

The Scottish Parliament Pàrlamaid na h-Alba

Official Report

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Wednesday 17 March 2010



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# Scottish Parliament

Wednesday 17 March 2010

[The Presiding Officer opened the meeting at 14:30]

# Time for Reflection

The Presiding Officer (Alex Fergusson): Good afternoon. The first item of business is time for reflection. Our time for reflection leader today is Rabbi Shefa Gold, who is a delegate at the Edinburgh International Festival of Middle Eastern Spirituality and Peace.

Rabbi Shefa Gold (Edinburgh International Festival of Middle Eastern Spirituality and Peace): My grandfather, Isaac Katz, fled from Lithuania and spent a year in Scotland on his way to America. His Yiddish-inflected English had a distinctive Scottish lilt. He was on a journey to freedom, and the gifts of hospitality that he received here served him well. So first I want to thank you.

For Jews, freedom is precious. In our liturgy each day, we remember the exodus from slavery and our journey to the promised land. Jews here and all over the world are right now feverishly preparing for Passover, which is our festival of liberation. This is a time for each of us to imagine ourselves as slaves taking that dangerous journey out of bondage. On Passover, we remember the bitterness of oppression and dream of freedom for all. We retell the story of our journey and call out to the whole world:

"All who are hungry, let them come and eat; all who are needy let them come and celebrate the possibility of Freedom."

On the Sabbath of Passover, we read the "Song of Solomon", or "Song of Songs", so that we can remember the connection between freedom and love. Love is what drives our journey to freedom. Freedom is what allows us to choose love again and again in each moment as we are faced with the complex challenges of our time.

I have learned that the founding principles of the Scottish Parliament are openness, accountability, the sharing of power and equal opportunities. Behind those principles is love. Those principles are the descriptions of freedom.

In the great love song of freedom, we read:

"Set me as a seal upon your heart, A sign upon your arm, For Love is as strong as Death Its passion is as harsh as the grave, Its sparks become a raging fire, A Divine Flame. Great seas cannot extinguish love No river can wash it away".

Let us take this moment of reflection to set a seal upon our hearts and remind one another that

"Love is as strong as Death",

and that the divine inspiration in our hearts can stand firm against the forces of fear, divisiveness and oppression. No river can wash away your determination to serve the people of this land with integrity, openness, accountability and love.

At the Edinburgh International Festival of Middle Eastern Spirituality and Peace, we have come together to bring the richness of our diverse practices, languages and cultures to delight and bless one another with visions of peace. Today, I share those blessings with you.

# **Tourism**

The Presiding Officer (Alex Fergusson): The next item of business is a debate on motion S3M-5962, in the name of Jim Mather, on tourism.

14:35

The Minister for Enterprise, Energy and Tourism (Jim Mather): I am delighted to have the chance to debate a massively important sector. The debate augments the on-going conversation that we are having with the sector and the inquiry by the Economy, Energy and Tourism Committee. It keeps the ideas flowing. I am grateful for all the ideas that have come through to the industry, VisitScotland and us, and the feedback that we have had. However, the process has the danger that we might focus too much on the problems and not enough on the successes that are being achieved and which can be emulated and exceeded. There is also a danger that we might get into a negative mindset, when a positive mindset is needed to drive a great sector forward. Scepticism, cynicism, negativity and blame can creep in.

There are many positives to draw on in the process. I include in that many of the recommendations from the Economy, Energy and Tourism Committee. Today, we have a chance for a reaffirmation of what the sector is achieving and what it can achieve and of the markedly increased levels of cohesion in the trade, particularly through the Scottish Tourism Forum, of which I will say more later. The sector is coalescing with other private sector businesses, the Government, VisitScotland and Scottish Enterprise, which has notably delivered two useful documents that are the stuff of high-level added value-one on destination management and the guide "Listening to our Visitors". That is not to mention Highlands and Islands Enterprise, the voluntary sector and the public sector. Under the industry leadership of the Scottish Tourism Forum, the industry is getting to an interesting place.

Members of the Economy, Energy and Tourism Committee know that, when I took the Arbitration (Scotland) Bill through the Parliament, I had the chance to meet some of the top mediators such as Ken Cloke. He has an interesting analogy to offer us generally, but particularly for tourism, which is what he calls the ladder of unity. Rung 1 of the ladder is the rung of opposition, which is pretty easy to do and we are pretty good at. Better is the next rung up the ladder, where there is a worthy cause. The rung above that is where there is a fair and open process that people believe. Then it gets interesting. Rung 4, which is about relationship, is where people are working on the worthy cause and the fair process and beginning to like and trust

one another. Rung 5, which is even more interesting, is when the relationship holds together even in difficult and challenging times. The pinnacle, rung 6, is when people actually begin to care about one another.

The vast majority of the tourism sector, under the auspices of the Scottish Tourism Forum, is up there on rung 6. Where are we, the politicians? We are probably hard wired to rung 1, but I know that we can rise above that and move away from blame. There is a guy called Chris Argyris who has an interesting mindset. He says that we are all wired up rather unfortunately. We like to be in unilateral control and we like our ideas to win. We prefer other people's ideas to lose and we are willing to use self-referential argument and even self-delusion to keep our proposition fresh, but that just gets us horns locked, learning nothing and making no progress. Argyris prefers a situation in which we identify the problems that we are trying to solve, try to come up with a better solution that brings in multiple truths from people with different experience and then work at it over the period

Gavin Brown (Lothians) (Con): Apparently, rung 4 of the ladder is about trust, so I will aim for rung 4, if not rung 6. It is important that what the Government says about tourism figures is true and can be backed up. The Government says in its document "The Scottish Economic Recovery Plan: Accelerating Recovery", which was published just a few weeks ago, that, on tourism, Scotland

"outperformed the rest of the world in 2009".

How does the minister justify that statement?

Jim Mather: I suspect that that was about managing to move against the trend. I will debate the statistics in more detail with Mr Brown, because I know that, although he is a lawyer, he has an accountant's attribute in that he likes a true and fair view. I, too, like a true and fair view and we will move on that with him.

We must recognise that the sector is hugely complex. It needs vision, which I believe it now has, delivered jointly by VisitScotland and the Scottish Tourism Forum. The forum was a desire of the industry and is the delivery of an industryled initiative. It is delivering better communications and the trust that I talked about. It has much more of a can-do attitude and it is beginning to understand that enlightened self-interest can lift the boats not just of the people who are driving forward their own interests, but of others too. Tourism now deserves that we look at it for what it is—increasingly getting its act together, very much a leading sector and one that has importance beyond its direct economic proposition. Tourism is the sector that showcases Scotland; it connects us to the world and world markets; it broadcasts who we are and what we offer. That is much more

marked this year, because there is a big push on to give visitors what they want, which we understand to be authenticity, and we can do authenticity. Tourism has the power to attract people here and to bring them back, and we are determined to work with the sector to achieve that end. Visitors tell their friends about their trip, they invest and buy property here and decide to come back and stay here.

Margo MacDonald (Lothians) (Ind): I apologise for not having one foot on the ladder; both of my feet are planted firmly on the ground. What does authenticity mean?

**Jim Mather:** If I have to explain authenticity to Mrs MacDonald, I feel that I am deviating from the subject. Authenticity is giving people the experience of meeting other real people and having memorable and real experiences that, when they go back, are easy to turn into a story that will attract more people to come to Scotland.

The tourism sector is delivering business success and worthwhile jobs and it is well able to converge on higher-performing tourism industries achieving iconic status here in Scotland, making Scotland a must-visit location and making everyone on the planet aspire to have a holiday in Scotland.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The minister refers to the economic case. He will be aware of the significant concern among those in the hotel and hospitality sector about the rates and tax increases that they face. When did he become aware of the scale of the rates increases that are likely to happen in a couple of weeks?

Jim Mather: Compared with elsewhere, the rates position here is beneficial. Some 60 per cent of businesses are benefiting. This frugal Government—this minister—has the luxury of closing the debate, so I will go into the rates situation in considerable detail later. I am sure that that will satisfy the member.

The tourism sector is contributing materially to Scotland's objectives, delivering materially to increase sustainable growth and managing that across the wider economy, particularly in fragile rural areas. Now that we have the Scottish Tourism Forum, tourism is very much a role-model sector creating a coalition of the willing, the investing, the experimenting and the forgiving who want to drive the sector forward. That is great. If someone has a sleepy valley bed and breakfast, a hotel that does not want to improve or a golf course that does not want visitors, the Scottish Tourism Forum does not want them; it wants to move forward with motivated people.

The Economy, Energy and Tourism Committee recognises the need to move forward. Its earlier

inquiry was a credit to it, which received useful suggestions, and it is helping to evolve this cohesive sector and encourage it to develop a further level of investment attitude and new approach to continuous improvement. It has bolstered the Scottish Tourism Forum's style and direction and is now encouraging the tourism framework for change skills group, which was established recently under the chairmanship of Stephen Leckie of Crieff Hydro. The inquiry's fingerprints are on BusinessClub Scotland Ltd, which has been developed by the Scottish Council for Development and Industry, as well as significant improvements to modern apprenticeships. To play its part in delivering more, we are looking for the committee and this Parliament to help build confidence in the sector, to help it identify where we are and where we want to be in the long term and to define how we can get there with as much support as can possibly be given across the piece.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The minister has just said that the industry should have as much support as possible. He must be aware that hotels on Deeside in my constituency, such as the Huntly Arms hotel in my home village of Aboyne, are facing massive tax rises of up to 22 per cent. That means an increase of thousands of pounds. There is no help from the Government because it is imposing the rise all at once, rather than incrementally, which is the United Kingdom Government's approach in the south of the UK.

**Jim Mather:** If we went down the incremental path that Mike Rumbles suggests, small businesses in Scotland would pick up a £69 million tab. What we are doing is much fairer; I will spell that out in great detail in my closing speech.

I want the Parliament and the country to talk up Scotland as a destination and to talk up the sector. We should encourage people to come here. At a session in Kilmarnock on Monday, a gentleman in the audience made the interesting suggestion that we should take brochures about Scotland with us when we go on holiday abroad, to promote the country and to find a mechanism for engaging with people on why they must visit Scotland and for making such a visit compelling.

At the same time, we must feed back to our hotels, guest houses and other tourism businesses any suggestions for improvement. We must also broadcast in a balanced way what is working and what should be emulated.

I will give the key statistics. In the first three quarters of 2009, gross value added held level at 0.2 per cent, whereas the UK figure fell by 7 per cent. That was in the recession, so I suggest that that was partly a homecoming effect. As for the homecoming effect on visitor numbers, in summer

2009, the European visitor figure fell by 15 per cent, but the equivalent UK figure fell by only 11 per cent—that probably relates to Eurotunnel. The number of visitors from America rose by 25 per cent, whereas the UK equivalent rose by only 6 per cent, and the number of visitors from the rest of the world was up by 43 per cent, whereas the equivalent UK figure was up by 1 per cent. That is another homecoming effect. Over the full three quarters, the figures for visitors from North America were down by 2.8 per cent and 1.6 per cent, but that was in a recession, in which the balance was made up by staycations.

The key point is that homecoming was a success and we have a legacy from it—companies are building homecoming into their on-going proposition. The focus this year is on food and drink. What we got out of homecoming was people answering the call—people emerged to deliver more. Members know that an evaluation of homecoming will be published, which will go into greater detail.

Gavin Brown wants—properly—true stats. We agree on the importance of that, but we also think that we should present our data to our sector and our audience in the most positive way possible. I have tried negativity, which does not work. A positive attitude is needed for a growth mindset, and we are determined to have a growth mindset.

We are working well with the sector. New people are now involved, such as VisitScotland's new chairman, Mike Cantlay, who will take on the legacy from Peter Lederer, who leaves the sector in good shape. We are about to benefit from the Ryder cup and the Commonwealth games legacy and from the preparation that takes us up and through to that. We need to foster an asset-register mentality in which we begin to understand everything that we have—the quality that we have—and in which we broadcast and sell that. If we have 5.1 million people selling Scottish tourism, we will be in good shape.

Margo MacDonald: Will the minister give way?

**Jim Mather:** I think that I am in my last minute—am I?

The Presiding Officer: You have time.

Margo MacDonald: Like the minister, I mean to be as positive as I can be—I agree with him about that. Selling Scotland abroad now is relatively easy in the countries that are close to us, but how will Scotland be sold as an efficient and great place to go for a holiday if we have the bad news that we expect about the facilities that must be constructed for the Commonwealth games?

**The Presiding Officer:** I ask the minister to respond and then conclude.

Jim Mather: The member encourages me to focus on the positive, which is exactly what we will do. I mentioned Mike Cantlay, who brings even more positivity. He has a connection with Canada and great awareness of our currency advantage there to attract Canadians in droves in the coming weeks and months.

I look forward to hearing the speeches, from which I hope to learn, and I will make the closing speech.

I move.

That the Parliament supports the Scottish tourism industry as it works toward the shared growth ambition set out in the Tourism Framework for Change (TFFC) strategy; commends the commitment shown by the industry in establishing the new TFFC Leadership Group to drive an industry-led approach to improvements in quality, skills, innovation and investment across the sector; welcomes the success of Homecoming Scotland 2009 and, as part of the legacy of that year, the recent announcement that a focus on Scotland's food and drink will start in 2010; recognises tourism as a key sector with a vital contribution to make to the Scottish Government's strategic objectives and economic recovery plan, and notes the importance of continuing to promote Scotland as a place to visit, stay, live and work.

