major area of concern was not just tuition fees, but the hardship that students face in dealing with living costs. I welcome the bursaries that will become available.

**Nicola Sturgeon (Glasgow) (SNP):** Will Mary Mulligan answer the question that Des McNulty refused to answer when it was posed by John Swinney—whether more students or fewer students will pay the new deferred tuition fee than paid the old up-front tuition fee? It is a simple question that requires a simple answer.

**Mrs Mulligan:** I have never known Nicola Sturgeon to ask a simple question.

**Nicola Sturgeon:** I have never known Mary Mulligan to give a simple answer.

**Mrs Mulligan:** As the minister said, under the new scheme, no student will be worse off.

**Nicola Sturgeon:** That was not the question.

**Mrs Mulligan:** Last November, I was honoured to be asked by West Lothian College to make awards to the students there. Many of them were successful, hard-working mature students who were taking this Parliament at its word—they believe that education is for all ages. As Henry McLeish said, a mature student will now be able to take a loan of up to £14,000 and a bursary of £8,000. That will provide mature students, particularly if they have other responsibilities, with an income that will sustain them during their studies. The fact that mature students, single parents, disabled students and those studying for HND and HNC qualifications—which Mary Scanlon mentioned—will not have to pay the graduate endowment is also to be warmly welcomed and is a great incentive to people to return to study.

I was a little concerned, however, about something else that the minister mentioned this morning—the fact that means-testing has not been reviewed for a long time. I hope that that issue will be addressed in the coming period. All of us must be aware of the inequities that arose under the old grants scheme and that persist even now with the loans system. We must ensure that those students who are most in need of assistance get the most assistance.

In conclusion, I welcome the package that the minister has announced. Not only does it abolish tuition fees; it addresses the question of support for living costs for those who most need it. Most important, it ensures an income to further and higher education institutions, from the graduate endowment and from the additional £50 million that the Executive has committed. I welcome the proposals and I hope that other members can look beyond what may initially have been party political stances to recognise that this is a good package that has been put together in good faith.

15:53

**Christine Grahame (South of Scotland) (SNP):** Far be it from me to be party political.

I want to address the failure to abolish fees for Scottish students at English universities. I am sorry that none of the Executive's legal beagles is here, because with due respect—and the minister must know that he is in difficulties when I say that—the Executive's European position seems to me to be a bit muddled. The Executive seems not to know its European Community law from its European convention on human rights law, so I shall explain the difference.

European Community law binds the 15 member states and is supranational in nature. The prohibition of discrimination on the basis of nationality is covered by article 12 of the EC treaty; the internal arrangements of member states, such as Scotland and England, are irrelevant. That puts European Community law out the way; one cannot discriminate under that.

The muddled thinking continues because the Executive may be prepared to make payments of bursaries to those same cross-border students—Scottish students going to England. Let us consider that. Having disposed of European Community law, let us consider the completely separate matter of the European convention on human rights, drawn up by the Council of Europe, which has 41 members. The convention is not yet incorporated into United Kingdom domestic law, although it will be. It is, as we know, incorporated into Scots law through the Scotland Act 1998. We are a testing ground, as the Ruddle case proved. I have a feeling that Ruddle has frightened the wits out of the Executive so that it is not looking properly at how the European convention on human rights operates. I wonder whether Executive lawyers are even considering it at all.

Let us consider article 2 of the European convention on human rights, as amended by protocol 11:

"No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions."

That is the wording of the article. Can we just address those issues?

**The Minister for Rural Affairs (Ross Finnie):** Will Christine Grahame confirm that the SNP position on this matter is that, under article 12, it is permissible for the United Kingdom to discriminate against people within that member state?

**Christine Grahame:** Can we clarify what is meant by member state? I am talking about independent members of the European Union, between which such measures are not permissible. However, within member states—such as Scotland, England, Northern Ireland and Wales—such a measure is permissible. I hope that that is a wee legal lesson for the minister.

First, are not Scottish students at English further education universities—a situation which many Borders people find themselves in—being discriminated against in having to pay their tuition fees? Is not that in contravention of their rights under the European convention on human rights?

Secondly, would not payment of bursaries, which the Executive is trailing, to Scottish students

at English universities also be a contravention of the ECHR? The Executive says that it cannot pay because that would contravene European law. It should make it clear when it is talking about the ECHR.

It is essential that the Executive produces its legal opinion. That would not only be helpful; it is the right of this Parliament to have it. I lodged a number of questions on the legal advice in the Ruddle case, and it took the Executive five months to tell me that it could not answer the questions because the advice was given to the previous Administration, despite the fact that it was the same Lord Advocate. The Executive is in a panic about its legal advice. It is fearful that we will find something in it.

There are many legal problems that the Executive has not addressed. Is the levy on foreign students a tax? How will it be levied? How will residence be defined? Foreign students can have dual nationality. How will the money be collected? We have not been given answers to those questions. Let us see the Executive's legal advice for ourselves, otherwise I will suspect that all is not well and that, as usual, the Executive is finding it easier to obfuscate and to blame Europe.

15:58

**Donald Gorrie (Central Scotland) (LD):** I am happy to give vigorous support to this package, which ends tuition fees and reintroduces maintenance grants, or bursaries. No one has leant on me or offered me a motor car. Like all the other Liberal Democrats, I have had to confront my conscience and study carefully whether I felt that this student support package, which includes an endowment contribution from some graduates, in any way constituted deferred fees. I am clear that it does not, as I will explain in a moment.

Although I think that it is right to criticise the Executive when it deserves it, it is equally right to praise it when it gets things right. I whole-heartedly praise the Executive for its conduct on this matter in recent weeks. It is no secret that I felt that the matter was not handled well in May, but the Cubie committee—whatever its genesis—did a good job, and since then the negotiations have shown how a coalition can be conducted in an adult and constructive fashion. Liberal Democrat members of the Executive listened carefully to the serious concerns of Liberal Democrat MSPs, related them to the Executive, and influenced the result.

Even more commendable is the fact that the Labour party accepted that it would have to change some of its policies. That is difficult for a party to do, but unless we do it every now and then, we will make no progress at all. We would still be supporting stagecoaches—those with

horses, not engines.

The Labour party recognised that there should be a change. I think that is to be commended. It is worth pointing out, when there are conversions, that St Paul was, after his conversion, the most effective of the apostles.

**Fiona Hyslop (Lothians) (SNP):** Will Donald Gorrie give way?

**Donald Gorrie:** No, I want to make some points. We have heard enough from the SNP today.

The attitude of the Executive during the past few weeks contrasts sharply with the carping speeches made by the two Opposition parties, especially the speeches made by the two shadow ministers for mendacious and gratuitous abuse. One already well established in that role is David McLetchie; the other—regrettably joining him—is John Swinney.

Why do I believe that tuition fees are ending and not becoming deferred fees? First, they are ending this year as a free-standing exercise. There may be some huge economic, political or other shemozzle, which means that chaos descends and we never manage to put together this package of student support. It is quite possible that tuition fees will end but that the rest of the package will not come into effect. I am not suggesting that that will happen; I am suggesting merely that that is possible.

Secondly, 50 per cent of the students will not pay any of this endowment fund. What sort of graduate deferred fee is it if 50 per cent of students do not pay it at all?

Thirdly, the endowment fund is specifically directed to paying bursaries for poorer students in the future. That is a clear commitment. The fund is in no way to do with fees. It represents the only way, in our very restricted financial circumstances, of funding adequate support for mature students and poor students from poor families.

Lastly, the graduate contribution is £2,000. What sort of repayment is it if a person borrows £3,000 from the bank and the bank says, "That is fine, but you will have only to repay £2,000"? It is clear that the graduate contribution is quite different from a loan.

On all those grounds, the argument that the deal is about deferred fees does not stack up. I am very happy to support the package, especially the ending of tuition fees, which is what the Liberal Democrats pledged to achieve. We have made a good start in funding poorer students. There is work to be done and detail to be sorted out. The whole package is not 100 per cent satisfactory—it never could be—but we have made a good start and I am very happy to support it.

16:02

**Tommy Sheridan (Glasgow) (SSP):** There have been a number of appeals today not to be party political about this matter. I do not think that it is possible to remain neutral on an issue that requires us to look at the bigger picture.

The new Labour part of the Executive, at the least, wishes us to give it credit for the deal, which has been cobbled together to keep the coalition intact. Despite the fiasco that we have gone through, with the Cubie inquiry and its months of evidence taking, only for the majority of its recommendations then to be thrown out, there is still no recognition from new Labour members that fees did not fall from the sky. The Labour Government introduced fees in 1997. Labour now says that it wishes to abolish them; perhaps it deserves credit for that, but it should also apologise for imposing them.

The Executive says that it wishes to seek credit because it will introduce an access fund, which will be targeted. I will come to targeting in a moment. It is the type of targeting that means that we would have to employ Robin Hood so that we could target properly.

It was Labour that abolished grants in the first place in 1997. The Tories, over 18 years, underfunded and attacked higher education, but there was still the semblance of a grant of £1,700 when Labour came into power. Labour immediately reduced it to £750 and then removed it completely. Today, Labour wants credit for bringing back an access fund that will be targeted.

I have in front of me Wendy Alexander's letter, in which she tells me that the official poverty line in Britain is set at 50 per cent of average income. For an average family of two, that works out at £223 per week, which is £10,704 per annum. In other words, only those who are below the official poverty line will qualify for the full access fund. I hope that the Deputy Minister for Enterprise and Lifelong Learning will address that in his reply.