#### 14:49

Lewis Macdonald (Aberdeen Central) (Lab): Feel-good factors are important. I have no doubt that Jim Mather feels more cheerful when he tells us that Scotland is bucking the trend and welcomes homecoming Scotland's success. It is unfortunate that success in government and in promoting Scotland as a destination demands more than simply climbing up to the clouds and proclaiming loudly that everything in the garden is rosy. Feeling good is important, but doing well matters more.

Of course, I hope that the minister's wishful thinking is not entirely misplaced. The year of homecoming was a good idea, which he adopted from a previous Administration. Indeed, it was even more of a good idea because it coincided with the onset of the worldwide economic recession. It is a shame that SNP ministers chose to shift the focus from growing visitor numbers to

"Promote pride in Scots at home and abroad".

Despite such distractions, many in the industry and local communities kept their focus and worked hard to use the year of homecoming to create extra business and more jobs.

Rob Gibson (Highlands and Islands) (SNP): Does the member agree that it is important for people to feel pride in their country if they are to welcome visitors to it and try to sell it abroad? Surely that is an essential part of what the year of homecoming was about?

**Lewis Macdonald:** It was indeed. My point was one of emphasis, not direction.

Unfortunately, the evidence suggests that Mr Mather and his colleagues go beyond wishful thinking. A Scottish Government news release in the minister's name on 18 January is a good example of that. Under the headline, "Summer of 2009 saw tourism boom", the Government asserted that

"Figures published by the Office for National Statistics (ONS) show that Scotland enjoyed a rise in visitors, with an increase of 25 per cent in visits from North America and an increase of 43 per cent in visits from other countries outside Europe and North America between July and September 2009 compared to the same quarter in 2008."

It all sounds like a feel-good factor. Indeed, Mr Mather went on to say:

"These figures underline the success of Homecoming 2009 ... During these three key months, Scotland saw huge support from overseas visitors who experienced all that our fantastic country has to offer."

What a shame that that was not the whole story. It would be nice to share Jim Mather's enthusiasm for the figures—if only the evidence backed him up. When considered in the round, the ONS figures tell a very different story. Sadly, ministers failed to notice that the 44,000 more visitors from North America and 51,000 more from the rest of the world were outnumbered by the 97,000 fewer visitors from continental Europe. "Summer of 2009 saw tourism boom"? Overseas visitor numbers to Scotland went down, not up.

That is not all. The ONS figures also show that international tourist visits to Scotland over the first three quarters of 2009 were down by 34,000 across the board. The figures include North America as well as Europe.

In its report, "Latest Tourism Figures", which was published on 28 January, VisitScotland showed that domestic visitor numbers in Scotland were up over the period January to October last year but that, when taken together, spend by British and overseas tourists was down.

The minister quoted from third quarter figures, which were published last month. However, in an economic commentary on the same quarter, the Fraser of Allander institute confirmed that in Scotland

"activity in hotels and catering fell by -2.3%, compared to a contraction of -2.1% in the sector in the UK."

Over the course of the recession, from the second quarter of 2008 to the third quarter of 2009, the gross value added in the hotels and catering sector in Scotland fell by over 11 per cent compared with less than 9 per cent in the UK as a whole. Figures for the fourth quarter might, of course, show some improvement, but the figures that we have argue against any bland assumption

that the year of homecoming was in any unqualified way a great success.

For reasons that are not entirely within the control of Government, the reality is that progress is not being made towards the shared ambition of a 50 per cent increase in tourism revenue in five years' time. The situation will not improve until ministers are willing to make a realistic assessment of why we are back to where we started five years ago. Sadly, however, Government policy is based on the assumption—or it appears to based on the assumption—that tourism businesses are prospering in the face of economic recession. Plainly, that is not the case.

There is no better example of the cost of that complacency than the SNP's extraordinary decision to hit thousands of Scottish businesses with huge new tax bills just as they are seeking to recover from the recession. The decision to impose the outcome of a rates revaluation in a single year, with no cap on annual increases and with virtually no notice, risks pushing back hopes of increased revenues far beyond 2015.

Joe FitzPatrick (Dundee West) (SNP): Does the member support the small business bonus scheme, which is helping a large number of independent hotels, bed and breakfasts, guest houses and self-catering properties? The Labour Party has been pretty quiet on the issue.

Lewis Macdonald: I have no difficulty in supporting the small business bonus scheme. My difficulty is with the proposition that businesses large and small should be hit overnight with such a large tax hike, as the current Scottish Government proposes. Constituency members—certainly on the Labour benches—can bear witness to the fact that all sorts of services that visitors to Scotland use have been hit, from village petrol stations in rural Clydesdale to fashionable shops in the west end of Edinburgh.

As has been mentioned, hotels and catering have been hit worst of all, because their revaluation, unlike that of other businesses, is based not on the rental value of their property but on their turnover in 2008, before the recession really hit home. On Monday, I met Peter Medley, the chair of the Aberdeen City and Shire Hotels Association, and association members to talk about the impact of John Swinney's decisions on businesses and jobs in my constituency. What they told me was shocking in its scale and in its implications for the recovery from recession of the Scottish economy in general and the tourism sector in particular.

A few months ago, a new Jurys Inn opened in Aberdeen, just ahead of the brand new Union Square retail development of which it is now part. The hotel opened with a rateable value of £400,000. A few weeks later, its manager discovered that its rateable value had been revised upwards to £700,000, with effect from 1 April this year.

Just across the street from Union Square is a small privately owned hotel, the Soprano St Magnus Court, which is committed to playing its part in the development of an Aberdeen merchant quarter in the heart of the medieval city, around the Green. The hotel's owner faces a doubling in his property's rateable value, from £23,000 to £46,000, and will have to find an extra £8,000 at the tail end of a recession to pay in tax to a Scottish National Party Government. He tells me that he may have to make three people redundant in order to balance the books; he certainly will not engage a new housekeeper or hotel manager in the next financial year.

If those are the consequences of the SNP's tax hike for a small hotel—a small business, such as those that Joe FitzPatrick said he was concerned to support—imagine the impact on Jury's Inn in Aberdeen of having to find nearly £100,000 more a year, when it has only just opened its doors. I wonder how many jobs will not be created there because ministers have imposed such an enormous tax increase, almost literally overnight. Imagine the impact on hotels and restaurants across the land, as well as on city shops, rural petrol stations and the rest.

John Swinney no doubt shares Jim Mather's cheerful belief that the year of homecoming went splendidly well and that the tourism sector has nothing to worry about. That may explain his lack of concern about the impact of his decisions and the deeply unconvincing defence that he and other ministers have mounted. They say that what they have done to thousands of Scottish businesses does not matter, because thousands of other Scottish businesses will be no worse off.

In reality, of course, SNP ministers need only look to the parallel revaluation south of the border to see what they should do to take matters forward. Businesses in England were given notice of their new liability in the autumn, which gave them far more time to adjust than their counterparts in Scotland. Hotels in England that face increases in what they are due to pay will transitional benefit from five years of arrangements, giving them even more time to adjust their business plans and to absorb the extra costs.

Just to be on the safe side, there is a cap, so that the rates liability of any business south of the border can go up by a maximum of 12.5 per cent in the coming financial year. How much better a prospect that would be for hotels here in Scotland. An increase of 12.5 per cent in one year is hefty enough, but five years of such an increase would

leave a business such as the Aberdeen Douglas hotel in my constituency—another small business—paying less in 2015 than it will pay with the 80 per cent increase that John Swinney has imposed on it in 2010. No one likes paying more tax, but I am certain that, given the choice, Mary Martin of the Aberdeen Douglas hotel and many others across the country would far prefer increases of 12.5 per cent a year for five years, like their counterparts south of the border, to an increased liability of 80 per cent in one year.

I know that Jim Mather is full of good intentions and that the warm words that we heard are sincerely meant, but the minister should recognise that 2009 was a tough year for many people in the hospitality industries. Those people's determination and enterprise kept them going, and the year of homecoming helped some more than Ministers should acknowledge others. turnover in 2008 was a poor guide to hotel profitability in 2009 or sustainability in 2010. They should understand that massive tax hikes on businesses coming out of recession will put some of them out of business, leaving the sector without jobs, training and skills.

Jim Mather has a chance today to take back to his colleagues a simple proposition, which I am certain would be backed by every hotel in my constituency, and which I suspect would be welcomed by the vast majority of people in the tourism sector in Scotland. The proposition is that ministers should go away from today's debate and reconsider their decision on non-domestic rates, and then come back with a transitional relief scheme that will help tourism businesses rather than force them under. Then Mr Mather really can be cheerful, and he can say that today's parliamentary debate on tourism made a real difference to the sector.

I move amendment S3M-5962.3, to leave out from "welcomes" to "that year" and insert:

"believes, however, that the Scottish Government must also take responsibility for meeting the skills gaps; notes that, in spite of the efforts made by tourism businesses and local communities as part of Homecoming Scotland 2009, overseas visitor numbers and economic activity in the hotels and catering sector fell in the first three quarters of 2009; regrets that, in spite of that fall in earnings in the sector, many Scottish tourism businesses are facing significant increases in non-domestic rates with immediate effect: notes".

15:00

Gavin Brown (Lothians) (Con): We should all be extremely proud of the Scottish tourism industry. It is vital to the country, it is worth more than £4 billion and it provides more than 200,000 jobs. It is a dynamic and innovative sector, and anybody attending even one event at the Scottish thistle awards would see just how impressive an

industry it is. We all want it to succeed, which is why our party took an extremely consensual approach in the previous tourism debates in November 2007, September 2008 and January 2009.

The key question is how best to help this vital industry. Do we do that through the approach that the minister suggested in his opening speech, which is to talk only about the positives, but ignore the issues and difficulties, or would we best help it by examining, and trying to come up with solutions to, the difficulties and problems?

One of the difficulties is this: in 2005 the industry set a 10-year ambition, which was to grow the industry by 50 per cent by 2015. We are pretty close to the halfway stage of that flagship ambition, but growth simply has not happened. The industry was worth about £4 billion when we set the target, and it is worth just over £4 billion now. At this juncture, we need to hear from the Government how on earth it intends to proceed. We have not heard any new ideas from the minister today.

In the most recent economic plan, "Accelerating Recovery", to which I referred earlier, there was a paucity of ideas, with the statement saying simply that

"Scotland ... outperformed the rest of the world in 2009".

The minister was not able to justify that statement in his opening speech. Perhaps he wishes to now, or perhaps he will later. The recovery plan document explains that the loss that took place in tourism here in 2009 was lower than the loss in the average country in the world. So, because our loss was slightly less than average, ministers decided to state that we

"outperformed the rest of the world".

That is a bizarre statement. In our amendment, we deal with tourism statistics very carefully—and I will return to that.

The other issue that I wish to focus on is skills and training in the industry. That was a central part of the Economy, Energy and Tourism Committee's report on tourism revenue, and it has been politely but firmly ignored by the Government in the two years since its publication.

The bottom line is that Scotland is not going to compete on price, even with an undervalued pound. Therefore, in the medium and long term, we must compete on quality. If we are going to lift the quality of the sector, we need improvement in skills and training. Everybody who gave evidence to our committee made that clear. One complaint was that a lot of public money gets spent on tourism-related courses—there are more than 400 of them—but we heard about diminished practical training, about employers' criticism of students'

abilities, and about their criticism of the level of competence of those students when they get into the industry.

**Jim Mather:** I am sure that Gavin Brown will acknowledge that there is now an industry-led national skills subgroup and that we have a skills plan. I had an e-mail just the other day from the Scottish Tourism Forum which said:

"The industry is delighted by the support and engagement of Skills Development Scotland in using the group to provide a focused and cohesive approach reducing any duplication of activities and non-demand led activities."

Does Gavin Brown accept that the cohesion is working and we have that legacy?

**Gavin Brown:** The report is approaching its second anniversary and it made a very clear recommendation. The committee said:

"This is an area where the current structure is patently failing to deliver. ... we were ... amazed at the number of examples of ... problems"

#### faced

"and the confused state of affairs".

Without division,

"As a first step, the Committee believes that the Scottish Government should organise a review group consisting of leading industry specialists ... and chaired by one such figure. ... This review group should make recommendations to the Minister on the type and number of education, skills and training courses for the future. A starting principle for such a review is a wholesale rationalisation into a model that suits Scottish needs".

A group was set up seven or eight months after the report was published, but it had nothing to do with the format that the committee suggested. There was no obvious involvement from the tourism minister in the group—it was led, I think, by Fiona Hyslop—and, from what I can see, there were no evidence-taking sessions. The group was chaired not by an industry specialist but by a representative of the Scottish Government and, of the 22 people on the group, only three were from the tourism sector. As a consequence, the group concluded that the range of qualifications is not a problem, the industry is broadly happy and that, ultimately, no real change is required, which was in complete contrast to what the committee found. I call on the Government to set up urgently the group that the committee recommended and do what it should have done the best part of two vears ago.

My final point concerns the tourism statistics. We have traded statistics so far. In his speech, the minister gave a balanced account of last summer's performance. I commend him for that, but it is in stark contrast to what he has said in press releases—Lewis Macdonald referred to that. The Scottish Government's headline said, "Summer of

2009 saw tourism boom", but that is simply not correct. It was not as bad as it might have been—I am sure that the year of homecoming had an impact—and the sector did a lot better than we might have feared, but it was nowhere close to being a "tourism boom".