It is sad that so many of the new Labour members used to believe in what I still believe in—free education, where those genuinely in need of support get it, and have access to higher education.

Cubie wanted to set the qualification at incomes of £17,000; that would have been fairer than setting it at £10,000. To pay for free education, we should introduce proper, direct, progressive taxation. A number of new Labour members used to believe in that as well. They cannot have it both ways. They talk about what we can and cannot afford—we cannot afford a decent grant set at university costs of £6,000 per annum; we cannot afford to reintroduce income support or housing benefit for students; and we cannot afford a child

care access fund.

We cannot afford all those things, yet in 1981 when I and a number of other members—although they are not here today—were in higher education, we got a grant and were able to claim housing benefit and income support. That was in 1981, in the middle of a worldwide recession with high unemployment, inflation and interest rates. Today, as we heard earlier, we have the lowest unemployment in 24 years, low inflation and low interest rates—in other words, a healthy economy. How can the Government explain to the people of Scotland that when the economy was unhealthy, we could afford free education, but with an apparently healthy economy, we cannot afford free education?

**Des McNulty rose—**

**Tommy Sheridan:** The Government's whole philosophy is designed to enrich those who are already rich at the cost of the very poorest members of our society.

Des did not take my intervention, but I will take his.

**Des McNulty:** I ask Tommy to compare the percentage of people in higher education in 1981 with the percentage of people who benefit from higher education now, and to see how it fits his equation.

**The Deputy Presiding Officer:** After the member has answered that, please begin to wind up.

**Tommy Sheridan:** No problem, Des. There has been a massive increase in the number of people in higher education, partly as a consequence of the destruction of our manufacturing base after 18 years of the Tories. We also have the Executive's own statistics—there is a wee bulletin at the back of the chamber—telling us that this is an economic nirvana; that we have never had it so good. Yet Des and his Government cannot afford free education. Des is probably secretly ashamed of that, as are many members. It is about time that they took the fight where it has to go, to Westminster, to get the Government there to loosen the purse strings to pay for free education. The more they refuse to do that, the more the case for a genuinely independent Scotland will be made—we hope, an independent socialist Scotland.

16:09

**Allan Wilson (Cunninghame North) (Lab):** One of the advantages of speaking towards the end of a debate is the ability to comment on some of what has gone before. It is a pity that the whole exercise has been carried out under headlines about tuition fees, because as others have said,

that is the least important issue of those being addressed.

Tommy, it is nonsense to suggest that everyone in Scotland is opposed to the principle of better-off people making a contribution to the cost of their or their children's higher education. Many people in my constituency whose children will never see the inside of a university strongly support the principle of the direct beneficiaries of that education making a direct contribution to it if they can afford to do so.

For that reason, I support the retention of the principle of payment—albeit deferred payment—so that the moneys so raised can create educational opportunity for those who have been denied it traditionally. It is about access. We will charge people to create access for the disadvantaged kids in Tommy Sheridan's community, and in mine.

The Executive's proposals will be welcomed by the vast majority of parents and students, albeit that making a contribution to any costs can never become popular. The function of progressive government is not to court popularity, but to advance the common good. The proposals pass that test.

I agree completely with what Malcolm Chisholm said about monitoring the success of the proposals and widening access; such monitoring must be the litmus test of the agreement. I hope that there will be at least as much monitoring of the new package of student support and the proposed reduction in many students' indebtedness—it was argued that fear of debt mitigated against access—and the impact that those measures will have on university applications by kids from a lower-income background as there has been of the impact of fees on middle-class kids.

The real scandal was not the introduction of tuition fees, and it is not the proposed graduate endowment; it is that in this city, not 100 yd from Edinburgh University, lies an inner-city primary school that has never sent anybody to university. Where is the equality of opportunity there, or in that other great city, Glasgow, which Tommy Sheridan represents, where a similar situation prevails?

**Shona Robison (North-East Scotland) (SNP):** Does the member agree that the maintenance grant, which was abolished by the Labour Government when it came to power in 1997, would have assisted the very people he is talking about to go into higher education?

**Allan Wilson:** The £50 million package that is on offer will restore maintenance grants and improve access. That package is on offer for Shona Robison to vote for today, if she believes in it.

The proposals will have succeeded when we can say that every kid who enters that primary school has the same chance as the kids who enter primary schools that send 30, 40 or 50 per cent of their intake on to higher education. That is how we will build the knowledge economy that Mr McLeish referred to.

Des McNulty spoke about the number of kids who go to university now, compared with the figures for 1991. Bristow Muldoon and Sylvia Jackson referred to further education in their excellent speeches. Opposition members—including Tommy Sheridan—made little reference to the package's proposals for further education, yet young and old people alike will be able to grasp a tremendous opportunity to secure further education opportunities in our nation's colleges and to transform their employment prospects and their lives.

Forget the rhetoric about our so-called free education system; that system ignored the parental contribution to the grant-maintained system and failed working-class kids. For the first time ever, in the further education sector—where fees have always been the norm for the apprentices of this world—it is likely that no full-time student entering a further education college will make any financial contribution to their education. In addition, they will have access to improved grants and bursaries. That applies to Tommy Sheridan's people, and to my people.

We intend to expand further education by 40,000 extra places, in addition to the 2,500 extra places that the graduate endowment will create. That is a tremendous achievement for the Parliament and for the partnership that delivered the deal. The Tories expanded higher education, but they did so by cutting expenditure per student place by 30 per cent.

The proposals make devolution and the Scottish Parliament worth while. They deliver educational opportunity on a hitherto unimaginable scale to kids from disadvantaged backgrounds, to mature students—at no cost and with considerable financial support—and to lone parents who were excluded previously. I hope that that will also apply, in time, to all part-time students in further education. That is a real achievement. I commend the package to all members of the Parliament.

16:14

**Mr Andrew Welsh (Angus) (SNP):** I would like, again, to put on record the Scottish National party's strong opposition to previous Westminster Government proposals to abolish maintenance grants and introduce tuition fees. The SNP has stood consistently against the gradual erosion of state-funded higher education by successive,

short-sighted London Governments.

Under the previous Tory Government, we opposed the freezing of student grants and the abolition of students' right to claim housing benefit. We opposed the principle of student loans and the privatisation of those loans. The SNP believes in the principle of access to further and higher education. It should be equal for all, according to ability and regardless of other background factors such as wealth. That is the approach which the Parliament should adopt.

Like every graduate in the chamber, I benefited from the previous system of grants. I am ashamed that we are now on the brink of introducing a "pay as and after you learn" system, which will force future generations of students into massive debt and act as a deterrent to higher study. The irony of the proposals is that the Westminster Government's misuse of the Deering report to justify its decision to abolish grants is now being matched by the Scottish Executive's chopping up of Cubie to introduce a graduate tax.

I never want to see, in this country, any education system where credit rating counts for more than grade average, or where bank balances count more than qualifications. I stand by the traditional, Scottish view of access to education, available to all, irrespective of wealth, allowing each person to develop their abilities to the full, for the benefit of society.

At its heart, the Scottish education system is built on strong, traditional foundations. Its egalitarian, generalist, high-quality, flexible approach makes our system ideal to face whatever changes the 21<sup>st</sup> century brings—if, and only if, we recognise and build on those strengths. The Scottish Executive's graduate tax is not the way to do it. The Westminster shambles of an education policy is being further confused and complicated by the Labour-Lib Dem cobble-up over Cubie. The proposal will add anomalies to other anomalies, instead of curing the problems.

For example, the blatant discrimination against English, Welsh and Northern Irish students over the fourth-year tuition fee payment is now extended to every year of their studies in Scotland—if they come to Scotland, which I hope they do.

I remind Parliament of the McNichol report, which pointed out that those English, Welsh and Northern Irish students bring more than £210 million into the Scottish economy each year. Any fall in their numbers will have an immediate and unnecessary economic effect in Scotland. Indeed, there could also be consequential effects on the diversity of courses offered and on the diversity of the student population, never mind the future of our traditional, four-year Scottish honours degree.

The taxation switch between tuition fees and graduate contribution simply continues the Westminster approach of transferring the burden of financing higher education from central Government, and on to the shoulders of individual students and their families—something I find abhorrent, and I hope that this Parliament will never introduce it.

There is a clear and obvious danger that swathes of our population who could benefit from higher education will be financially deterred from doing so. Mounting student debt and drop-out rates are ominous signs of what is to come. The Scottish Executive's graduate tax opens a dangerous door. Examples from abroad show that, like tuition fees, once introduced, graduate contributions tend inevitably to rise. Look at what happened to tuition fees in Australia—they have doubled. The door to that possibility has been opened. It is something that I would oppose tooth and nail.

The Parliament had an opportunity to do something distinctive and positive for our students, yet what the Executive has produced is Cubie with many of its good bits cut out.

The SNP has been consistently right on this issue, and Westminster consistently wrong.

**Ian Jenkins:** Is this not distinctive? It must be, if the member is complaining that it is different in England.

**Mr Welsh:** It is distinctively bad.

**Ian Jenkins:** It is not distinctively bad.

**Mr Welsh:** There has been a move to withdraw Government money from higher education and replace it with contributions from individual students and their families—that is the unfair burden. We want to allow access to education for all our people—the Scottish tradition. What is happening is that many of our people who could benefit will now be financially disadvantaged.

Add this proposal to student loans and it is clear what is wrong. We could have done something distinctive. I recommend the policy of the SNP, which would allow access to higher education for all our communities. The Executive's proposal does not do that. It fails to meet the needs of our students, their families and the Scottish education system. The Executive and its allies will pay a heavy price for that.

16:20

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD):** I should begin by declaring an interest. As members will know, I have spent most of my life as a teacher and I am keenly aware of the importance to my former pupils of the package



that we are discussing today.

We have talked a lot about figures and policies in the debate; I would like to talk about people. In June, I received a letter from a constituent, who is also a personal acquaintance—I hope he will not mind if I call him a friend—whose youngsters I was teaching. They are both talented young lads, good musicians and likely to go to university. My friend was worried about tuition fees and he expressed his dismay and disappointment, because he thought that we would let him down. Although the letter was based on a false understanding, it hurt me deeply because I consider myself to be a man of my word.

In October, a group of my former pupils from Peebles High School came to visit the Parliament. As I showed them round and answered their questions, one of them asked me what the Liberal Democrats were going to do about tuition fees. I said that I was determined that a Liberal Democrat-Labour partnership would deliver on the abolition of tuition fees and that I would not remain on-side if that were not achieved.

I am delighted to say to the Parliament that I can go back to that parent and those pupils, look them straight in the eye and say that my promises have been kept. Consider a whole class group—such as the one that visited me in the Parliament—leaving school at the end of fifth or sixth year, hoping to further their education. I know that I can tell those who are going to university that fees are abolished. Whether they do a three-year degree, a four-year honours degree or a medical degree that lasts five years or more, they will never get a demand for tuition fees. To those going on to higher national certificate and higher national diploma courses I can also say that fees are abolished. To those who are going into full-time further education, I can say that they will get an excellent deal from this package.

**Nicola Sturgeon:** As Mr Jenkins is telling us what he will say to students, will he tell us what he will say in a few years' time to a student who has graduated and lives below the poverty line, yet will have to pay £2,000 into the graduate endowment fund?

**Ian Jenkins:** I hope that Nicola Sturgeon will forgive me if I answer that later, if I have time. I will tell members what I would say to that student.

**Christine Grahame:** Tell us now.

**Ian Jenkins:** Christine Grahame acknowledged that the package meant the abolition of tuition fees at the beginning of her speech, when she talked about England. [*Interruption.*]

Perhaps Nicola Sturgeon could repeat her question.

**Nicola Sturgeon:** I wanted to know what Mr

Jenkins will say to the graduate who, in a few years' time, is earning below the official poverty line and is having to pay £2,000 into the graduate endowment fund.

**Ian Jenkins:** I will tell him that he has benefited because he has a passport to the future—a future that will be bright.

**Robin Harper (Lothians) (Green):** Will the member give way?

**Ian Jenkins:** I am sorry, but I cannot.

**Nicola Sturgeon:** What about the endowment fund?

**Ian Jenkins:** It is one of the aspects that I am slightly unhappy about. I will come to that point.

**Nicola Sturgeon:** When will that be?

**Ian Jenkins:** Give me a moment.

**Robin Harper:** Will the member give way?

**Nora Radcliffe (Gordon) (LD):** Will the member give way?

**Ian Jenkins:** No, shush.

I want to say to those pupils that some will not go straight to university—they might get married and go back into education later. I can say that as mature students, they will get a better deal than ever before. Half those students will never be asked to pay into the endowment fund; a third will receive payments that they would not have received yesterday or the day before. They will have money in their hand to help them with their education. It is a positive deal.

**Robin Harper:** Will the member give way?

**Ian Jenkins:** I will in a moment.

Student hardship and wider access are on the agenda.

**Robin Harper:** As a former teacher, does the member agree that after doing a year's training, teachers going into the profession earn only about £3,000 a year above the poverty line? Does he further agree that half of those teachers—the half who do not end up being promoted—end up earning slightly under average earnings? What kind of encouragement is it to graduates to enter the teaching profession if they have to pay another £2,000 as soon as they start teaching?

**Ian Jenkins:** Robin can see the figures—their debt will be reduced.

**Nicola Sturgeon rose—**

**Colin Campbell (West of Scotland) (SNP) rose—**

**Ian Jenkins:** No, I want to go back to the point that Nicola raised.

Once today is over, and the system is recognised as the way forward, I hope that members from all parts of the chamber can move on in the debate. The system will come in, so let us come together and address the genuine difficulties round the edges of the debate that many of us wish to address.

I am happy about the £10,000 cut-in; I accept it. I draw members' attention to the contributions of John McAllion, Malcolm Chisholm, Sylvia Jackson, Richard Simpson, David Mundell from the Tories, Alex Neil, and even Mary Mulligan. They all pointed to issues round the edges; we must come together to sort them out.

I welcome Henry McLeish's intention, through Sam Galbraith, to consider the question of child care. I reiterate our wish to find a solution to the English problem.

With our Labour partners, who have moved in our direction without either of us giving up our ambitions, we have put together a package that is good for the pupils of Scotland, good for the students of Scotland and good for the parents of Scotland. If we all work together, it will be an even better package and one that we can build on in the future.

**The Deputy Presiding Officer (Patricia Ferguson):** That closes the open part of the debate. Four members who had hoped to speak have not been able to, and I apologise to them.

**Helen Eadie (Dunfermline East) (Lab):** On a point of order. This is the third week that I have tried unsuccessfully to speak in a debate. I sat in the chamber all day last Thursday; today I had to leave for only a very short time for a meeting across the road. I want to put on record my dissatisfaction with what I regard as unfair treatment. Some members spoke for six minutes today.

**The Deputy Presiding Officer:** Thank you for making that point. As I have mentioned before, we take note of members who are not called in a debate, and we try to accommodate them the next time that they wish to speak. I am sorry about your situation. Thank you for letting us know about it.

I call Nicola Sturgeon to wind up the debate for the Scottish National party.

**Nicola Sturgeon:** No, not me.

**The Deputy Presiding Officer:** I am sorry—I call Brian Monteith to wind up for the Scottish Conservative party.

16:28

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** Thank you, Presiding Officer. Nicola and I have shared many a laugh, but I am not often

mistaken for her. Nicola is far more sylph-like than I am.

Early in this debate, Richard Simpson questioned whether we were attacking only the fine detail of the package. To avoid any confusion, let me assure him that we are not. We are attacking the package for its overall fundamental failure.

As my colleague David McLetchie mentioned earlier, Labour went into the Scottish election advocating no changes of the type that it has now introduced. Labour did not believe that there was anything wrong. It did not accept that there was a problem with tuition fees, it did not accept that there was a problem with financial support for students and it did not even show any concern for the groups that it now proposes to champion with exemptions from its scheme.

Now Labour members want to tell us that they are the saviours of Scotland's students and that no one will be worse off than before. As if it was not Labour's fault in the first place, they are conveniently forgetting that it was Labour that abolished the maintenance grant, it was Labour that introduced tuition fees and it was Labour that started the means-testing of student loans and moved the repayment threshold salary from £17,000 to £10,000.

The Liberals also stand condemned, but for a different reason. Liberal members were clearly committed to the abolition of up-front tuition fees; they have failed to have them abolished. We need no lectures on voting to end tuition fees from the Liberals. They could have done so on 17 June, but they bottled it. We ended up with a committee of inquiry, which we accepted should examine the issue of student maintenance. However, the abolition of tuition fees could have been handled then while we investigated the problem of finance.

Let us be clear. For all the debate on student maintenance and access, the issue of tuition fees ignited the public's passion, putting the matter into the political arena for the first time. I do not recall an election in Scotland or in Britain in which higher education was so high up the agenda.

Mr McLeish said that we have been making uninformed comment about the proposals. Although I do not mind his claims that our remarks are inaccurate—we can agree to differ on that matter—let us be honest. Our comments are informed by the leaks and the poor and scanty information that has been released. There is absolutely no doubt that there was an intentional leak designed to confuse the Opposition and the media; but the payback is that it is confusing only the public.

The message is becoming confused, and I think that even the coalition's back benchers are

beginning to weary of it. We have received much inaccurate information; indeed, some of the figures supplied by the chamber office appear to be wrong, and I look forward to the minister correcting some of them when I write to him. The package itself is so confusing that students will need to seek advice not just from a careers adviser but from an accountant before choosing the best course for them.

As for the European ruling, the minister told us in his reply to Dr Simpson's probing that he is willing to consider awarding bursaries to Scottish students who attend England and Welsh institutions. If he is saying that the European ruling would not get in the way of doing that and that it affects only student fees, not student support, clearly the scheme proposed by the Conservatives could accommodate the ruling and provide all Scottish students with the support to pay their fees. Providing the funding for students to meet the cost of fees has been the consistent and central approach of the Conservatives to dealing with this issue.

Oddly, Jim Wallace seemed to admit that the problem was not the law itself but the effect on the Scottish block of European students studying in England and Wales. I thought that Blair, Brown and Blunkett were worried about the cost of Europeans' front-end fees in England and Wales, but it seems that I was wrong. Jim Wallace has told us that Scotland would pick up the tab for European students studying in England. If that is devolution at work, we will never hear the end of it.

The Conservatives have a solution to the so-called European ruling. If Henry McLeish is sincere in his wish to remove the anomaly of Scots students being able to study in England, Wales and Northern Ireland without paying tuition fees, he should publish the ruling to assure all Scottish students and MSPs with doubts about his sincerity or the interpretation of the ruling itself. Publication would also benefit members' bills and any subsequent legislation that the minister might introduce.