The minister accepted in his speech that there was a decrease last summer in numbers of tourists-granted it was a small decrease, but it was a decrease nonetheless-but he still claimed a couple of months ago that it was a "tourism boom". That press release included only figures for parts of the world from which visits had increased, which was wrong. The minister talked about big increases in visitors from North America, which were welcome. He also talked about big increases from other countries outside Europe and North America, which was also welcome. However, by ignoring the figures for tourists from Europe and the UK—which is where more than 80 per cent of our tourists come from—the press release gave a totally misleading impression of what happened last summer. None of us expected a boom summer, and the way in which the minister presented the figures today was perfectly acceptable. However, I call on the Government to ensure that, when it puts out its press releases and talks about what is happening to the industry, it tells us what is actually happening and does not simply selectively quote the figures for countries from which there has been an increase in tourists.

I move amendment S3M-5962.2, to insert at end:

"further notes that in its 2008 report. Growing Pains - can we achieve a 50% growth in tourist revenue by 2015?, the Economy, Energy and Tourism Committee recommended unanimously that the Scottish Government should set up a review group of leading industry specialists to make recommendations on the type and number of tourism education, skills and training courses in the future; notes that the committee's report suggested that the starting point for the review group should be a wholesale rationalisation into a model that suits Scottish needs and has industry buyin; calls on the Scottish Government to implement the committee recommendation as soon as possible, and calls on the Scottish Government to ensure that all press releases and announcements that it issues regarding tourism statistics paint a clear and wholly accurate picture of the industry."

# 15:08

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The amendment in my name is to a motion of which we were grateful to receive advance notice on Friday from the Government's special adviser. That courtesy was appreciated, although the motion that was lodged was slightly different from the one that was sent round. That difference was the deletion of the words:

"to build the best possible tax regime for the industry to flourish".

I wonder why the Government might remove that phrase. Could it be the fact that hotel businesses, which are critical to the industry's capacity to flourish, will from 1 April face massive tax increases without any transitional support? I suspect that that is the case, but as the Minister for Enterprise, Energy and Tourism has promised that he will answer in his closing speech all the different issues that the Liberal Democrats will raise, that can be added to his pile.

The minister asked us not to be negative; he said that "negativity ... does not work". By and large, that is the case, but neither does assertion alone work. Unfortunately, a key part of the Government's approach to the issue is simply assertion and a hope that, with collective will, we will continue to grow the industry and meet the target of 50 per cent revenue growth. However, we need actions to complement the industry's struggle over the past year. We owe the tourism sector in Scotland our collective thanks, because it has worked extremely hard during the recession and has done the country proud in the homecoming and in the way that it has welcomed visitors and ensured that, even in the difficult economic situation that we face, Scotland is well and truly open for business. The industry, from north to south and east to west, has continued to emphasise Scotland as a quality destination where visitors are welcome and are encouraged to come back. The Parliament, across the board, should support the industry in that.

Any support, however, must be part of our approach to investing in tourism. The "Invest in Scottish tourism" slogan of the Scottish Tourism Forum—I endorse the minister's view that it gives the industry a voice and does that extremely well-should be a call to arms for the Parliament to act. For example, action could mean a proposal for a mountain biking uplift in my constituency to really lift the area and the Tweed valley to become the world's destination for mountain biking: or it could be the outstanding proposals for Abbotsford house, which was Sir Walter Scott's home. The Abbotsford Trust seeks to raise £10 million to invest in the house. Those are two examples from a myriad across Scotland that illustrate the requirement to invest.

Investment also means ensuring that our broadband, transport infrastructure and skills infrastructure are invested in, which is why it is extraordinary that the enterprise and tourism budgets for the past year and for the coming year have been cut. That is a perverse thing to do in a recession, but it is an outrageous thing to do when we consider that the Government's stated aim is to continue to increase revenue from the tourism sector, which requires investment.

For the sector to come out of recession, the last thing that it needs is a hike in taxation without any consideration of a transitional period. Industry leaders have told us that they predict that 2010 will be a tough year. Last year, the Government said that 5 per cent increases in bills for business rates would be damaging to business, so it introduced a mechanism to spread the cost of the bills. A Government press release stated:

"Spreading the cost will improve cash flows this year and so help businesses through the current economic challenges so that they can be better placed to take advantage of the upturn when conditions begin to improve."

That was what the Government said when it considered that a 5 per cent increase in rates bills would be harmful for the economy. However, research by the Liberal Democrats, which is endorsed by the fact that hotels across Scotland now realise what their increases will be, shows tax increases of 10, 20 and, astonishingly, 40, 80, or 120 per cent, and bills rising by over £100,000. Joe FitzPatrick intervened earlier to say that that does not matter, because there is a small business bonus scheme. I am sure that he will tell that to the Apex hotel in Dundee, which is in his area

Joe FitzPatrick: Would the member like to reflect on the fact that 60 per cent of businesses will pay less under the new valuations and that all businesses will benefit from the fact that the Scottish Government decided to commit to matching the English poundage rate for 2010-11, which is reducing tax bills across Scotland?

Jeremy Purvis: I am not sure what planet Joe FitzPatrick lives on. First, he should give his message not to me but to the Apex hotel in Dundee, which faces an increase of £65,000—a 43 per cent increase—in its rates bill. The First Minister said two weeks ago that that had nothing to do with him; if it has nothing to do with him, then neither has the fact that, as the member said, 60 per cent of businesses will be better off from the revaluation.

What about the 40 per cent of businesses that will be worse off? In the context of today's tourism debate, we know that most of the businesses within that 40 per cent are those whose revaluation was carried out based on revenue that was taken in 2008. If businesses invested in staff and in the fabric of their hotels before that time—as many hotels in my constituency did—they will be penalised for that increased revenue without receiving any form of transitional relief.

On Joe FitzPatrick's point about comparing our situation with that of England, let us make that comparison. England has a transitional relief scheme, which means that hotels and others in the tourism sector in Scotland will be at a competitive disadvantage in comparison with their

counterparts in England and Wales. I had thought that SNP back benchers would normally take up such issues, but they obviously do not do so when their party is in government.

On the member's point that small businesses are not being required to pick up the tab, which the minister also alluded to, I know that the minister will be aware that the previous Scottish Government consulted the business community in advance of the rates revaluation. In the year prior to the revaluation, businesses were asked whether they wanted a transitional relief scheme and were presented with different options on how that might be delivered. Let me quote what the previous Government's consultation paper said:

"It would be possible to design a self funding scheme which allows reductions in rates bills to be implemented immediately."

That means that those who receive reductions in rates should benefit from the reductions immediately—from day 1. However, this Government did not even bother to consult businesses.

This May, the hotel owners in my constituency who have been in contact with me—as, no doubt, other hotel owners have been in contact with SNP members—will have a choice. Unable to invest in the business, hotel owners will need to choose either not to lay off or not to recruit staff. What kind of start is that to a year that is supposed to be the successor to the year of homecoming? We simply want the tourism minister to be the industry's representative in government rather than the Government's spokesman to the industry.

I move amendment S3M-5962.1, to insert at end:

"; notes, however, that many hotels and tourism businesses will shortly receive extremely high non-domestic rates bill increases; notes that in England and Wales rates increases are being phased in; regrets that the Scottish Government did not consult the Scottish business community on a number of transitional relief scheme options to phase in any increases over the valuation period, and calls on the Scottish Government to immediately consult the hotel and hospitality sector and to introduce a transitional relief scheme without which these businesses will be at a competitive disadvantage compared with those in England and Wales."

The Deputy Presiding Officer (Trish Godman): We move to the open debate.

15:17

Rob Gibson (Highlands and Islands) (SNP): In today's debate on tourism, occurring as it does in the midst of the biggest financial burst for 50 years, if instead of talking about Scotland's difficulties or problems with what some have called extra tax—by which they mean the rating system—we looked at the comparative experience

in other countries during last year when we celebrated the year of homecoming, we might find that "boom" was a good deal closer to the truth than might have been anticipated. It will be interesting to hear whether members have put their minds to considering how other countries coped in the circumstances.

I want to give some examples of how the tourism story is about a good deal more than hotels. For example, the increase in "staycation" a word that emerged from last year's experience of people no longer going abroad but opting to stay at home-meant that many more people went to caravan sites. According to the Caravan Club, between 2008 and 2009 there was a 6.5 per cent increase in the number of occupied pitches in its members' sites. That does not include the many sites that are not Caravan Club members. People might have visited hotels less, but they took more caravan holidays. Indeed, we know that many people took motor homes to the Western Isles last year following the reductions of fares after the introduction of road equivalent tariff. That is quite a good news story.

lain Smith (North East Fife) (LD): Is the member aware that not only hotels but a large number of caravan parks are being hit by large increases in rates?

Rob Gibson: I am sure that that is the case. Personally, I would be very much in favour of looking at an entirely different means of taxation. We inherited the current taxation system. I wish that we had some time in the Parliament to be able to do something about that. For example, land values in Aberdeen are far higher than those in upper Deeside. If we had a rates system that took that into account, the situation would be much fairer all round.

**Lewis Macdonald:** Will the member take an intervention?

**Rob Gibson:** No. I am sorry, but I do not have time. I need to mention my constituency; Lewis Macdonald had plenty of time to talk about his.

Since 2005, Orkney has seen a growth in tourist visitor numbers of 18 per cent—to nearly 142,000 people—and a real-terms increase in spend of 13 per cent. Some 45,000 additional passengers have come from cruise liners. To an economy the size of Orkney's, that is extremely important. Average growth of 3 per cent year on year has been achieved since 2005. Those are not the Government's figures—they come from a survey that was commissioned by Highlands and Islands Enterprise.

It is important to note that many parts of the country are adapting in different ways. People are coming here and they are coming back. The fact that Orkney attracts many people who are over 45,

especially couples, is helping it to become one of the best destinations in the world.

Just across the Pentland Firth, the surfing business is developing, thanks to public support. The holding of the O'Neill coldwater classic event near Thurso, because of the fantastic waves there, attracted EventScotland support of around £25,000, and broadcasting of the event showcased Scotland's breathtaking coastline for 860 hours and attracted enthusiastic supporters from across six continents. We are building for the future in an industry that provides adventure holidays that many people would like to go on.

Mary Scanlon (Highlands and Islands) (Con): Will the member give way?

Rob Gibson: I am sorry, but I do not have time.

For businesses to flourish, they need the support of VisitScotland. EventScotland has provided such support and VisitScotland, following its reorganisation and the improvement to its websites, is doing so, too. However, I am sorry to say that there is sometimes a mismatch between what VisitScotland does and what is needed, and that should be sorted. One area that I want to mention is the tendering process that it goes through for the books that it has on the shelves of its visitor centres and so on. It must obtain a better range of publications on local subjects that suit publishers and customers and which will attract more people to the areas in which they are sold. I would like to see VisitScotland make efforts to improve in that regard.

One of the winners of the vision in business for the environment of Scotland awards, to which I presented a prize last November, was Rabbie's Trail Burners Ltd of Edinburgh, which is a small company that does Highland tours. It is a highly sustainable business that has won many awards. Last night the company told me that

"Despite the economic situation we had a very successful 2009, with sales increasing on 2008 and our advance bookings for 2010 are looking very positive".

Among businesses that develop tourism, many companies are looking positively at the future, which is why I agree with what the minister said about the need to see the glass as being half full rather than half empty.

If we want to change how business rates work and to ensure that revaluation occurs in a fashion that suits, we need to get a much fairer system of taxation. Members know very well that that could happen only in a Parliament that has far more powers than we have at present.

15:23

Marilyn Livingstone (Kirkcaldy) (Lab): As a member of the Economy, Energy and Tourism

Committee and someone who represents a constituency to which tourism is important, I am pleased that the importance of tourism to the Scottish economy is being recognised.

According to VisitScotland, the national tourist board, Scottish tourism is worth just over £4 billion in expenditure terms. Given that the industry employs 218,000 people, which represents around 9 per cent of the total number of people who are employed in Scotland, it is clear that tourism is crucial to the Scottish economy.

The committee undertook an inquiry to find out whether Scotland could achieve 50 per cent growth in revenue from tourism by 2015. It was found that that was most likely to be delivered by an increase in visitor numbers of about 20 per cent by 2015, with the rest of the growth coming from increased spend per head as the industry gets better at offering a wider range of experiences and products to meet our visitor's expectations. Scotland has an exceptional tourism product, and we have an identity and a brand that are second to none, and which include breathtaking scenery, world-class attractions and famous history and culture.

However, it is important that we measure improvements in tourism in an open and transparent way. The Scottish Government has made a number of assertions since the new year, claiming that tourism was a success in 2009. However, to support that claim, it has excluded visitor numbers from Europe—which have decreased—despite the fact that the number of visitors from Europe accounts for a much larger proportion than visitors from North America and the rest of the world, who were used to promote the Government's assertion. That is not at all helpful, and it actually undermines the whole process.

We must also await an independent report on homecoming Scotland to determine its success, although we thank those who supported the tourism initiatives during this period. I commend schools in my constituency and across Scotland who embraced the homecoming ethos.

It was clear that it would be a challenge to meet our targets. That was and is still the case because, since the targets were set and as others have said, the economic circumstances that face the tourism industry have changed significantly. The operating environment has toughened considerably, and the balance between quality and affordability has never been more important.