We doubt the existence of that legal opinion and suspect that the influence of Brown, Blair and Blunkett lies behind the coalition's failure to deliver on this issue. That has happened before. For example, we know why the coalition is reluctant to remove the fourth-year anomaly, whereby English and Welsh students pay for the fourth year of study in Scotland, but students from Greece and Germany do not. The reason is not the £2 million cost to the Scottish block grant, but the £28 million cost to the Treasury to deal with the four-year degrees in England. It must be true, because Brian Wilson, when he was Minister for Education and Industry, told us so.

Of course, on the matter of tuition fees, we

believe in a level playing field for students. The minister criticised us for saying in our submission to Cubie that we were not concerned about maintaining a level playing field for Scottish students in the UK. I worry for him if he has to misrepresent our position to buttress his own.

For the record, we believe that, in the context of student support, there is no reason why this Parliament and why Scotland should not seek to give more funding and support for Scottish students, which would clearly lie within the aims and ideals of the devolution settlement. However, in the context of access to higher education, we fully support a level playing field for all UK students wherever they study in the United Kingdom. That view has not changed in our party, and I am only saddened that it continues to be so powerfully undermined by the minister's.

We believe in income-contingent commercial loans. We have never denied it. We think that such loans are important. They ensure generous provision, they treat students as adults, not dependants, reduce the pressures on the Exchequer and target state support where it is needed most to those students who do not earn enough to pay off the loan, thus dealing with the issue of loan aversion. The minister seems to be against an income-contingent commercial loan, but accepts an income-contingent state loan and an income-contingent tuition tax. The minister is inconsistent.

Failure of the coalition is self-evident. After having spent £700,000 on a committee that raised people's expectations, only for those expectations to be dashed, we have now moved from a system in which 60 per cent of students pay some or all of the up-front tuition fee to one in which around 50 per cent of graduates pay all the tuition tax. I am prepared to welcome the exemptions, as I said yesterday, but they should have been extended to all graduates. Then we could have honestly agreed that tuition fees had been abolished.

The Liberal Democrats shout from the rooftops that they have achieved the abolition of up-front tuition fees for 97 per cent of students. They forget that only 60 per cent of students paid towards them and that 50 per cent of graduates will now pay the rear-end fees.

George Lyon says that the package deals with loan aversion. If however, we take the example of a student from a family earning £23,000, the difference in loan repayment—in the debt—is £500. I do not believe that that is a significant enough difference to bring about the type of change in attitude that George seeks.

Based on the scarce figures of the Scottish Executive, more than 60 per cent of students going from school to university have had their loan

entitlement cut. In real cash terms, 57 per cent of school leavers are worse off. The trick is that the parents will be paying.

Reducing the loan entitlement will only put students into more debt as they borrow more on their credit cards and push up their overdrafts. That is why it has always been sensible to make regulated commercial loans available, because the interest rate can be kept down through competition and negotiation. Fiona Hyslop was correct to say that the proposed endowment is no such thing, but a mortgage debt over the cost of the tuition, payable when the student obtains the deeds to their degree. Graduates do not contribute to it, but are forced to pay.

As Christine Grahame correctly pointed out, if a student studies in England and pays the up-front fee, they do not pay the rear-end fee. If they study in Scotland, avoiding the up-front fee, they pay the rear-end fee, even if they do not get the bursary. The endowment contribution is clearly and directly linked to the tuition, not to the provision of bursaries.

When people such as those who are now in government campaigned for this Parliament, they told us that it would stop Scots suffering iniquities such as the poll tax that was foisted upon them. How the people of Scotland must feel betrayed, for this Administration is introducing a graduates' poll tax, a tuition tax at a flat rate of £2,000.

The Liberal Democrats and Labour may appear smugly content, but when the opportunity comes, the electorate will wipe the smiles off their faces.

16:39

**Nicola Sturgeon (Glasgow) (SNP):** I wonder if the Liberal Democrat ministers ever feel that they have been deserted on this issue. They do not seem to be joined by many of their coalition partners in the chamber.

Many words and phrases have been used to describe some of the contributions in this debate: "Orwellian doublethink", "sophistry" and "embarrassing". All of them are applicable in some way or another. More than anything, what we have witnessed here today has been a collective squirm by the coalition partners.

Labour members are squirming because they are trying to gloss over the fact that their discredited system brought us to where we are today. The Liberal Democrats are squirming because they know, deep down, that they have failed to deliver on their central manifesto commitment to abolish tuition fees. Ian Jenkins said that he was unhappy with the arrangements for the graduate endowment fund. Need anybody say more? The package that was announced by

the minister yesterday has been widely described as a political fix, an accusation that no member of the coalition has been able to rebut convincingly today.

I will be charitable to the senior partners in the coalition. I do not believe that their biggest problem was trying to keep the Liberal Democrats on board. The dirty deed that ensured that they would stay on board was done seven months ago on 17 June last year when the Liberal Democrats failed to vote for an end to tuition fees, which, as the minister confirmed today, could have been done by an Executive action. That was the quickest way to deal with tuition fees and the Liberal Democrats failed to take it.

All that the Liberal Democrats have been looking for from Cubie and the response to Cubie was something to hide behind, something that would give them an excuse to bang their desks. The minister obliged and helpfully included the word, "abolish". I say to Messrs Lyon, Rumbles, Brown and all the rest who spoke today that if they think that simply removing the words "tuition fees" from legislation constitutes delivery of their manifesto pledge, they are in for a rude awakening.

**Robert Brown (Glasgow) (LD) rose—**

**Nicola Sturgeon:** If I were Mr Brown, I would be trying to keep a low profile. The best that Liberal Democrats can hope for is that the Ayr United for Heathfield pressure group does not decide to field a candidate in the forthcoming by-election.

The Liberal Democrats were not the problem for the Labour party; their principles come cheap. The real problem was the political fix imposed by Brown and Blunkett, which has left Scottish Labour defending the indefensible. Cubie says that the present system is discredited. Labour implicitly accepts that by moving away from it, although not far enough to allow the Liberal Democrats to say that they have honoured a manifesto commitment.

Henry McLeish said that Cubie's recommendations were mature and sensible. Today he said that the report was excellent and he whole-heartedly endorsed it; however, he cannot implement it because, as a Government adviser said earlier in the week, Brown and Blunkett would not wear it. We are left with a package that bears no relation to the report that it took Cubie six months and £1 million of public money to complete.

The SNP is the only party in Parliament that stands by Cubie's proposals. There is one point of difference, however: we would not ask people to pay what can only be called deferred tuition fees. On 6 May last year, people voted for a return to free education. That is what the SNP stands for.

John McAllion and Pauline McNeill made excellent speeches about access for people from low-income backgrounds. I agreed with much of what they said, but nobody has explained to me how access will be increased by imposing a charge for education, whether that is an up-front charge or a back-door charge. Pauline McNeill said that we had to change attitudes to get more low-income students into higher and further education. That is exactly the point that Cubie made when he said that the present system added to anxieties about debt. That is why the SNP advocates Cubie plus.

Let us examine the costs that the Liberal Democrats have been talking about. The difference between what the coalition is offering and what Cubie recommended is £12 million a year, as Andrew Wilson pointed out earlier. To suggest one possible source for the funding, that sum is just 4 per cent of the underspend in the Parliament's budget.

The plus part of Cubie plus adds no costs at all during this term of the Parliament because it would be 2005 before the income stream from the new tuition fees kicks in. For the sake of £12 million a year, the coalition is refusing to implement Cubie's excellent report. It is refusing to abolish tuition fees and is only deferring them.

To add insult to injury, the Executive is lowering the income threshold for payment of deferred fees to £10,000. People who are currently exempt from the old tuition fees will have to pay the new tuition fees. More people will have to pay the new tuition fees than paid the old ones. As Fiona Hyslop said earlier, only 30 per cent of students currently pay full tuition fees, whereas 50 per cent will pay the new tuition fees. Can the minister do what all his colleagues have failed to do today, by convincingly rebutting that argument? I await his summing-up with interest.

For many people, this is not the abolition of tuition fees. It is not even the deferment of tuition fees. *[Interruption.]* I hope that Liberal Democrat members are listening. This is the imposition of tuition fees—that is the reality.

There is also the question of Scottish students who are studying south of the border, an issue on which utter confusion reigns. No one has yet answered the question that John Swinney posed yesterday, and again today, about his constituent who has to go south to take up the course that she wants to study, as it is not available here in Scotland. Will Nicol Stephen answer that question in his summing-up?

Henry McLeish says that this is a problem that is created by European law. The Deputy First Minister, Jim Wallace, then said that it is not—rather, that it is a problem that is created by costs.

I appeal to Nicol Stephen to clear up that confusion in his summing-up and to let us know exactly what the problem is. If it is European law, the Executive should publish the advice that it has been given, as Christine Grahame and others have suggested, so that we can all judge the issue. If the problem is European law, will the minister explain why, if it is illegal to pay fees for students down south but legal to pay bursaries for them, it is not possible to pay those students bursaries that would cover the cost of their fees? Those are all pertinent questions that nobody from the Liberal Democrats or the Labour party has addressed this afternoon.

There is also the issue of grants. I return to the points that were made eloquently by John McAllion and Pauline McNeill about access. *[Interruption.]* If Henry McLeish had been here, he would know that I have covered the SNP's proposals in full.

The points that were raised by John McAllion and Pauline McNeill about access were precisely the points that Cubie considered in a mature and sensible way during the process of completing his report. What is being offered by the coalition is half of what Cubie recommended for maintenance bursaries.

As Tommy Sheridan and others have said this afternoon, the ceiling for full entitlement has been lowered from £17,000 to £10,000—a figure that, on Wendy Alexander's own admission, is below the official poverty line.

I am sorry that Elaine Murray has not seen fit to see out the rest of this debate. Earlier, she said that £7.50 a week, which is what the repayments would be, is not a lot of money for someone on £10,000 a year. I suggest strongly that she make a point of speaking to some people on that income level, to find out the financial pressures that they face.

The reality that has been outlined time and again in this chamber, yesterday and today, is that the coalition has ignored Cubie. It has done exactly what Henry McLeish asked the Liberal Democrats not to do—it has ignored the recommendations of that committee. Labour and the Liberal Democrats have sold out Scottish students.

The SNP is alone in advocating Cubie plus, an affordable solution that would deliver a good deal for Scottish students. It is that deal that we will continue to argue for inside and outside this chamber. I believe that it is the solution that the majority of Scottish people want to be delivered by this Parliament.

16:49

**The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen):** As we expected, this has been a good-natured debate. Before I comment on the debate, I want to be absolutely clear on one point: this is the most significant package of new investment in student support that there has been in decades. It abolishes tuition fees from autumn this year—one year ahead of the date that Cubie suggested. It introduces bursaries of up to £2,000 a year for students on low incomes. It injects a total of £50 million of new money into student hardship.

Before I turn to the criticisms and attacks, I will examine the details of the proposals. We are abolishing fees for 140,000 Scottish students—40,000 in further education and 100,000 in higher education—from September 2000. I will respond to Nicola Sturgeon's point by saying that those students who are currently in the system will not be required to pay any graduate endowment, although I will add one qualification to that. As members know, in the past 20 years existing students have been protected from new student support arrangements. They were being protected from cuts. This is different—we are extending student support. We are introducing bursaries for families with incomes up to £23,000.

On John McAllion's point, students whose parents' income is £17,000 will still get a bursary of about £700 a year—that is £200 more than the maximum bursary that the SNP suggested in its manifesto.

**Tommy Sheridan:** Will the minister give way?

**Nicol Stephen:** I will not give way.

The Executive appreciates that there might be a demand for a new system of loans and bursaries because it represents such a good deal for Scotland's students. We will consult on the possibility of introducing such a system.

**Richard Lochhead (North-East Scotland) (SNP)** *rose—*

**Nicol Stephen:** That is where the graduate endowment comes in. That endowment will be used exclusively to fund improved maintenance for disadvantaged students. We can debate this issue today for a clear and simple reason—it is because of devolution. It is because we have a new and modern Parliament that was elected by proportional representation and that can deliver distinctive policies for Scotland. It is because of Labour and Liberal Democrat politicians working co-operatively together—

**Dorothy-Grace Elder (Glasgow) (SNP):** It is because you have a strong Opposition.

**Richard Lochhead:** Will the minister give way?

**Andrew Wilson (Central Scotland) (SNP)** *rose—*

**Nicol Stephen:** I will not give way.

I agree with Andrew Wilson that this has been the defining issue of the Scottish Parliament. Today is the defining moment; today the Executive is delivering. That has happened because of the Government partnership and because of the setting up of the Cubie inquiry and—

**Richard Lochhead:** Will the minister give way?

**Nicol Stephen:** No, thank you.

It has happened because of the excellent work done by Andrew Cubie and the members of his committee. By working together we have agreed a way ahead.

I have already spoken to many students and student leaders about our proposals and I can confirm that we intend to consult widely with them and others, including students, teachers and principals.

**Mr Swinney:** I was unable to ask a question at First Minister's questions today and I would like to set the record straight about the so-called warm welcome that has been given to the package.

Representatives of the Committee of Scottish Higher Education Principals might comment favourably on the proposals. Has the minister, however, seen the comments that have been made by the president of the National Union of Students in Scotland, the president of the University of Strathclyde students association, the president of Glasgow Caledonian University students association and the president of the University of St Andrews students association? They are all hostile and they all talk about the intolerable burden of repaying tuition fees from earnings of £10,000 per annum.

**Nicol Stephen:** Many people have broadly welcomed our proposals, but some have expressed concern. I have met several of the individuals whom John Swinney mentions and I will meet them again next week. The more I explain our system to them, the more they like it.

I will move on, because I want to focus on some of the anomalies and on some of the concerns that Robin Harper and others in the chamber have expressed. There has been a lot of misunderstanding because of misinformation. We do propose something different on repayment from what is suggested in the Cubie report, but we are suggesting nothing that will cost a Scottish graduate a single penny more per week than either the present system or the SNP's proposal.

All the main parties in the chamber propose the retention of some form of student loans. It is under the student loans system—not some system that

has been set up by the Executive—that repayment levels kick in at 9 per cent of a graduate's income over £10,000. We can guarantee that no student will have more debt; most students will have less debt on graduation with the scheme. Because of that there will be no extra repayment burden on students. I give this extra guarantee: every student from a low-income family will have up to £4,000 less debt and extra spending power of up to £2,000 as a result of these proposals, amounting to a total entitlement each year of £4,135.

To answer Andrew Wilson and Margo MacDonald's concerns, would loans still exist under the SNP proposals? The answer is yes. Would the SNP use the student loan system to collect those debts? The answer is yes. What would that repayment rate be? The answer is 9 per cent of income over £10,000. Will a student pay more a week under our proposals in comparison with the SNP's proposals? The answer is no.

**Ms Margo MacDonald (Lothians) (SNP):** *rose—*

**Nicol Stephen:** Will they have less money for their bus fares, Margo? The answer is no. The most disadvantaged students will get a bursary of £2,000 a year under our proposals, in comparison with a maximum of £500 a year under the SNP manifesto commitment.

**Ms MacDonald:** Will the minister give way?

**Nicol Stephen:** I must make progress. I have very little time and a lot of ground to cover.

Much has been made of the cross-border issues facing Scots who wish to study in England and Wales. Let me be clear about our intention. We wished to treat all Scots the same, but a significant problem was drawn to our attention. Members have asked for the legal advice and I will try to be helpful on that point.

**Christine Grahame** *rose—*

**Nicol Stephen:** Article 12 of the Treaty on European Union prohibits discrimination on the ground of nationality against nationals of other EU states. The imposition of fees on students who are students of other member states as a condition of access would amount to discrimination if the fees were not imposed on nationals of the host member state.

**Andrew Wilson** *rose—*

**Robin Harper** *rose—*

**Nicol Stephen:** We had to consider whether we, in Scotland, as part of the UK member state, could provide that Scots—who for this purpose would be regarded as UK nationals—did not pay tuition fees in the rest of the UK. Given the risks of challenge by other EU nationals and based on the best

advice available, we produced the proposals that are before us today.

**Christine Grahame** *rose—*

**Andrew Wilson** *rose—*

**Nicol Stephen:** Let me also be clear that the same issues arise with the solutions proposed by the Scottish nationalists, by the Cubie committee and by the Scottish Conservatives.

**The Presiding Officer (Sir David Steel):** Order. Members, please be seated.

**Nicol Stephen:** I am disappointed with the legal advice and I would like it to be different. As part of our consultation exercise, we will examine all the anomalies that have been mentioned in the chamber today, to consider whether they can be addressed. However, let us be clear that I can accept criticisms from John Swinney and others about manifesto commitments, if I make a concession, or do a U-turn, or negotiate something away. Even if the Liberal Democrats had an overall majority in this Parliament, even if we held every one of the 129 seats and even if John Swinney had joined us on the negotiating team, the problem would still exist.

**Mr Swinney** *rose—*

**The Deputy Minister for Local Government (Mr Frank McAveety):** Join us, John.

**Nicol Stephen:** The SNP's policy declares that it will fund all fees furth of Scotland—it is not quite the same policy but exactly the same problem.

**Mr Swinney:** Will the minister give a pledge to the Parliament that, as part of his consultation process, he will bang just a little bit harder on the door of the Chancellor of the Exchequer, to get him to solve the consequences of this policy? As the Deputy First Minister said, this is not about the law; this is about the money.

**Nicol Stephen:** That is not true. Mr Swinney completely missed my point. He was not listening.

**Robin Harper:** Will the minister give way?

**Nicol Stephen:** No. I am near the end of my speech. I have not yet dwelt on the Conservatives' contribution to the debate. Because of time constraints, they may be pleased to hear that I will not dwell on it further.

The main issues that I wished to cover were those that I have just raised. We intend to examine in depth John Swinney's question, Mary Scanlon's concerns and other points of detail. We will provide detailed answers to all those concerns. There is much work still to be done. We have promised to respond to all the Cubie committee's recommendations and we intend to do so by the spring.

Today we announced a major package of proposals aimed at widening access and encouraging more people into both higher and further education. Further proposals on, for example, child care, will follow. We will consult widely on those proposals and we look forward to working closely on them with John Swinney's Enterprise and Lifelong Learning Committee.

Our proposals on student maintenance and the graduate endowment scheme will require an act of this Parliament and we intend to introduce legislation before the end of this year. The procedure for ending tuition fees is simpler. It does not require an act of Parliament or secondary legislation. It is sufficient to amend the regulations of the Student Awards Agency for Scotland.

For that reason, I have prepared a letter to David Stephen, the chief executive of the Student Awards Agency for Scotland, asking him to put in hand the arrangements that are required to fund the tuition fees of all Scotland-domiciled students at Scottish higher education institutes from the autumn of this year.

If the Parliament supports this motion today, we will issue that letter today, for today is the day that abolition of tuition fees can be delivered by this Parliament, alongside a major package of student support that will widen access to higher education. I commend this motion to the chamber.