In these difficult economic circumstances, the Scottish Government must work with the tourism industry and ensure that public and private sectors work in partnership. According to evidence to the Economy, Energy and Tourism Committee by one

of the leading trade bodies, the Scottish Tourism Forum, it is only through a co-ordinated approach from both public and private sectors that opportunities can be provided for sustainable growth in the industry and the spreading of economic benefit across the entire country. The Scottish Government must therefore work with and support the large and small businesses that make up the sector and listen to the needs of the industry—I will come back to that later. Importantly, as my colleagues Lewis Macdonald and Gavin Brown said, we must improve the provision of skills.

It is apparent that it will be near impossible to increase the revenue that the sector takes in without driving up standards and quality. The quality, the welcome and the experience that tourists have during their visit depends on the quality of the hotels, cafes, visitor attractions and the services offered by the people who work in the industry.

We must concentrate on skills, training and leadership in the sector. Evidence points to overprovision of courses, many of which we have heard do not meet industry requirements. We must motivate potential employees, drive up quality, develop small and medium-sized businesses and grow a confident and motivated workforce. We said that two years ago, and I agree with Gavin Brown that what has been said today is too little, too late.

As the further and higher education sectors have come under financial pressure, practical training must not be adversely affected. The sector also has problems with retention due to the image of the industry. Despite the number of people who undertake training, it is estimated that only 80 per cent of the people who go into the sector are still there in five years. That leads to many managers who work in the industry not possessing even the minimum qualifications.

I urge the Scottish Government to work with the Scottish Further and Higher Education Funding Council, the sector skills council and Scotland's Colleges to deliver a system that provides education, skills and training that is demand led and fit for purpose.

Improving the quality of education and skills of our workforce in the tourism industry must be met with opportunities in the sector. Problems with planning and building control were identified as inhibiting our ability to attract investment. There are examples of good practice in which major tourism projects receive fast-track status, and those innovative systems and procedures must be replicated across Scotland. There must be joined-up thinking within Government and its quangos, so the proposals to cut by 22 per cent funding to

universities for architecture, the built environment and planning are sheer madness.

If areas such as Fife are to take advantage of tourism opportunities, including the impending hovercraft service from Edinburgh to Kirkcaldy and the potential for a development at Kirkcaldy promenade, the Government must work with local government towards eliminating barriers to investment.

The bombshell of increased business rates that the Government dropped last week will seriously damage the Scottish hotel and hospitality industry, and it flies in the face of the Government's commitment to working with SMEs and the industry as a whole. The Scottish Tourism Forum has announced that the sector is braced for an even tougher year than 2009, in which the quality of our welcome will be even more crucial.

Cuts to funding for the tourism budget for 2010-11 by £4.5 million will not help. The Government must take a lead, show confidence and support, and ensure that the Scottish economy reaps the full potential from what is a very important sector.

15:30

Mary Scanlon (Highlands and Islands) (Con): If the debate is about comparing 2009 to 2010, I respectfully suggest that we should not just compare the rates between this year and last year but look at the devastating increase in the cost of licensing to the smallest businesses throughout Scotland and the new fire regulations. One small village store had to pay up to £4,000 to have a 1m-wide alcohol display. The shopkeeper could not recoup all of that by increasing the price of alcohol, so the cost of goods throughout his store increased. When we pass legislation in the Parliament, we should consider its effect on small businesses. As a result of the new licensing regime, 30 per cent of licence holders in Shetland, Orkney and Highland have decided not to renew their licences because they just cannot afford it. I understand that that is also the case in parts of the south-west of Scotland.

As members have said, the tourism sector is second only to the retail sector in its importance to the Scottish economy, especially in the Highlands and Islands, where as many as one in eight people are employed in the tourism industry, making it the lifeblood of many communities and vital to the sustainability of small businesses. It is widely known that Scotland's attraction lies also in its exceptional hospitality, nowhere more so than in the Highlands. Fiona Buxton, the proprietor of the Heathmount hotel in Inverness, demonstrated that last year. On a night when Inverness was fully booked up, she offered a family who were stranded accommodation in her own home. It is

the small touches, the personal service and the friendly face at the end of a long drive that make visitors return to Scotland year on year.

It is also the champions, such as Gavin Ellis of the Knockomie hotel in Forres, who further professionalise the industry and help to drive up the quality standards. Last year, many people found themselves having a staycation as a result of our weak currency and the strength of the euro. Inverness and its surrounding areas were fairly resilient and took full advantage of that. More people undoubtedly travelled in the Western Isles last year than in previous summers, mainly because of the wonderful weather but also because of the introduction of RET. Nevertheless. we must ensure that that increase in the number of visitors is reflected in an increase in spending per head, which is one of the key objectives in seeking to achieve the target of 50 per cent growth by 2015. Alasdair Allan will not be surprised by the comments that appeared recently in the Stornoway Gazette concerning how little many people in mobile homes spent during their stay while travelling between Stornoway and Barra. We have not fully adjusted to the huge increase in mobile home tourism.

Alasdair Allan (Western Isles) (SNP): This is not a hostile intervention. I am sure that Mary Scanlon will agree that, if there were more official campsites between Stornoway and Barra—something that the Government is encouraging—tourists might have a happier experience.

Mary Scanlon: That is exactly my point. There should not necessarily be huge campsites, but there should be more hard-standing areas beside people's homes. I hope that the councils and VisitScotland will reconsider the existing facilities for mobile homes, especially given the increase in such tourism.

I commend the art trails in Skye and the Uists, which are an excellent way to get people off the beaten track to see more far-flung parts of the islands. They also give people the opportunity to take back a wonderful memento of their holidays in Scotland. Other artistic products that we can offer include jewellery and Harris tweed. We should continue to emphasise the incredible creative skills in Scotland to increase the visitor spend.

I tried to intervene on Rob Gibson to say that one of the reasons for the huge increase in the number of people visiting Orkney is the wonderful Pentland Ferries, which does not receive a penny from the public purse. It also tends to be cheaper than NorthLink Ferries and the crossing is much smoother, in my experience. When we are talking about public money, we should consider the incredible entrepreneurs in Scotland who provide a fabulous service without receiving a penny from

the public purse. It is sad that it is often possible to cross the Atlantic more cheaply than the Pentland Firth. I agree with the point that Jeremy Purvis made about transport infrastructure. We should not forget that issue when we think about tourism.

I cannot speak in a debate on this subject without mentioning winter tourism. Many people seem to think that we take holidays only in the summer, but this year has been the best year ever for the Cairngorm Mountain skiing range, which welcomed its 100,000<sup>th</sup> visitor of the season last week. The company is hopeful that the snow will continue for a few more weeks.

As Gavin Brown said, the same standards should be assumed to apply to accommodation whether it is in Edinburgh or the outer Hebrides. As a Highlands and Islands MSP, I am always shocked at the difference between three-star establishments across the country. A two-star establishment in some places can be far better than some four-star places elsewhere. Last year, when I wanted to complain to VisitScotland about an establishment. I discovered that I had to supply my name, address and phone number and that the complaint had to be public, so I did not follow that through. However, I ask the minister to ensure that the star ratings are regularly revised by, for example, mystery shoppers, because there are excellent facilities that are underrated and pretty non-excellent facilities that are grossly overrated.

In response to Marilyn Livingstone, I point out that Shirley Spear, of the Three Chimneys restaurant in Dunvegan, has said that she has never been contacted by schools, colleges or higher education establishments. The minister might talk about connectivity, but it is not happening in Skye.

I support the amendment in Gavin Brown's name.

# 15:37

Stuart McMillan (West of Scotland) (SNP): I commend the minister for his work on promoting tourism in Scotland since the Scottish National Party came to power, and I welcome the reiteration of his position in this debate. I am pleased that the SNP Government has brought tourism into the finance and sustainable growth portfolio, which reflects the importance of tourism to the Scottish economy.

We all know the main contributors to Scotland's vast tourism industry: some of the usual suspects, such as golf, have been mentioned this afternoon. Others include whisky, tartan and—my own personal favourite—bagpiping. There are four months of piping competitions every year from May to the end of August. Some competitions bring together 50 bands while others feature as

many as 160 to 200 bands, and not all of those bands come from Scotland—many travel here from across the world. However, I would like to concentrate on an often unrecognised contributor to the Scottish tourism economy: recreational boating and marine tourism.

I have been delighted with the response to the establishment of the cross-party group on recreational boating and marine tourism, which I chair. I am only too happy to give the industry the recognition that it deserves. Recreational boating has been estimated to boost the Scottish economy by £250 million a year, and just before Christmas the Scottish Government-sponsored report on sea angling estimated that it brings around £141 million into the nation's economy and sustains more than 3,100 jobs. However, when we consider that recreational boating and marine tourism cover a host of participants, including surfers, kayakers, canoeists, divers and many more, we can start to appreciate the substantial benefits to the Scottish economy that the use of our marine resource brings. Using that resource in sporting and recreational activities provides a massive boost to our tourism sector.

Last week, the cross-party group set out its immediate agenda to establish, as best we can, the current economic impact of marine tourism, broken down by sector, across the country. If we can gain an understanding of the current position, the cross-party group—as well as the country—will be in a better place to make suggestions to help make things even more successful as we work towards the target of a 50 per cent increase in tourism by 2015.

This morning, in the Economy, Energy and Tourism Committee, we heard about the benefits that whisky brings to the Scottish economy. Many have greatly underestimated the success of whisky tourism: more than 1.23 million people toured a distillery in 2008, which brought in more than £25 million for local economies and was tremendously important for rural economies. Furthermore, 23 per cent of Scotland's five-star visitor facilities are distilleries, which assists in promoting the image of Scotland and the image of whisky as a quality product.

The most important thing that I have learned from the cross-party group is that the marine Scotland tourism sector in is underrecognised. We in the Parliament must assist the marine tourism industry in promoting Scotland internally and internationally as a marine destination. The knock-on effects of marine tourists visiting Scotland hugely benefit us all. As I said a moment ago, yachting, canal-boating, kayaking, surfing and many other such activities have a base in Scotland, and it would be a shame if we did not make the most of that.

I have touched on the issue of whisky. If we can increase the links between marine tourism, the food and drink sector and other related industries, we will see even more improvement in the marketing of Scotland as a brand. With that input, the current boating landscape could be increased. I will give a few examples from the west of Scotland: Largs yacht haven has more than 700 pontoon berths, Kip marina has 620 and Troon yacht haven has 500.

**Mary Scanlon:** The member's party wishes to impose a minimum price for alcohol, on the basis that whisky and other products are bad for people's health. Is that beneficial to tourism?

**Stuart McMillan:** In this country, we have to consider the health benefits that a minimum price will bring to the economy, as between £2.5 billion and £3.5 billion is spent on dealing with some of the effects of alcohol misuse.

To return to marine tourism, there is, on a smaller scale, the Southbank marina in Kirkintilloch, which has more than 40 berths. Furthermore, there is the potential for even more berths on the Clyde, in Inverclyde and Glasgow city, given the riverside Inverclyde development and the regeneration of the James Watt dock—which will be the host location for the tall ships race in 2011—as well as the Clyde waterfront project in Glasgow.

If next year's tall ships race is even half as successful as the one that was held in Greenock in 1999, it will be a fantastic spectacle. The 1999 race consisted of four days of glorious sunshine, hundreds of thousands of people flocking to Greenock and a carnival atmosphere. Who would have thought that we would hear the words carnival, sunshine and Greenock in the same sentence? Bill Kidd says, "Never," but every single person from Inverclyde who went to the tall ships race in 1999 would repeat what I have just said. It was a fantastic event, and it gave the whole of Inverclyde a massive boost. I encourage every member to go along to the tall ships race next year and discover Inverclyde for themselves.

We all know the impact that the recession has had on the world economy. Scotland has not been immune, but there have been some positives—as we heard earlier this afternoon—particularly thanks to homecoming Scotland 2009. However, there are still massive challenges to be overcome.

With a wide range of events already in the Scottish tourism calendar—spanning genres, from comedy festivals to golf tournaments and river festivals, such as the tremendous Kirkintilloch canal festival—I can only commend the Scottish Government for working hard to support tourism in Scotland.

I look forward to witnessing Scotland flourish as a tourist destination under the SNP Government, and I know that every member in the chamber has what it takes to help every tourism industry in Scotland to flourish.

#### 15:44

Irene Oldfather (Cunninghame South) (Lab): I am not a member of the Economy, Energy and Tourism Committee, but I speak as a constituency MSP, and I feel that I have some practical experience on the matter. As I am married to an American, and all my family are resident in Australia, South Africa and the United States, I sometimes feel like an Ayrshire branch of VisitScotland given my regular visitors—and the tourist season is about to begin for me again.

Other members have talked about the national challenges, but I want to focus on the situation in Ayrshire, and first of all the opportunities and challenges facing the area. Ayrshire has almost every geographical, historical and cultural asset by which Scotland is defined. It has mountains, islands, castles, golf courses and a magnificent maritime coastline; it has its share of famous writers, poets and inventors; and it has an increasingly high standard of restaurants and hotels which, over the past few years, have been trying very hard to up their game, because we have told them that that is what tourists to the area expect. It has been particularly difficult for those businesses, given the circumstances that other members have mentioned. I hope that at the end of the debate I can go back and give the people involved a bit more certainty about the situation in Ayrshire.

Undoubtedly, Prestwick airport is crucial to Ayrshire's tourism potential, and development and expansion of the airport must be a key part of any strategy to maximise opportunity. According to VisitScotland figures, 95 per cent of overseas tourists access Ayrshire through air travel, which is well above the Scottish average of 75 per cent. Moreover, the figures show that tourism in Ayrshire is worth £176 million and employs 11 per cent of the total workforce, which means that any shock to the sector will have a major impact on what is already a very fragile local economy.