## Subordinate Legislation

### *Motion moved,*

That the Parliament agrees that the draft Pesticides (Maximum Residue Levels in Crops, Food and Feedingstuffs) (Scotland) Regulations 2000 be approved.—  
[Mr McCabe.]

## Decision Time

17:01

**The Presiding Officer (Sir David Steel):** The first question is, that amendment S1M-461.1, in the name of Mr John Swinney, which seeks to amend motion S1M-461, in the name of Henry McLeish, on the Executive's proposals on wider access to further and higher education, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### FOR

Adam, Brian (North-East Scotland) (SNP)  
Campbell, Colin (West of Scotland) (SNP)  
Canavan, Dennis (Falkirk West)  
Crawford, Bruce (Mid Scotland and Fife) (SNP)  
Cunningham, Roseanna (Perth) (SNP)  
Elder, Dorothy-Grace (Glasgow) (SNP)  
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
Fabiani, Linda (Central Scotland) (SNP)  
Gibson, Mr Kenneth (Glasgow) (SNP)  
Grahame, Christine (South of Scotland) (SNP)  
Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
Harper, Robin (Lothians) (Green)  
Hyslop, Fiona (Lothians) (SNP)  
Ingram, Mr Adam (South of Scotland) (SNP)  
Lochhead, Richard (North-East Scotland) (SNP)  
MacAskill, Mr Kenny (Lothians) (SNP)  
MacDonald, Ms Margo (Lothians) (SNP)  
Marwick, Tricia (Mid Scotland and Fife) (SNP)  
Matheson, Michael (Central Scotland) (SNP)  
McGugan, Irene (North-East Scotland) (SNP)  
McLeod, Fiona (West of Scotland) (SNP)  
Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
Neil, Alex (Central Scotland) (SNP)  
Paterson, Mr Gil (Central Scotland) (SNP)  
Quinan, Mr Lloyd (West of Scotland) (SNP)  
Reid, Mr George (Mid Scotland and Fife) (SNP)  
Robison, Shona (North-East Scotland) (SNP)  
Russell, Michael (South of Scotland) (SNP)  
Salmond, Mr Alex (Banff and Buchan) (SNP)  
Sheridan, Tommy (Glasgow) (SSP)  
Sturgeon, Nicola (Glasgow) (SNP)  
Swinney, Mr John (North Tayside) (SNP)  
Ullrich, Kay (West of Scotland) (SNP)  
Welsh, Mr Andrew (Angus) (SNP)  
White, Ms Sandra (Glasgow) (SNP)  
Wilson, Andrew (Central Scotland) (SNP)

### AGAINST

Aitken, Bill (Glasgow) (Con)  
Alexander, Ms Wendy (Paisley North) (Lab)  
Baillie, Jackie (Dumbarton) (Lab)  
Barrie, Scott (Dunfermline West) (Lab)  
Boyack, Sarah (Edinburgh Central) (Lab)  
Brankin, Rhona (Midlothian) (Lab)  
Brown, Robert (Glasgow) (LD)  
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
Davidson, Mr David (North-East Scotland) (Con)  
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
Dewar, Donald (Glasgow Anniesland) (Lab)  
Douglas-Hamilton, Lord James (Lothians) (Con)



Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Fergusson, Alex (South of Scotland) (Con)  
 Finnie, Ross (West of Scotland) (LD)  
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)  
 Gallie, Phil (South of Scotland) (Con)  
 Gillon, Karen (Clydesdale) (Lab)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Gorrie, Donald (Central Scotland) (LD)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 Johnston, Nick (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeish, Henry (Central Fife) (Lab)  
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Mundell, David (South of Scotland) (Con)  
 Munro, Mr John (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Wallace, Ben (North-East Scotland) (Con)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)

Wilson, Allan (Cunninghame North) (Lab)  
 Young, John (West of Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 36, Against 85, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The second question is, that amendment S1M-461.4, in the name of Brian Monteith, which seeks to amend motion S1M-461, in the name of Henry McLeish, on the Executive's proposals on wider access to further and higher education, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### FOR

Aitken, Bill (Glasgow) (Con)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fergusson, Alex (South of Scotland) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Johnston, Nick (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North-East Scotland) (Con)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Mundell, David (South of Scotland) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Wallace, Ben (North-East Scotland) (Con)  
 Young, John (West of Scotland) (Con)

#### AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Dewar, Donald (Glasgow Anniesland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)

MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McLeish, Henry (Central Fife) (Lab)  
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, Mr John (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)  
 Campbell, Colin (West of Scotland) (SNP)  
 Canavan, Dennis (Falkirk West)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McLeod, Fiona (West of Scotland) (SNP)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Paterson, Mr Gil (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Reid, Mr George (Mid Scotland and Fife) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Mr Alex (Banff and Buchan) (SNP)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)

Wilson, Andrew (Central Scotland) (SNP)

**The Presiding Officer:** The result of the division is: For 17, Against 67, Abstentions 34.

*Amendment disagreed to.*

**The Presiding Officer:** The third question is, that motion S1M-461, in the name of Henry McLeish, on the Executive's proposals on wider access to further and higher education, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Dewar, Donald (Glasgow Anniesland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McLeish, Henry (Central Fife) (Lab)  
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, Mr John (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)

Raffan, Mr Keith (Mid Scotland and Fife) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (North-East Scotland) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Campbell, Colin (West of Scotland) (SNP)  
 Canavan, Dennis (Falkirk West)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (South of Scotland) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Harper, Robin (Lothians) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnston, Nick (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeod, Fiona (West of Scotland) (SNP)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Paterson, Mr Gil (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Reid, Mr George (Mid Scotland and Fife) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Mr Alex (Banff and Buchan) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Wallace, Ben (North-East Scotland) (Con)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)  
 Young, John (West of Scotland) (Con)

**David McLetchie (Lothians) (Con):** On a point of order. My machine is defective.

**The Presiding Officer:** We will have a stewards' inquiry into David McLetchie's console, which Mr Gallie was using yesterday. I hope that you will accept that the malfunction has not affected the margins, Mr McLetchie.

**David McLetchie:** As long as my opposition to this iniquitous resolution is on the record, I will be happy to abide by that ruling.

**The Presiding Officer:** In case there is any doubt about your view, your vote is now on the record.

The result of the division is: For 68, Against 53, Abstentions 0.

*Motion agreed to.*

That the Parliament endorses the Scottish Executive's framework, Working Together for Wider Access to Further and Higher Education, its proposals for the abolition of tuition fees for Scottish domiciled students studying in Scotland and its fair, focused and affordable proposals for widening access, promoting lifelong learning, alleviating hardship and providing support during study.

[Applause.]

**The Presiding Officer:** Order. There is another vote. The fourth question is, that motion S1M-462, in the name of Mr Tom McCabe, on the Pesticides (Maximum Residue Levels in Crops, Food and Feedingstuffs) (Scotland) Regulations 2000, be agreed to.

*Motion agreed to.*

That the Parliament agrees that the draft Pesticides (Maximum Residue Levels in Crops, Food and Feedingstuffs) (Scotland) Regulations 2000 be approved.

## Rural Sub-Post Offices

**The Presiding Officer (Sir David Steel):** The final item of business today is a members' business debate on motion S1M-361, in the name of David Mundell, on rural sub-post offices. This debate will be concluded in 30 minutes.

### *Motion debated,*

That the Parliament recognises that current Benefit Agency "modernisation" proposals will encourage the payment of more pensions and other benefits by automated bank transfer, rather than at Post Offices, potentially leading to the closure of hundreds of rural sub-post-offices in Scotland, and calls upon the Scottish Executive to make representations to the Benefits Agency and the Post Office as to the serious adverse effects such closures would have on the needs and sustainability of rural communities in Scotland.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** On a point of order, Presiding Officer. I understand that representations about extending this debate were made to you, but that an extension was deemed not to be possible. Will consideration be given in future to extending the time for debates on members' motions that address reserved matters that are of wide interest but are unlikely to be dealt with under Executive or Opposition business, rather than local issues?

**The Presiding Officer:** I assure you that that question has been given careful consideration by me, by my two deputies and by the bureau. We have decided to stick to the parliamentary timetable except on very rare occasions. If we did not, we would extend the debate every time members' business dealt with non-constituency business such as this, as it is difficult to pick and choose.

Members' debates belong to the members who initiate them and to the ministers who reply; if anyone else speaks in between, that is a bonus. Unless the Procedures Committee decides to change standing orders, we will adhere to the current procedure.

17:07

**David Mundell (South of Scotland) (Con):** I welcome this debate on my motion on the future of rural post offices. I was particularly pleased that members of all parties felt able to sign my motion, which recognises the substantial fears that exist across Scotland about the future of the rural post office network.

Because of the nature of my region, I have focused on the rural issues, but I readily accept that post offices face difficulties in urban areas, particularly in deprived communities. Other members may choose to mention those issues in

their speeches.

Many organisations have campaigned on this issue. In particular, I want to recognise the Campaign for Scotland's Post Offices that has been run by the Scottish edition of *The Express*, which has done much to highlight the difficulties ahead.

I am sure that there will be no argument today about the valuable role that postmasters and postmistresses play in their communities across Scotland. They provide human contact. We hear much about exclusion, but one can be little more excluded than those who are geographically isolated in communities that have no services and no opportunity for that human contact.

Postmasters and postmistresses also provide help and advice, particularly to the elderly, who live in an increasingly complicated world of benefits, bill payment options and information overload. Rural pensioners and benefits recipients can pick up their benefits in cash denominations that they select, get help and advice in paying bills, and collect stamps to pay for services such as the telephone. Many people neither have nor want bank accounts—they should not be forced to have accounts just so that the Government can save money.