When I consulted local stakeholders on today's debate, they highlighted the importance of connectivity and transport infrastructure. For example, North Ayrshire Council has mooted the possibility of a direct rail link between Prestwick and the Isle of Arran, which must be one of the jewels in Ayrshire's crown. I am sure that the minister recognises the importance of such connectivity to Ayrshire's tourism industry.

Of course, tourism is not always about people coming from abroad. They might be having a weekend away in a hotel in Arran or going for a Sunday walk or picnic at Culzean or Eglinton country park, but visitors from other parts of Scotland and England make a substantial contribution to Ayrshire's tourism and local economy. In Ayrshire, UK residents spend more than double the amount spent by people from overseas. As a result, it is important that we do not forget the small businesses that contribute, albeit on a different scale, to our tourism potential. After all, the little coffee shops that sell home baking, home-made soup and so on are attractions for visitors from home and abroad.

Ayrshire is also a golfing hub, but stakeholders believe that it needs better marketing. Although thousands of golfers from Europe come into Scotland via Prestwick airport, stakeholders feel that advertising for Ayrshire courses is limited.

Of course, Robert Burns is increasingly of national and international importance, and we are all looking forward to the independent publication of the homecoming data. While on the subject of Burns, it would be remiss of me not to mention Irvine Burns club's outstanding and commendable "Dear Mister Burns" exhibition, which displays originals and copies of hand-written acceptances to offers to become honorary members of the club from across all ages and the globe. It includes letters from every First Minister of the Scottish Parliament as well as historically significant letters from Charles Dickens, Teddy Roosevelt and J M Barrie, to name but a few.

Water sports and sailing also have huge untapped potential—after hearing his speech, I know that Stuart McMillan agrees with me. We have a magnificent coastline, and in my constituency Irvine Bay Urban Regeneration Company is working to create a tourist hub around Irvine harbourside in the belief that extra berths in the area could encourage better take-up of sailing and bring in tourists. As Mr McMillan has already pointed out, marinas have huge tourism potential.

**Stuart McMillan:** I and other members of the cross-party group on recreational boating and marine tourism heard that approximately a third of the berths in the west of Scotland are owned by folk from the south-east of England who fly up to Scotland. Improvements in the Irvine bay area therefore have fantastic potential, and I encourage everyone to push things as much as they can.

Irene Oldfather: I was just about to say that sailing and water sports in Scotland are worth £250 million. There is real potential for growth in that area, and I would welcome any assurances that the minister can give on maximising the opportunities. I know that there is a great deal of interest in that matter in my constituency.

I want to say something about how local stakeholders feel about the refocusing of the VisitScotland marketing strategy on geographical areas. That is one of the challenges that must be highlighted in this debate. Ayrshire and North Ayrshire represent very small parts of the south-west region; as a result, there is concern that we will lose out. Furthermore, despite the fantastic picture of Avrshire that I hope I have painted, I have been advised that Ayrshire and Arran has not been considered for special destination development status. What assurances can the minister give to those whom I represent to instil confidence in the sector? They have real concerns that Ayrshire and North Ayrshire will be left out of things.

In conclusion, I do not believe that Scotland and Ayrshire are tough sells. Let us move forward and ensure that, in the coming years, more families from the UK and abroad decide to have a Scottish and an Ayrshire experience.

15:51

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Among other things, the Scottish Government's motion

"notes the importance of continuing to promote Scotland as a place to visit, stay, live and work."

Those are fine sentiments. It is therefore strange that, in just two weeks' time, on 1 April, many hotels in my constituency, such as the Ardoe House hotel in Blairs, the Raemoir House hotel in Banchory and the Huntly Arms hotel in my home village of Aboyne face massive hikes in their business rates. Having listened to the minister's opening speech, I do not think that he has a grip on reality. He is astonishingly complacent. He did not address the question that my colleague Jeremy Purvis asked him about when he first knew that hotels throughout Scotland would face massive increases in their business rates. I would be interested if he addressed that question in an intervention or in summing up. I do not want him to miss the opportunity. The issue was, of course, raised in the chamber by the leader of my party, Tavish Scott, two weeks ago. Did the minister know or do anything at all about it before then?

There will be massive rates hikes. The Raemoir House hotel's rates will go up 16 per cent, from £21,000 a year to nearly £25,000 a year, and the Ardoe House hotel's rates will also go up 16 per cent. However, the worst rise will be for the Huntly Arms hotel in Aboyne: its rates will go up by a massive 22 per cent.

The First Minister knows the Huntly Arms hotel well enough. Last year, during the Aboyne byelection for a vacancy on Aberdeenshire Council which, incidentally, the Liberal Democrats wonhe went to raise new saltires outside it, in the middle of the village. I am sure that he would say that the timing of his Government-sponsored visit during that by-election was entirely coincidental and that it was only about promoting tourism, but I trust that he was as shocked as I was to find out that the person who donated the saltires on that visit and whom he thanked profusely was a self-confessed racist and a founder of the ultranationalist group settler watch, which targets incomers to Scotland. I do not think that the First Minister's visit did anything to promote tourism on Deeside.

As I said, the Huntly Arms hotel faces a 22 per cent increase in its taxes from Mr Salmond's Government. I wonder how soon it will be before Mr Salmond pays a return visit to the Huntly Arms hotel. I would like to meet him there so that he can explain to its manager exactly what his Government is doing to the tourism industry in my Deeside constituency. I know that the First Minister and his SNP Administration do not set the values of every hotel in the land, but his Government has chosen to hit hotels throughout Scotland with the full increase in just one year. Previous Administrations brought in such major changes slowly over a period of time. I accept that the UK Government is doing just that south of the border; it is the right thing to do.

At a time of economic difficulties, the SNP is hitting the tourism industry in Deeside and throughout Scotland very hard. On April fools' day, Scottish hotels will be stunned by painful rises in their business rates. It might be April fools' day but, unfortunately, that is not very funny. We should not have those punitive tax rises on our hotels, which are so important for a successful tourism industry. Instead, there should be a transitional period so that local hotels on Deeside in my constituency and hotels throughout Scotland do not suffer the full force of the massive rates rises

The minister could have taken the opportunity to outline measures that he could take to help the tourism industry, but he has not done so. He could have announced that he had won a battle with his boss, the finance minister, John Swinney, not to put those extra financial costs on the industry, but he has not, and I do not think that he even tried. I would like Jim Mather to respond to that at the end of the debate. He is a good man. He is a fine fellow—of that there is no doubt—but, sadly, one thing that he is not is a fighter in the Scottish Government for Scotland's tourism industry.

### 15:56

Bill Kidd (Glasgow) (SNP): It is worth stating that Scottish tourism is nationwide. It is not blowing our own trumpet to say that we have

some of the most beautiful scenery in the world on our doorsteps, because millions of visitors have been here and told us that year after year. That beauty is on Glasgow's doorstep as much as on the doorstep of any other town or village in the Highlands or the Borders. I like to think that all members would give the city its due as an attractive and dynamic place to live and visit.

Glasgow has 2.8 million visitors a year, generating £700 million for the local economy, and it is the gateway to Loch Lomondside and the west Highlands, as well as Ayrshire and Burns country. The city serves as a hub for surrounding areas of great natural beauty and the tourism industry in those areas. If we include the full range of hotels, bed and breakfasts, guest houses and university accommodation, the total number of rooms in metropolitan Glasgow is well over 17,000, and those businesses employ some 17 per cent of the total tourism workforce in Scotland. That figure will grow as we move out of recession and look forward to holding the 2014 Commonwealth games.

Jeremy Purvis: I endorse the member's points about Glasgow, but is he aware that some of the hotels to which he has just referred, including the Radisson, the Hilton and the Crowne Plaza, will have increases in their bills in one go and with no transition period of, respectively, £192,500, £120,000 and £106,000? Does the member seriously think that that will not impact on their recruitment policies or investment?

**Bill Kidd:** The Liberals have been pounding away at that point since the debate started, so I was aware that the member was liable to say something like that. The minister has said that he will address the issue in his summing-up speech.

Why do people enthusiastically come to a big post-industrial city that still labours under an undeserved image—pinned on it by Londoncentric UK media-of being dirty and violent? The reality is that Glasgow is a welcoming and friendly place to visit and has astonishing Victorian architecture, a large number of parks and green spaces, a varied nightlife and a continually growing rep-that is street talk-as the place to come for shopping. For the fourth year running, the city has been named by Experian's business strategies division as the top shopping venue outside London. Today, it has been reported that the top American clothing store Abercrombie & Fitch is looking to open only its third European branch, in Buchanan Street. The highly quoted brand COS has opened in Princes Square. I the Glasgow should mention conference ambassador programme, which accounted for 23 per cent of all the conference business that was secured in 2007-08.

I am saying a lot of great things, but is everything totally hunky-dory for tourism in Glasgow? Not exactly. As is the case for tourism in the rest of Scotland, Glasgow is having to fight its corner in the face of competition from other holiday venues across Europe. It is important in the modern tourism climate that VisitScotland ensures that city breaks are promoted equally with the longer, more traditional holiday patterns of coach and golfing tours. That would help to boost the numbers of people visiting the great range of museums and galleries that Glasgow boasts. Further to that, I have had discussions with the National Galleries of Scotland about the possibility of establishing a permanent exhibition in Glasgow that links with those in Edinburgh, thereby providing a twin-city visiting experience that would benefit both cities.

Let us remember that in common with the rest of Scotland, Glasgow suffered many years of financially necessary emigration to, among other places, England, Canada, New Zealand, Australia, South Africa and the USA, so many thousands of ex-Glaswegians and their descendants from those countries would happily come back to visit grannie's Hielan hame in Partick and Govan before touring B and Bs in the more traditional tourist areas. We need to target that market as heavily as every other.

Glasgow, as a large city, still has many problems that need to be addressed, and resources require to be invested to overturn generations of shameful deprivation. The same can be said of New York. The I love New York campaign helped to turn that city into an attractive city break destination, despite the continuing problems in Brooklyn and the Bronx. Glasgow can do the same.

I know that the Scottish Government aims to ensure that all agencies, local government and businesses large and small work together to enhance and enlarge the tourism industry in Scotland. I sincerely hope that our abilities to help fund those aspirations are not constrained by financial restrictions imposed by Westminster over the coming years.

16:02

Helen Eadie (Dunfermline East) (Lab): I apologise to the Deputy Presiding Officer, the minister and the chamber for arriving a few minutes late—our committee overran and so did all my commitments at lunch time.

I represent part of the ancient kingdom of Fife, with the ancient capital next door to me where Queen Margaret lived for a time. As I also have both of the iconic bridges over the river Forth in my constituency, I have a considerable interest in

tourism. I want to raise a particular issue that affects every one of us in the room: the rubbish and the abandoned signs of contractors on the verges of our motorways and roads. I have received many complaints from constituents who have asked me to take every opportunity to raise the matter. Members know as well as I do that if I were expecting visitors I would tidy my house before they arrived, because I would want to be proud of it and the state that it was in. Whether it is BEAR Scotland, contractors or local authorities, I say to the minister that he needs to get a grip of those people and say to them, "This is not acceptable." The arterial routes are the worst of all: the approach roads to both bridges and the routes from the airports are absolutely shameful. I say to Rob Gibson that although I take great pride in Scotland, I am ashamed of the state of every road in Scotland.

Until the Liberals raised the matter in today's debate—and were accused of "pounding away" on the issue—I was unaware of the huge increases in hotel business rates. I am pleased that my colleagues, including Lewis Macdonald and Jeremy Purvis, are pounding away at the issue because I now know that I need to find out which of my constituents are affected. Although there are not many hotels in my constituency, because it is one of the poorer and more disadvantaged areas in Scotland, there are some, and I will ask them those very questions because the situation is totally unacceptable.

Joe FitzPatrick: Will the member give way?

**Helen Eadie:** Maybe in a minute or two, but not yet.

The Government claims success and quotes tourism figures, but the only way that it can make that claim is by excluding Europe from its calculations. It did that because the number of visitors from Europe has decreased, although that number accounts for a larger proportion of visitors than from North America and the rest of the world.

The Scottish Government has cut the tourism budget, which we must be concerned about.

We need to think about our gateways to Europe. We talk about the Rosyth to Zeebrugge service as such a gateway. Like many members, I have travelled considerably throughout Europe—especially in the past couple of years. I have visited and made friends in Bulgaria and I have developed an interest in Romania and Hungary. On the way to those countries, I have had time to stop off and visit places.

When I visited the tourism facility at Zeebrugge, it did not have a single brochure from VisitScotland. The place was shocking and was in an appalling state—signs were broken. No thought had been given to how technology might be used

to promote Scotland—to using DVDs to promote our beautiful scenery, for example. The huge rambling space in Zeebrugge had massive empty areas. Nobody there had given any thought whatever to how to promote parts of Scotland. I encourage the minister to take a ferry journey this summer—there is a wee jaunt for him. If he does so, he will be as shocked and disappointed as I was, because there are broken signs everywhere.

Promotion on the ferry is also lamentable. When I travelled on the ferry last year, I was furious to see on my inward and outward journeys that, of the VisitScotland brochures that were piled high, one pile concerned predominantly Roseanna Cunningham's area and the other pile concerned Alex Salmond's and John Swinney's areas. No brochures promoted the kingdom of Fife, the Lothians or the west of Scotland. Why was that?