One of the many sub-postmasters and mistresses who have written to me is Mrs Nancy Currie of Kirkpatrick Fleming near Lockerbie, who says:

"I pay an average 100 pensions or allowances weekly, 30 of those people do not have cars and are dependent on public transport, for them to rely on public transport to get to the nearest bank will be difficult and for the not so fit almost impossible".

The core problem, as I am sure most members appreciate, is the basis on which sub-post offices are funded. At the moment, postmasters and postmistresses throughout Scotland are paid according to the amount of pensions and benefits they pay over the counter to their customers. The Benefits Agency proposals will encourage, if not at this stage require, the payment of more pensions and other benefits by automated bank transfer from 2003.

If sub-post offices continue to be funded on the current basis, a significant number will become financially non-viable. For example, in the Clydesdale constituency, there are 31 post offices, of which 24 rely for more than 40 per cent of their business on Benefits Agency work. Of the 45 post offices in the Dumfries constituency, 32 rely on Benefits Agency work for more than 40 per cent of their income.

Let us not forget the investment made by sub-postmasters. In the UK, more than £1 billion has been invested by people, many of them running

very small businesses of the sort that we say we want to encourage. Many of them have set up their own businesses, of which being a postmaster or postmistress is a fundamental part. In Scottish terms, that represents a personal investment of some £100 million. However, if the Benefits Agency changes go through, literally hundreds of post offices will be forced out of business.

I do not believe that this issue is simply about post offices; it is about the whole future of rural Scotland.

**Alasdair Morgan (Galloway and Upper Nithsdale) (SNP):** Before Mr Mundell moves on, will he agree that it is not simply a matter of the loss of income from benefit transactions that will affect rural post offices? When they go in to collect their benefits, people undertake other transactions. If benefit payments are lost, it is likely that those other transactions will also be lost.

**David Mundell:** That is the very point that Mr Lunn, the postmaster at Canonbie in Dumfriesshire, made when he wrote to me. He said that if people are forced to travel outwith the area for cash, they will conduct those other transactions where they have travelled to.

I do not know whether this constitutes a declaration of interests, but my grandmother was postmistress in the village of Wamphray in Dumfriesshire from 1932 to 1968. However, it was a different type of community that she served, not least because of the drastic changes in the number of people employed in agriculture. Those changes have been followed in the past few years by the complete collapse in the profitability of farming, which has taken money out of rural areas.

My grandmother saw the station in the village close. Since she retired, the shop that co-existed with the post office has also closed. The church survived only because of the determined efforts of local people, and now a threat hangs over the village school. That is the reality of many rural communities in Scotland today. The closure of post offices would simply pull another rug from beneath their feet.

This debate is about delivering on the idea of joined-up government. It is about having a vision for the future in our rural communities and the strategy to deliver it. If we agree—I assume we do, but we may not—that it is a good thing to have vibrant and thriving rural communities in Scotland, we must accept that a minimum level of core services is needed if a cross-section of the population is to be able to live there.

Postmasters and postmistresses are among the most entrepreneurial people in our communities. I am sure that there is enormous scope for them to work collaboratively with others to maintain and develop their businesses and to support and

enrich their communities.

The other day, the millennium commissioner for Scotland told me of a possible project in the islands that would combine a church, community centre and post office under one roof. That must be the way ahead, but it needs joined-up thinking.

There must also be scope for the Post Office to operate more banking services. Post offices already handle £1 out of every £4 in circulation in Scotland. Banking services offer postmasters and postmistresses additional revenue streams and provide additional services to urban and rural customers.

There must also be scope for the Post Office to take advantage of its current programme to wire up all post offices so that it is able to operate supervised interactive computer services from every post office in Scotland. That will provide a tremendous opportunity to deliver UK Government, Scottish Government and local government services to the people in a more useful way. The Post Office tells me that although it would gladly take on services that local government operates, and that local authorities want the Post Office to take on such services, local government does not want to pay the Post Office for doing so.

I hope that I have covered a range of the issues as I see them and allowed time for others to speak. I heard Mike Russell say that he read the 1945 Liberal manifesto at night—a curious passion. I refer him instead to a good little book called "The Post in the Hills", which was written by Katharine Stewart, who operated one of the smallest post offices in Scotland. The book is full of interesting anecdotes, for example the surprise of some French people when they found that the French language was well known in the Highlands.

I proffer this little quotation, which sums up the service that post offices provide:

"In our small corner we have been able to keep in close touch with the human side of things, the look in the eye, the touch of the hand, as news, good or bad is communicated".

I hope that the minister will convey the details of today's discussion to the UK Cabinet committee that is examining some of these issues. In addition, I hope that he will take the details to his department and to the Scottish Executive, and commit to delivering a strategy that not only highlights the dangers of an ill-thought-out change in benefits payments, but delivers a policy that enables our rural communities not only to survive, but to thrive.

**The Deputy Presiding Officer (Mr George Reid):** Members will have heard Sir David Steel's remarks about the timing of this debate. We have 14 minutes left, and eight members want to speak. If members keep their speeches to less than two

minutes, they can get their local reference on the record and all may yet be called.

17:18

**Dr Elaine Murray (Dumfries) (Lab):** I will try to be as brief as possible. I want to tell members why I have not signed David Mundell's motion. It is not because I do not feel that the Post Office is important—it is—but because it omitted to refer to important developments in the Post Office and raised the scaremongering spectre of closures, which will not serve well those communities that are in danger of losing their post office, such as a village in Dumfries where the post office is up for sale.

The post office network has declined at a rate of 1 per cent per year during the past 20 years, so we should be concerned. I was pleased that David referred to computerisation of the network, because that presents an opportunity for rural post offices. Something like 12 times as many rural communities have post offices as have banks. If arrangements can be made—Cathy Jamieson may be able to tell us more about that—with the high street banks, they would allow rural post offices to provide an extra service in rural communities and thereby strengthen their role.

The other fact that I wish to draw to members' attention is that the Government has said that it will not compel benefits payments to be made into bank accounts and that it will continue to be possible for claimants to withdraw all their benefit cash across the post office counter. That comment was made by Alan Johnson, the Parliamentary Under-Secretary of State for Trade and Industry, in a debate on this issue in the House of Commons on 17 January. This issue has been debated a number of times at Westminster.

I will draw my remarks to a conclusion, as my two minutes are almost up. I would have liked to say a lot more, but I think it is important that we recognise and advertise the possibilities for the Post Office and recognise that rural sub-post offices can have an increased and valuable role in our communities in the future.

17:20

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I congratulate David Mundell on introducing the motion, on which I believe there is strong unanimity among political parties. In my constituency, I have either 64 or 67 sub-post offices—I have two different lists.

Sub-post offices are an essential institution for rural Scotland. They are under threat for one reason and one reason only, which is this insidious and misguided proposal that will become law—unless we hear tonight that the Scottish

Executive will speak out strongly against it. The proposal is that payment of benefits will effectively be taken away from post offices. That accounts for 35 to 40 per cent of the business of most post offices. If that business goes, the sub-post offices will go; it is as simple as that. This evening, I bring a strong message from Highland Council, which is pursuing that line. This is not a party political argument and I am not advancing it as such.

During the holiday period, I heard Brian Wilson say that people would be allowed a referendum. If the sub-post office cannot survive because there is not enough income, a referendum will not make any difference, except for the massive extra bureaucracy and expense of holding it.

What is required is quite simple—the proposal must be cancelled and we should have an honest and open debate about the impact of the modern system on sub-post offices. If the proposal goes ahead, they will close.

I regret the new argument, which we hear more and more, that it is scaremongering for someone to speak out and say what they think is right. That is an argument that will rebound on its proponents. I regret making a speech tonight that might be interpreted as party political.

Sub-post offices are essential, as they are a lifeline; it is often an old person's only daily contact. What will happen if they close? How will we know if old people are still alive?

Earlier in the short lifetime of this Parliament, I asked whether the Executive would speak out against this insidious move; the Executive's answer was that it was in regular contact with Her Majesty's Government. It will not be enough to duck the question in this Parliament. I invite the minister to say publicly to the people of Scotland, and to sub-postmasters and mistresses, what he will say to Westminster about the issue. He should not tell us that he will have private talks with ministers at Westminster; he should tell us what he will say to them. The public expect no less.

17:23

**Nora Radcliffe (Gordon) (LD):** The post office network is of huge importance to the efficiency of our economy in Scotland. It has the unique characteristic of universal service provision. The post office network stretches into every airt and pairt of Scotland—that is its strength. However, it has been in decline for decades. One per cent of the network—that is, 200 sub-post offices—is closing per annum. There are a variety of reasons for that. Governments have taken too much out and put in too little by way of investment, and attempts at privatisation have caused uncertainty.

The proposal to remove payments of benefit

from post offices could be a near death blow. Benefit payments account for between 30 and 70 per cent of business at sub-post offices. Another factor is that 2 million to 3 million people do not have a bank account.

The proposal should be opposed on several grounds. As well as opposing this one act of lunacy against post offices, we must consider how to reverse the decline in the post office network. It is a priceless asset, which is in decline. We must reverse that. I am glad to hear that at the very least people will be allowed to choose to have their benefits paid over the post office counter.

We should encourage the Post Office to extend the services that it provides. It has a unique asset in the fact that it is in every part of the country. It has particular expertise in, for example, people's addresses, which offers an opportunity to help keep databases up to date. David Mundell said that sub-postmasters and mistresses are entrepreneurs. We must give them the commercial freedom to extend their services, although we must keep the Post Office in public ownership. We must hang on to the unique characteristic of universal service provision, and to protect that, we might have to take special steps to retain sub-post offices. I thank David for enabling us to debate a vital subject.

17:25

**Mr Jamie McGrigor (Highlands and Islands) (Con):** Although the Highlands and Islands population is only a tiny percentage of the 28 million people who use the post office every week, the importance of the post office in such rural areas is enormous. Devolution and the Scottish Parliament was designed to look after the interests of rural communities as well as those of urban man, and the Government must show its commitment on this issue.

In the north of Scotland, only two post offices are run by Post Office Counters Ltd. All the other offices are either franchised or run by sub-postmasters, which means that they can be given up at only three months' notice. If that were to happen, it would be a terrible blow to vulnerable people. The rural network of post offices is a lifeline to the elderly, the infirm, the sick and those without a car who have to cope with the ever-decreasing public transport system to get their benefits from post offices further and further away from their homes.

How will poorer benefit claimants survive for a month without any money, as the automated credit transfer system will pay monthly in arrears? That is unfair and only adds to the burdens already faced by rural pensioners. Why should anyone be forced to have a bank account if they have

survived into the 21<sup>st</sup> century perfectly well without one? Is there any evidence that the banks really want the Benefits Agency business? So far, I have not found any bank that will give a straight yes—

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** Will the member give way?

**Mr McGrigor:** I am sorry, but I do not have time.

One gets the impression that the banks regard that as an expensive nuisance. There is not a sufficient banking network in remote and rural areas, and there is likely to be even less of one in the near future. I hope that bank machines are put into post offices.

The loss of 40 per cent of post office business would make most rural post offices commercially unviable, and the loss of post office assistant jobs would threaten more jobs on the retail side of such businesses. The closure of the post office often means the end of the only shop in the village. It cannot be the way ahead—it is a step backwards. We should be encouraging rural communities by improving their infrastructure. Let us have some joined-up government, to ensure a good, accessible network of postal centres.

17:28

**Rhoda Grant (Highlands and Islands) (Lab):** This is an important debate, and I congratulate David Mundell on it. Many of us agree that rural sub-post offices are important; people who are concerned about the issue can be reassured that the Parliament takes it seriously.

The decision to automate benefit payments through bank accounts is not in itself wrong—it might be more convenient for some people to receive benefits in that way. However, there must be choice. The policy should not be compulsory—and it is not compulsory—because it would have a detrimental effect on rural post offices, which provide a lifeline service to our aging rural population. In rural areas, there is very little access to banks and many pensioners and families on benefit prefer to collect cash in hand, while some do not have bank accounts. They cannot afford to travel to the bank, even if they have access to a car. In some areas, that can be an 80-mile round trip, and in the case of the smaller islands, a ferry trip might be necessary.

We also face the prospect of banks charging £1 for the privilege of withdrawing money from autotellers—that is unacceptable. People on benefits must have a choice as to how to collect them. Some banks levy charges on account balances below £100. Those figures might not sound much to us, but to someone on a tight budget, every penny counts.

Post offices are more than a place to pick up

benefits; in many small villages, they are the only public place where people can meet to chat and even do their shopping, as many double as shops. Many are located in unusual places—Maureen Macmillan told me that her local post office is in Mary Finlayson's porch.

Post offices are, of course, a reserved matter. I welcome the fact that broad consultation will take place with communities if post offices are to close, but the Scottish Parliament must also examine the matter and consider innovative ways of making those post offices more viable. Pay-phones used to be located in post offices before everyone had telephones; now we might have to consider locating computers in post offices for the community to access.

17:30

**Irene McGugan (North-East Scotland) (SNP):** I will make two brief points.

Until now, the network of post offices has been based on the assumption that there should be a post office branch within one mile of the homes of between 94 and 95 per cent of the population. If the proposed method of benefit payment becomes compulsory, there is absolutely no prospect of sustaining such a network.

Secondly, at a time of great change and difficulties, the situation in Scotland will not be helped by the abolition—if I may mention that word after the earlier debate today—of the Post Office Users Council for Scotland as an independent body. Scotland, Wales and Northern Ireland have their own post office users councils, but under the pending legislation, and despite the protestations of those agencies, they will be absorbed into the London-based Post Office Users National Council. The Scottish sub-committee will not have an independent right of access to the new commissioner for postal services, and not only will the chair remain a Department of Trade and Industry appointment, but membership will be determined by the national council. At this time, in particular, we should support the calls of the Post Office Users Council for Scotland and advocate that body's continued statutory independence, so that Scotland's rural post offices can receive the attention that they deserve.

**The Deputy Presiding Officer:** I tried my best to fit everyone in, but I apologise to the three members who were not called.

17:31

**The Deputy Minister for Rural Affairs (Mr John Home Robertson):** I am grateful to David Mundell for initiating this important debate and to members from all parties and from all parts of Scotland for taking part. As the member for a

largely rural constituency, I welcome the opportunity to contribute personally to an important debate about the future of Scotland's rural post offices, as well as replying on behalf of the Scottish Executive.

Like Rhoda Grant and colleagues from all parties, I am well aware of the importance of post offices in rural communities. In many parts of Scotland, the sub-post office is the only local retail outlet, so those post offices are often lifeline services, literally, and the loss of such services can have serious effects on rural communities.

Most of Scotland's land area is rural; almost a third of Scotland's people live in rural communities. That is why the Parliament has a Rural Affairs Committee, why our Executive has a rural affairs department, and why we have established a cross-cutting ministerial committee in the Scottish Executive on rural development. Rural issues are high on the agenda for the Scottish Executive—we intend to make a real difference to the lives of rural Scots.

The regulation of postal services remains the responsibility of the UK Government, but the Scottish Executive is conveying a strong and clear message to both the UK Government and the management of the Post Office about the importance of post offices to Scotland's rural communities.

As a constituency MP and MSP, and incidentally as the husband of a Scottish Borders councillor, I am acutely aware of the problems that have been highlighted during the debate. I had some pretty vigorous exchanges with the management of both Post Office Counters Ltd and Scottish Power about the withdrawal of Powercards from post offices some time ago, and I am less than impressed by the fact that POCL refuses to allow a willing applicant to reopen the sub-post office in my home village. The member for Roxburgh and Berwickshire, Euan Robson, will recognise that case.

My colleague Ross Finnie, the Minister for Rural Affairs, has had a meeting with the managing director of POCL in Scotland and I am sure that the Post Office now understands fully our determination to ensure the retention of a proper network of rural post offices.

We welcome the proposals in the new Post Office Bill to establish new statutory criteria for access to post office counter services, to be monitored by a new postal services commission. The bill will also strengthen the Post Office Users National Council, by giving it responsibilities to monitor the availability of services, in particular in rural and socially deprived areas.

A new code of practice is to be established to deal with proposed conversions or closures of post



offices; that should enable the new regulator to tackle the insidious process of closures when sub-postmasters retire. Nora Radcliffe, among others, spoke about the problems that can result from that.

The motion refers specifically to the transaction of Benefits Agency payments through post offices. Social security is a reserved matter, but it is important to have regard to the implications for rural post offices of the plan to pay benefits by automated credit transfer through bank accounts from 2003.

I visited one of the many rural post offices in my constituency last week, and I found that over 10 per cent of the sub-postmaster's income from Post Office Counters Ltd was attributable to benefit transactions. Any loss of that business could threaten the viability of some small post offices. We should also have regard to the needs of pensioners and claimants, because travel to the nearest bank to draw money can involve long, complicated and expensive journeys.

The figures and concerns set out in an article in *The Herald* today illustrate the scale of the problems that have to be addressed, not only in rural communities. I see that Benefits Agency transactions can amount to 40 per cent or more of the income of some sub-post offices.

I have written to Alistair Darling on the issue in his capacity as a constituency MP, and I trust that ministers and officials at the Department of Social Security will take account of what has been said in this debate. The Benefits Agency has given undertakings to provide for pensioners and claimants who want to go on drawing their money from local post offices—I reject the self-confessed scaremongering from Fergus Ewing on that point—and to phase in the new arrangements between 2003 and 2005.

The Prime Minister represents a partly rural constituency in County Durham. That might have influenced his decision to commission the performance and innovation unit in the Cabinet Office to undertake a study into the post office network, to evaluate the contribution of post offices in local communities and to consider possible developments. We should be thinking about those developments, as Elaine Murray pointed out. The Scottish Executive is taking a close interest in that initiative and, at our suggestion, members of the study team have been visiting the Borders this week.

It is important to emphasise that there is much more to a post office than forms, stamps and envelopes. Modern information technology offers great potential for developing the role of rural post offices. The horizon project that was referred to earlier will provide every post office with an

integrated on-line information technology system by 2001. That will make it possible spectacularly to enhance and expand the services that are available through post offices. For example, post offices will be able to extend arrangements with banks, to enable them to provide high street banking services—and other services—on an agency basis in villages all over Scotland. Elaine Murray made that point earlier.

Those developments will bring tremendous advantages for rural Scotland, by improving the services available to local people and businesses, and by securing the viability of their post offices. The Scottish Executive will assist in that process in any way that it can.

The Scottish Executive is totally committed to the promotion of rural interests. We share the concerns about the future of village post offices that have been expressed during the debate and we are conveying those concerns to the UK Government. We remain optimistic about the potential for developing a successful future for Scotland's rural communities and their post offices. I am therefore grateful to Mr Mundell for giving us an opportunity to debate this subject.

*Meeting closed at 17:38.*

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