That experience prompted me to write to VisitScotland on my return home. I asked it how many copies of VisitScotland brochures it had ordered for each region in Scotland. VisitScotland said that it did not have that information as it was not held centrally. That is unacceptable—VisitScotland should be able to tell us its print run for brochures on Perth and Tayside, the Lothians, the Borders or any part of Scotland. The issue for the minister is to ensure that VisitScotland promotes fairly and equitably all parts of Scotland and not just the areas represented by Scotlish ministers. Businesses from other parts of Scotland need to be satisfied that the Government is pursuing their best interests, too.

When I looked further into my freedom of information request, I found that only 4,896 brochures were distributed throughout 28 member states in the entirety of mainland Europe. Do members know what that equates to? It means 179 brochures per European Union member state. That is pathetic.

**Jim Mather:** Does Helen Eadie realise that we are in the internet age and that Scotland broadcasts day and daily on the web?

**Helen Eadie:** That leads me to compare the 179 brochures for each member state with the printing of 300,000 brochures for places in the UK, where doing business is easy.

Where the issue is difficult, the Government does not tackle it. The minister must address how we promote Scotland in Europe, how we protect the ferry and how we generate much better, fairer and more equitable support for all areas of Scotland.

#### 16:09

Joe FitzPatrick (Dundee West) (SNP): The debate highlights the wealth of history, scenery,

culture and people that Scotland has in abundance. Any one of our 129 MSPs could speak at length about what their area has to offer, and I will play my part by highlighting Dundee's many attributes and attractions.

At the outset, I emphasise the importance of tourism to Scotland as a whole. As we have heard, tourism contributes some £4.2 billion to our economy each year and employs 200,000 people—9 per cent of the country's total employment. In saying that, I acknowledge Mary Scanlon's point on the higher figure that pertains to the Highlands. Tourism has an extra importance in some areas of Scotland.

Across Scotland, the figures are significant. Looking at them, we start to appreciate the importance of the industry, given that growth of 10 or 20 per cent would equate to 20,000 or 40,000 new jobs. That is a lot of jobs at a time when we absolutely need them. Of course, things can work both ways. The looming Westminster cuts could have a devastating effect on tourism in Scotland, which relies on Government and industry working together to upgrade and maintain facilities.

**Lewis Macdonald:** What is the member's assessment of the impact of the rates changes on the hospitality industry in his city and across Scotland?

Joe FitzPatrick: Lewis Macdonald and other members have to appreciate that the rates were changed as a result of an independent assessment by Scottish assessors and not by the Scottish ministers. The decision south of the border to impose transitional relief has resulted in savings for the vast majority of businesses that are about half of what applies in Scotland. Jeremy Purvis spoke about a change that would be costneutral to Government. That could be done, but the 60 per cent of businesses that will have savings as a result of the new rating assessment would have to pay more. In some cases, they would have to pay considerably more. When members go back to their constituencies, they should speak to some of the businesses in their area that come within the 60 per cent figure. Members should ask those businesses whether they are prepared to pay more than the independent assessor has set for them so that other businesses will pay less. That is the question that members should take to their constituencies.

**Jeremy Purvis:** Will the member give way? **Joe FitzPatrick:** No. I must make progress.

It is clear that we can boost Scotland's tourism industry, even in a downturn. The year of homecoming was a success. It demonstrated that Scotland is a destination to which people will make long and short journeys. If we compare what happened in Scotland in the year of homecoming

to what happened elsewhere in the UK, there is no question but that the year of homecoming had a major impact. I could put it all down to the better management of Jim Mather and his team, but the fact is that the Scottish Government and members across the chamber worked together to make the year of homecoming happen. Homecoming had the biggest impact in ensuring that Scotland weathered the storm better than other parts of the UK did.

One figure that has been cherry picked in the debate is the 43 per cent increase in visits from countries outside Europe and North America. People always say that one should not cherry pick, but I have done that because of the importance to Scottish tourism of tapping into new markets. Tapping into those new markets resulted in a significant boost—a 43 per cent increase. That is crucial if we are to boost tourism in Scotland.

The year of homecoming has shown that Scotland is a desirable location and that the Scottish diaspora has a huge part to play in capitalising on that. On Channel 4's "Absolutely", McGlashan estimated the Scottish diaspora at 40 billion. He exaggerated a bit, but the true figure of around 25 million is still impressive. The diaspora affords a unique opportunity to boost further Scottish tourism.

Evidence can be found across the globe of Dundonians who have emigrated. We see that in financial institutions such as the Dundee Bank of Canada. The raft of towns called Dundee in places such as South Africa, Australia and the United States of America show those links. Last year, many people from those Dundees visited the original Dundee. I hope that we can build on those links in the coming years.

The city of jute, jam and journalism is evolving into a vibrant and cosmopolitan destination that visitors from Scotland and further afield enjoy. Funding from the Scottish Government and its partners is helping Dundee to grow as a tourist destination.

Mary Scanlon: Will the member give way?

Joe FitzPatrick: I am sorry; I must make progress.

In its one city, many discoveries campaign, Dundee is looking back at its past while also looking forward to the new technologies that are increasingly important to its economic future. Dundee has Europe's top industrial museum, the Verdant Works, and Captain Scott's Antarctic expedition ship at Discovery Point. There is also the newly re-opened McManus Galleries. However, it is a new attraction that will hopefully define Dundee as a tourist destination for the 21st century. The Victoria & Albert at Dundee will be the jewel in our redeveloped waterfront and has

the potential to make Dundee one of the top tourist destinations in Europe. Ten years ago, Bilbao did not make it on to any list of cities and visits. Its disused port area was an eyesore, earning the city some derogatory nicknames. However, following the building of the Guggenheim museum on the Nervión River, the city's fortunes have been transformed, with more than 1 million people visiting the museum each year and an economic impact felt across the Basque Country. It is hoped that we can replicate some of that success in Dundee.

An international competition is under way to find a design team to create an iconic building on the Tay to house the V&A. It is conservatively estimated that that will bring 130,000 visitors to Dundee every year, which will be a huge boost to the economy of Scotland as a whole as well as to that of Dundee. The development will tie into other cultural areas in Aberdeen, Edinburgh and Glasgow, putting Scotland as a whole on the map. With the opening of the V&A, Dundee's waterfront, which originally brought the city its wealth, will again bring prosperity to the city and its neighbouring region.

16:16

Elaine Smith (Coatbridge and Chryston) (Lab): As we all know and have heard today, tourism is one of Scotland's largest business sectors and is a vital element in Scotland's social, economic, environmental and cultural wellbeing, with many areas depending on it for jobs and infrastructure. It is, therefore, concerning that the SNP Government has cut the tourism budget for the coming year.

In promoting our tourism, it is important to ensure that the messages that attract visitors are not all about haggis, heather and Highland flings; that may be the point that the minister was making when he mentioned authenticity. Although we have great traditions such as bagpipes, whisky and beautiful scenery, we have much more to offer visitors from aboard and, crucially, folks staying at home. The internal tourism market must be encouraged, ensure that Scots knowledgeable about the facilities that are on offer on their doorstep. We have tried to do that in today's debate, with constituency members mentioning attractions in their constituencies. I will be no different.

I do not imagine that Coatbridge immediately springs to mind as a tourist destination for the majority of the people in the chamber or the wider public, although the Costa Coatbridge has a certain ring to it; there is a beach at Drumpellier Loch, if anyone wants to try it out. However, I want to make a serious point about the need to widen our attraction to visitors, both internal and from

abroad. Of course we should use our areas of breathtaking beauty, such as the Highlands and the Borders, to attract visitors.

**Rob Gibson:** It is just as important for people to go to Coatbridge and see museums that deal with our industrial past. I am sure that they are just as interesting as the haggis and Highlands flings that the member mentioned.

Elaine Smith: Strangely enough, I am about to come to that point. Not all of the time, effort and resources that are available for tourism should be concentrated in areas such as the Highlands. Our ex-industrial areas have much to offer tourists. Attracting tourism can help to create jobs and increase the prosperity of more deprived areas.

Coatbridge is home to excellent facilities. I argue—against Joe FitzPatrick—that Summerlee heritage park is Scotland's top industrial museum. Drumpellier park and loch has great play areas and provision for other activities, such as water sports and golf. There is also the time capsule swimming centre and leisure complex, which is undergoing a renovation to make it even better.

Summerlee is known as Scotland's noisiest museum. It was opened in the 1980s by Monklands District Council and has grown in popularity at a steady pace, along with its facilities. Recently it underwent a major renovation, with assistance from funding sources such as North Lanarkshire Council, the lottery and friends of Summerlee.

The history of the Monklands area is closely linked with the industrial revolution. It is appropriate that the museum is located in Coatbridge, which was once known as Scotland's iron burgh. It is situated on the site of the ironworks: the remains of the blast furnace and other buildings can be seen from the view pod and parapet in the main exhibition hall, which also houses interactive displays of social and industrial heritage and contains a cafe. There is a reconstruction of a drift mine, where visitors can safely experience the working conditions of miners and hear about mining from trained guides. Adjacent to that are miners rows with renovated interiors dating from the 1840s to the 1960s, which show the changing living conditions over that period of 120 years. The highlight of Summerlee for visitors, I would say, is taking a ride on Scotland's only working electric trams, which are kept operational by volunteers. The heritage park has a fantastic children's play area, and it hosts a number of events during holidays. There is no entrance fee.

In a comment on the VisitLanarkshire website, a Diane Smith from Glasgow wrote:

"My kids and I had a great time at Summerlee. In particular, the tram rides and guided trip down the coal

mine were the real highlights. A great day and best of all it was free!!"

**Stuart McMillan:** Will the member take an intervention?

Elaine Smith: I do not think that I have time, I am afraid.

Today is St Patrick's day—in case anyone had not noticed from the Parliament's canteen—and much of the industrial heritage that is displayed at Summerlee involves Irish immigrants, in particular people fleeing the potato famine.

According to the 1851 census, the Irish-born population of Scotland was 7.2 per cent; the Irish-born population of Coatbridge was nearly 36 per cent—and those figures did not include offspring. It would be remiss of me, in this tourism debate, to fail to extend an invite to everybody to come to Coatbridge, where the eighth annual St Patrick's day festival will be taking place on Saturday, with about 15,000 people expected to attend from Scotland and abroad. It draws thousands of visitors to the town, it involves many school pupils and it gives local business a welcome boost. This year it is being opened by television presenter, singer and former pupil of St Ambrose high school, Michelle McManus.

The festival has grown over the years from being a day festival to encompassing more than a week of events. It is organised by a group of committed local people to celebrate the Irish heritage of Coatbridge. The festival programme—I have a copy here—outlines all the events and provides information. Anyone who wants a loan of it can come and see me after the debate. The festival has sponsorship from local business and help from the council, and the organisers furiously fundraise all year round in order to put on the event.

The minister spoke about various things being on the web. Last night I went on to VisitLanarkshire's website, and I was perturbed to find that the St Patrick's day festival in Coatbridge was not on it, despite being the eighth-largest St Patrick's day festival in the world. Happily, after I contacted VisitLanarkshire, the website was amended and the festival is now on it.

Groups of committed citizens organising such events can massively boost visitor numbers to smaller towns and the Government should consider ways to help them. The Coatbridge group would certainly welcome assistance from tourism professionals in promoting their family fun day, and our tourism networks should be doing that.

I wanted to mention Spanish paradors—I lodged a motion about them that the minister can read—but I do not have time to talk more about them.

I hope that the minister can reassure me that the resources that have been earmarked for tourism will be used more equitably and will help to highlight the facilities that are available at places such as Coatbridge, which have been somewhat marginalised under past tourism strategies, despite the best efforts of North Lanarkshire Council.

# 16:22

Christopher Harvie (Mid Scotland and Fife) (SNP): I wonder how many people in the chamber have ever come across the name of Malcolm Irvine. Anyone? Malcolm Irvine? No?

**The Deputy Presiding Officer:** We will not ask for a show of hands, Mr Harvie. Just carry on.

# Christopher Harvie: Ah, yes.

In 1934, Malcolm Irvine—pharmacist, botanist, welder and film director—produced on Pathé "The Loch Ness Monster: Proof at Last!", in which Scotland's great unknown may or may not have appeared. It was four years after the slump, just after the opening of the big Ford factory at Dagenham, which effectively produced family motoring. Phones were being installed and roads were being improved. With good timing, we had holidays with pay by 1938.

The Loch Ness monster had come into its own. It was an incredible coup. What other country in the world has great tourist traffic to see something that no one has ever seen? It is genius as far as promotion is concerned, and we must bear the example of Malcolm Irvine in mind when we consider the future of Scottish tourism.

**Mary Scanlon:** There are many people around Loch Ness who swear that they have indeed seen the monster on various occasions.

**Christopher Harvie:** Indeed—I am sure, and I would not like to disillusion them.

Let us turn from monsters of the past to monsters of the present.

# Jamie McGrigor rose—

**Christopher Harvie:** I will continue for a moment and then come back to Jamie McGrigor.

I cite that saintly figure, the Rev Stephen Green, the chairman of the Hong Kong and Shanghai Banking Corporation, who had the honesty to come out in public and say that much banking activity is socially useless. We have had a lot of flak about rate rises this afternoon. Of course, 2005 was the last time that rates were revised, so we would expect an increase in rates anyway. One goes back in history to see Mrs Thatcher's astonishing reaction to the revaluation of business rates in, I think, 1985, which was to be the prelude

to that Wagnerian passage in history that would end with her removal in 1990.

# Jeremy Purvis rose—

Christopher Harvie: Mr Purvis will no doubt appreciate the point that the Economy, Energy and Tourism Committee has found that one of the standing problems facing us comes from entrepreneurs who want to get money out of banks being unable to get any money from banks with which they hitherto had close relationships. Can that be taken to be a problem as great as rates? I am pretty certain that he will agree with me that it is.

Jeremy Purvis: Will the member give way?

**Christopher Harvie:** No. I have to make progress, as I have further and more optimistic observations to make.

We are discounting our enthusiasts in Scotland. Some weeks ago, I had a members' business debate on the Scottish railway museum at Bo'ness. Members who know the place will appreciate the amount of money that has gone into regenerating that area, piloted by the railway enthusiasts of the Scottish Railway Preservation Society. Early in April, they will open their line as far as the Edinburgh to Glasgow line at Manuel junction. However, we must see that against the past, in which lines such as the whisky railway from Dufftown to Aviemore were ripped up.

The Swiss would have transformed such lines into major tourist attractions. One could almost say that the little diesel rail cars that trundle round the Highlands are collectively probably no larger than one Swiss narrow-gauge express train on the Rhätische railway, carrying the glacial express tourists through their part of the Alps. That has been voted minor in comparison with the joys of the west Highland railway, when it is possible to see beyond the forests that have grown up around the line, which make travelling from Craigendoran to Mallaig at the height of summer rather like going through a continuous green tunnel—it is surely time for some investment in chainsaws.

We have transport relics from the past that have proved themselves far more effective than many of our expensive investments of today. Members should think of the Waverley steamer, which was pronounced ready for the scrapyard at 23 years but is still running and almost as old as I am. They should think of the way in which the area around Abbotsford, which Jeremy Purvis mentioned, will be reanimated not only by the investment in Sir Walter Scott's great house but by the opening of the Waverley line back to the Borders. Why, in the concept of a revitalised area around Melrose has one of the freaks of Scottish planning added to the area's repertoire—the Eildons and the abbey—the crematorium? Did anyone work through a study of

what is needed in a particular tourist magnet and come up with that?

Lewis Macdonald has been seen prancing through the waves of the blue lagoon in Iceland, which is the colour of Horlicks and smells of rotten eggs but, as he will agree, is a thoroughly enjoyable place to be. If the Icelanders can produce a triumph out of such conditions, of what are we not capable?

### 16:29

lain Smith (North East Fife) (LD): Having spent the morning in committee discussing the whisky industry, I suspect that the proof that we have of the Loch Ness monster probably has more to do with 70 per cent than with anything else.

Last summer, I spent a few days in my constituency walking the Fife coastal path from Lundin Links to Crail. It was a great opportunity to experience for myself and promote some of the excellent tourism facilities that we have in my constituency. On the first night, I stayed in a tent in the Shell Bay caravan park, near Elie, which is an excellent facility that provides low-cost holidays for caravanners, mobile home owners and campers. I then walked to Elie, where I did a spot of windsurfing, though not very well. I went on to Pittenweem through Anstruther, where I was unfortunately unable to take my planned boat trip to the Isle of May, because I had to come back here for the recall of Parliament that day. However, I got back to Anstruther in time to enjoy my fish and chips in the UK's fish and chip shop of the year. I went on to Crail, where I stayed in a very innovative and eco-friendly microlodge, which I would say is almost like a holiday home for hobbits. It is a small barrel-shaped type of selfcatering accommodation for backpackers who do not necessarily want to carry a tent. The microlodge was invented, designed and developed in Fife and is now being rolled out across Scotland and the world, which is a great opportunity for us.

I discovered that tourism was doing okay in Fife last year, that it was a different market and that people were shifting or downsizing, if you like, from more expensive accommodation to slightly cheaper accommodation. That had an impact, because tourism businesses then had to discount their holidays. Since then, we have found that all those businesses have been faced with their new rates bills. For example, Shell Bay, which is a holiday park for those on budgets, faces a 30 per cent increase in its rates bill. Even the Anstruther fish bar, which is subject to the small business bonus scheme and gets 25 per cent rates relief, faces an increase in its rates bill of £486 this year. which is a 13 per cent increase. I think that it will have to sell about 88 fish suppers to cover the cost of that.

A larger place such as the Fairmont St Andrews Bay hotel will see its rates bill go up by 26 per cent. In St Andrews, rates will go up by 20 per cent for the Old Course hotel, by 23 per cent for the Macdonald Rusacks hotel and by a stonking 40 per cent for the Rufflets hotel. The Peat Inn, a five-star restaurant with rooms that is Scotland's restaurant of the year, faces a 15 per cent hike, and the Inn at Lathones, which was named the UK's best music venue by *The Publican* magazine, faces a rates increase of a quarter in April.

What worries me most is that most of those businesses are not yet even aware that their rates are increasing. For example, after I sent a letter last week to some of the businesses that I knew would be affected, I got an e-mail on Monday from a hotel in St Andrews that said:

"Thank you for your alarming note on rates for hotels. I find it difficult to answer your questionnaire since I have no knowledge of any intention to revalue/increase rates. We have had no notice ... and already find that the rates bill is high."

That small hotel in St Andrews faces a rates increase of a staggering 112 per cent, which represents an increase of more than £10,000 in its rates bill. However, a couple of weeks before that rates bill comes into effect, the hotel still does not know about it. How on earth are businesses meant to plan for such whopping increases in their bills when they do not know about them yet? Such hotels have already set their room rates for next year and have sold rooms at those rates, but they will be faced with substantial additional costs that they do not yet know about. The only way in which they will be able to meet those costs is by cutting back on investment, training, staff or the supplies that they buy from small businesses throughout Scotland.

Joe FitzPatrick: In speaking to individuals, might the member remind them that, if the bill comes in and they think that the change is unreasonable and that it will make it difficult for them to continue their business and invest in it, they have the opportunity to appeal to the Scottish assessor? That should be the advice that they are given.

lain Smith: I am looking forward to the 40 per cent of businesses who face increases appealing their revaluations. I may well encourage them all to do that. Certainly, I am making businesses aware that they have the right to appeal. However, the point is that every revaluation in recent history—certainly since 1985—has had a transitional relief scheme. Why is this one different? It is because the Government has refused to consult. It will not even consult businesses about the issue—it has refused to do so. Frankly, that is a disgrace.

The SNP's 2007 election manifesto talked about setting up a competitive business environment. It claimed:

"In government, the SNP is determined to deliver a more competitive tax environment for Scottish business."

# It pledged:

"to ensure our nation has a competitive edge an SNP government will confirm that the Scottish poundage rate will not rise above England's during the lifetime of the 2007/11 Parliament."

The poundage rate may not have risen, but the rates bills for many businesses are rising. Given that there is a transitional relief scheme in England but not in Scotland, our businesses will now be at a competitive disadvantage. The Government needs to do something about that.

Frankly, it is not good enough for the minister to say that he will deal with such points when he responds to the debate. He should have advised at the start of the debate what he planned to do, so that we could have had an informed debate on that important issue.

However, the Government is ignoring the needs of the tourism industry not only on rates but on ferry fares. In the minister's constituency, the price rise in fares for ferries to Argyll and the islands has doubled. The increase does not apply to ferries to the Western Isles—those are subject to a special SNP savings scheme—but the fares are being increased for the ferries that the tourists use to get to the islands, where people will also face higher hotel bills due to the increase in business rates.

The Deputy Presiding Officer: The member should wind up now.

lain Smith: Frankly, the minister needs to look at what he is doing in government to support the tourism industry, because the reality does not match the rhetoric.

### 16:36

Jamie McGrigor (Highlands and Islands) (Con): This has been an interesting debate. I enjoyed Christopher Harvie's speech about the Loch Ness monster, but I remind him that Loch Morar also has a monster, which he forgot to mention. We also have stories of big cats roaming across Scotland and of great white sharks around the coasts, so our country is becoming even more exciting than people find it already.

Since the decline of the primary industries in the Highlands, tourism has become the number 1 industry. That is not necessarily a good thing in any country, but the more we can extend tourism opportunities outside the normal seasons, the better the situation will be for the people who benefit from those visitors. This winter, although it made things very difficult for some people, the

snow boosted Scotland's ski tourism. It is also right that we assess in detail the effectiveness of the year of homecoming 2009, so that we can learn lessons for the future about what was good—and what was perhaps not so good—about that initiative. Like Mary Scanlon, I emphasise that many communities, including those in the more remote rural and island parts of our country, depend on tourism.

We have heard mention today of the Royal Society of Edinburgh's excellent report of 2008 on the future of Scotland's hills and islands, which rightly sought to cover tourism to some extent as well as the rural primary industries. The report highlighted:

"There are many excellent tourism businesses in the Hills and Islands ... But there are also too many businesses where standards of service are variable".

That is why the development of skills within the tourism sector is so critical, as Gavin Brown set out very effectively when he spoke to our amendment. We need to put in more and more effort to ensure that our tourism businesses, and all those who work in the sector, have the best skills and training so that they can compete internationally.

Anyone who has visited a brasserie or restaurant in Paris will know the elevated status that is given to the staff and the hugely dignified position of the maître d'. Anyone who is rude to a French waiter is promptly frogmarched out into the street. Working in the tourism sector is considered a proud occupation in France and in other European countries, which we in Scotland should emulate. We should encourage our young people to realise that tourism, from top to bottom, is a greatly respected industry in which people may have long and distinguished careers.

The Government's motion refers to a new focus on Scotland's food and drink. I welcome that, as I believe that we have huge potential that could be developed. Obviously, my region has the world's finest distilleries, which are a Mecca for those who are interested in whisky. Scotland also has some of the best sea and freshwater fish and shellfish, and we also have soft fruit.

We also have some very fine restaurants, which serve both traditional fare and modern cuisine. During my lifetime, the standard of restaurants has risen out of all recognition. I take my hat off to those who have achieved that transformation. Long may it continue.

**Margo MacDonald:** On the quality of food served in restaurants and hotels in Scotland, are we absolutely sure that the food is Scottish?

**Jamie McGrigor:** I hope that the greatest emphasis possible is put on Scottish products. We have the best raw materials, so we should make

the most of them. There are wonderful restaurants in Scotland, some of which are in Edinburgh, although they are normally beyond my budget.

Oban, in my native Argyll and Bute, which is marketing itself as the seafood capital of Scotland, boasts some first-class restaurants, including the award-winning Eeusk—which I will visit with Annabel Goldie on Friday—Coast and the Waterfront seafood restaurant. I pay tribute to Oban and Lorn Tourism Association and the Oban forward group for their efforts in marketing the town positively in that way.

I will say a few words about the importance of country sports and angling and sea angling tourism to my region and the country more widely. The Scottish country sports tourism group—the industry-led consortium that aims to help country sports tourism businesses in Scotland to develop further by providing expert advice and practical assistance—has done a great deal of work since 2004, but the sector continues to need advertising and support, and needs to be considered an integral part of the Scottish tourism infrastructure.

For the rural glens of the Highlands, the income from shooting and stalking, for which there is a niche market, is incredibly significant and plays a huge part in sustaining fragile communities. Such tourism extends the normal months of tourism considerably.

Although wild fish numbers are under pressure—I know that the Scottish Government is looking into why that is the case—I am still very proud that anglers from across the world want to come and fish for salmon and trout in our rivers and lochs. The income that comes from that is extremely valuable and spreads itself among local shops and businesses. The people who are involved in the management of angling in Scotland have enormous experience and are highly professional, and that goes for sea angling, too. The Scottish Sea Angling Conservation Network is to be commended for boosting the profile of that sector.

More generally, marine tourism, which has been touched on, generates much money for our economy and is an area in which we can look for expansion. I know of Oban Bay Marine's plans to expand its infrastructure for marine tourism, and I wish the company well.

**The Deputy Presiding Officer:** The member should conclude.

Jamie McGrigor: We have heard much about whether the Scottish Government will be able to meet the target that was set in 2005 of growing tourism revenue by 50 per cent by 2015. It is an admirable target but, at the moment, the annual growth rate of 4 per cent that we need to achieve if we are to achieve the 2015 target is not being met.

16:42

David Whitton (Strathkelvin and Bearsden) (Lab): I welcome the opportunity to speak in the debate, as I was previously a member of Economy, Energy and Tourism Committee. I support the Labour amendment and indicate that we will also support the Conservative and Liberal amendments.

We all know that tourism is a vital industry. We have heard about the contribution that it makes to the Scottish economy and the fact that 9 per cent of the Scottish workforce are employed in the industry. Setting a target of achieving 50 per cent growth in revenue by 2015 was ambitious. There is nothing wrong with being ambitious, especially when one knows that one has a good product to sell, for which there is a demand. We are, as the industry stated during Scottish tourism week last week, a sleeping giant.

How do we wake up the sleeping giant? I think that we know the answer—we should focus on skills. Our people are our brand, so they need leadership, but how do we provide that? In that regard, I welcome the creation of the tourism framework for change skills group, which was announced last week. It will be led by the Scottish Tourism Forum and will allow the industry to lead on skills matters.

Recognising the importance of a skilled, motivated and well-utilised workforce in a service-driven industry is not rocket science, but strategy alone cannot bring about the step change that is required. Many people in the industry say that they have had enough of strategy and want to get on and just do it, but tourism must be a career choice for life, not just for the school holidays.

Peter Lederer, who steps down this month after nine years as chairman of VisitScotland, made some good points in his farewell speech. He said:

"It is a disparate and complex industry but one with huge growth potential and opportunity."

He warned that, with the squeeze on public finances, the money that had previously been available for training in tourism skills might not be available to the same extent. He has a point. VisitScotland's budget has already been cut for 2010-11. If the industry is so vital to the economy, why would the SNP Government cut the funding of the main tourism body, especially when competitor destination countries are increasing funding for tourism? Even in Ireland, where the Government has had to take drastic steps to cut its budget, spending on tourism has increased. Marketing Scotland should not be viewed as a cost; instead, it should be viewed as an investment.

If that was not enough, Lewis Macdonald illustrated that the SNP dropped a business rates bombshell on the hospitality industry last month

with only six weeks' notice—not much evidence of joined-up thinking there.

Mr Lederer posed a key question to the delegates at the Scottish tourism week event: where now for Scottish tourism? He asked:

"Is more of the same good enough? Or do we have to come together in new ways to invest and develop relationships to ensure that we have a benchmark by which other countries measure themselves in terms of marketing, product development, innovation, skills, sustainability and profits?"

We all know the answer.

At the Alliance of Sector Skills Councils conference on Tuesday, the development of management and leadership skills was raised as a priority. The Scottish Government's own report talks of a feasibility study to establish a leadership school for tourism. That report was published last September, but where is the school? What is happening? A progress report from Mr Mather would be welcome.

Bob Downie, the chief executive of the Royal Yacht Britannia Trust, says that we should not overlook the fact that 50 per cent of the customer experience is emotional—it is based on perceptions of hospitality and service and has nothing to do with the actual product that is consumed. The basic fundamentals of cleanliness, friendliness, good service and good value for money—and time—must move much further up the agenda and, as Mr Downie has argued, become the bedrock of Scottish tourism.

Creating and sustaining a reputation for service excellence requires a long-term commitment. It needs leadership, vision, strategic thinking, inspiration, people development and example. We need to promote the industry as a career choice, not a stopgap. Driving that change process must be a significant investment in developing managerial skills. Why, for example, do only 10 per cent of tourism graduates end up entering the industry? We must also ensure that the necessary funding support is available to improve the businesses that need to improve for the greater good but which cannot afford to do so on their own.

The Scottish Social Enterprise Coalition backs that view. It has found that the skills set needed to grow its sector is not adequately delivered by public bodies, and it argues that tourism needs to be marketed as an attractive destination for skilled workers so that the sector can grow.

As Mr Downie points out, it costs five times as much to gain a new customer as it does to retain an existing customer. That may help the penny to drop further and faster: it needs to be clear who does what in developing Scottish tourism businesses and improving quality standards.

What have we heard this afternoon? Mr Mather called for a ladder of unity-more in hope than in expectation, I suspect, for he will have known that most members in the chamber would not get past the first rung of opposition. However, it is the role of the Opposition to hold the Government to account, and Lewis Macdonald, Jeremy Purvis, Mike Rumbles and Iain Smith certainly did that over the massive rates increase that now faces many hotels across Scotland. It is interesting to note that the Cabinet Secretary for Finance and Sustainable Growth has now ioined beleaguered minister on the front bench. Perhaps he has brought the answers that we are waiting

Gavin Brown talked about skills training, as did Marilyn Livingstone. In defence of the SNP position, Rob Gibson gave the example of Rabbie's Trail Burners and its growth in business. I wonder what the position would be if Rabbie's was not a mobile tourist attraction but a three-star hotel

Mary Scanlon mentioned the reduction in applications for licences across the Highlands. Stuart McMillan then connected whisky trails to boating. The thought "What to do with drunken sailors?" briefly crossed my mind, but I am sure that he was actually promoting sensible drinking.

Irene Oldfather talked of Prestwick airport, and this year, as we all know, the airport celebrates the 50<sup>th</sup> anniversary of Elvis landing in Scotland. Speaking of icons, Christopher Harvie seemed to question the existence of one of Scotland's top tourist attractions, the Loch Ness monster.

Joe FitzPatrick praised Mr Mather's leadership of the year of homecoming, but there was no mention of the minister's own Darien disaster, the gathering.

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Oh, come off it.

**David Whitton:** Just listen, minister. The gathering was the highlight of the year of homecoming that managed to lose £600,000, half of it owed to the public sector.

The SNP has clearly failed to deliver on tourism despite all its talk. VisitScotland should not be having its budget cut; it should be armed with the tools and resources that are required to meet the industry's needs. Market failure on the part of the public sector was highlighted by the Economy, Energy and Tourism Committee in its report in May 2008, which recommended that

"the Scottish Government should give serious consideration to a closer alignment of tourism product development and investment within the national tourist board, which has the expertise and capacity in both ... areas. The separation of related functions such as ... quality/product improvement

and marketing is simply not a good example of joined up thinking or integrated operations."

Mr Mather really needs to get out a bit more and talk to those who are involved in the tourism industry. He is fond of taking lessons from management gurus and quoting from various textbooks. Today, he does not need another book; all he needs to do is read the tourism framework for change, which was written by those at the sharp end, and show some leadership to help people in that great industry to grow and prosper.

16:50

Jim Mather: Mr Whitton started well in talking about our being a sleeping giant—I totally agree with him about that. He also spoke about the need to follow the tourism framework for change strategy with action—we all agree on that—and about tourism being a career choice, not just a stopgap. However, he is wrong to suggest that we are not out there, talking to the industry. We are talking to the industry and shaping a future with the industry in Scotland, recognising its incredible potential and its ability to reinvigorate our rural situation and our social enterprises.

**David Whitton:** Will the minister give way on that point?

**Jim Mather:** Let me first build where I want to go.

Now, with the year of homecoming under our belt, we are moving on with the food and drink momentum that will give us chapter after chapter of focus that will enhance the tourism experience. If we needed confirmation of that, we got it last year when we met Clive Geddes, the mayor of Queenstown in South Island. He talked about the road that was taken there in developing the tourism product. The people whom we met were generous to us, recognising that the year of homecoming was a terrific idea and that we could morph it into coming home to good value, to a warm welcome, to the home of clan Donald or whoever. We are building on that with the industry to produce an authentic offering that will give us a real platform going forward.

We have had a Lib Dem fest of selective tax criticism syndrome.

Mike Rumbles: Will the minister give way?

**Jim Mather:** The member has had his say.

**Mike Rumbles:** The minister will not answer the question.

**Jim Mather:** The member has been personal, as well, so I will carry on.

We inherited the business rates system, which is run by independent assessors, and I knew the data on it two months ago. We have matched the

English rate poundage with an estimated benefit of £220 million to Scotland, and 60 per cent of businesses are immediately better off-even before appeals, some of which have been mentioned today, come forward. Half the businesses in Scotland will receive a business rate discount as part of a £2.4 billion relief package over the next five years. If we had introduced a transitional relief scheme, that would have meant higher bills-£70 million higher-for high street businesses and small to medium-sized enterprises. Every constituency would have felt that. Elaine Smith made the point that shops and cafes are part of the visitor experience, and they would have suffered and would have been bitterly hurt by that.

We have exercised our discretion to improve the situation that we inherited and to maintain the cohesiveness of the Scottish tourism business, yet the spokespeople on the Opposition front benches have said nothing about the adverse treatment of furnished lets, the impact of Westminster cuts on Scotland, the call to emulate the lower rates of that France and Germany implementing-which are perhaps why France and Germany are holding on to some of their visitors—or the removal of an economic stimulus. If we had wider powers, we would take those things on.

Jeremy Purvis: Will the minister give way?

**Jim Mather:** The member has had his say. [*Interruption*.]

**The Deputy Presiding Officer:** Order. Mr Purvis, sit down.

Jim Mather: We have also had a conversation about skills, which is informed by the majority out there in this game through the industry-led entity, the tourism framework for change leadership group. It said today that it hopes that the Economy, Energy and Tourism Committee fully understands that not every recommendation that the committee made will be acted on if the skills group can demonstrate that evidence that was presented at the time of the inquiry created a false sense of what the industry needs.

The industry is waking up and taking its steer from the Government, the committee and the outgoing chairman of VisitScotland, Peter Lederer. The national skills group is meeting regularly to drive the agenda forward.

What was missing today on the part of those on the Opposition front benches—in addition to any call to hold Westminster to account—was a celebration of what is working and of the stars that we have. It is one thing for parties to find fault and for us to be good at problem solving, but we also have to celebrate this country's successes, such as the Loch Melfort hotel, Loch Lomond

Seaplanes, Paddy Crerar's hotels, Herb Kohler's Old Course hotel in St Andrews, and our thistle award winners, who almost give us a free franchise to say, "This is what works and this is what you can emulate." We must not forget our legacy players, such as Aberdeen's Marcliffe hotel, which is creating a permanent homecoming package. That will form a chapter in the book of offerings that will be added to with food and drink, continuing into next year and beyond.

Lewis Macdonald: The minister will appreciate that the rates increases that have been discussed will have an impact on the Marcliffe, as they will on many other hotels. The purpose of today's debate is to hold his Government to account, which is what we have sought to do. Will he at least undertake to talk to the Scottish Tourism Forum and hotels such as the Marcliffe about a transitional scheme that will protect them from rates increases of up to 80 per cent in a single year?

Jim Mather: I am in permanent dialogue with the Scottish Tourism Forum and tourism businesses. I take a deep interest in the area. We are trying to optimise the system around the Scottish tourism offering, which involves more than just hotels and restaurants. It also encompasses post offices, the RSPB, the National Trust for Scotland, transport companies, food and drink companies, entertainment offerings, and culture, heritage and the arts—the lot. We are all involved in this together. There is a great future for Scotland.

VisitScotland is now working closely in a joint venture approach with its visitors and its trade. It sees the trade as its primary customer and is moving forward.

Today, we have heard some really good ideas.

Jeremy Purvis: Will the minister give way?

**Jim Mather:** The member has had his negative say; I am on my positive bit now.

Mary Scanlon raised issues around RET. We have seen the possibilities that that has created in relation to campsites, hard-standing areas and so on. With regard to the licensing issues, which we inherited from our Liberal Democrat and Labour colleagues, we now have the regulatory review group, the trade and local authorities talking together to make progress.

Mary Scanlon also pointed out that some twostar establishments are better than four-star ones. The same model is in operation across the country in that regard. Sometimes I think that the issue that Mary Scanlon raises might be more to do with people such as her and me than the hotels themselves. Billy Connolly used to say that he would always ask the price of something as a superstar, but he always heard the answer as a welder. That might well be part of the issue.

We have heard many great ideas today in relation to where we are going.

The Presiding Officer (Alex Fergusson): You should be winding up pretty soon, minister.

**Jim Mather:** In that case, I will just mention to lain Smith that the fact that he is talking about ferry fares when they are still great value and when locals are protected indicates to me that the SNP is on the march in Argyll and Bute.

# **Business Motions**

### 16:59

The Presiding Officer (Alex Fergusson): The next item of business is consideration of business motion S3M-5970, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revised time for the start of business on 25 March 2010.

#### Motion moved.

That the Parliament agrees that "09:00" be substituted for "09:15" in Rule 2.2.3 for the purpose of allowing the meeting of the Parliament on Thursday 25 March 2010 to begin at 9.00 am.—[Bruce Crawford.]

### Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-5971, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

# Motion moved,

That the Parliament agrees the following programme of business—

followed by

11.40 am

12 noon

2.15 pm

2.55 pm

followed by

Wednesday 24 March 2010					
2.00 pm	Time for Reflection				
followed by	Parliamentary Bureau Motions				
followed by	Stage 1 Debate: Scottish Parliamentary Commissions and Commissioners etc. Bill				
followed by	Scottish Government Debate: Double Jeopardy				
followed by	SPCB Motion on the Allowances Scheme				
followed by	Scottish Ministers' Nominations to the European Economic and Social Committee				
followed by	Business Motion				
followed by	Parliamentary Bureau Motions				
5.00 pm	Decision Time				
followed by	Members' Business				
Thursday 25 March 2010					
9.00 am	Parliamentary Bureau Motions				

Stage 3 Proceedings: Public Services

Reform (Scotland) Bill

General Question Time

Themed Question Time

Justice and Law Officers;

First Minister's Question Time

Rural Affairs and the Environment

Ministerial Statement: Scottish

Continuation of Stage 3 Proceedings:

Public Services Reform (Scotland) Bill

Government's Response to the UK

Budget

Parliamentary Bureau Motions followed by

5.00 pm **Decision Time** followed by Members' Business

Wednesday 14 April 2010

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions Scottish Government Business followed by

followed by **Business Motion** 

followed by Parliamentary Bureau Motions

5.00 pm **Decision Time** followed by Members' Business

Thursday 15 April 2010

Parliamentary Bureau Motions 9.15 am followed by Scottish Government Business General Question Time 11 40 am 12 noon First Minister's Question Time 2.15 pm Themed Question Time Finance and Sustainable Growth 2.55 pm Scottish Government Business followed by Parliamentary Bureau Motions 5.00 pm **Decision Time** 

followed by Members' Business—[Bruce Crawford.] Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-5974, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a timetable for stage 1 of the End of Life Assistance (Scotland) Bill. If any member wishes to speak against the motion, they should press their request-to-speak button now.

Margo MacDonald (Lothians) (Ind): On a point of order, Presiding Officer.

The Presiding Officer: Can we wait until the end of decision time, Ms MacDonald?

Margo MacDonald: My point of order refers to the motion.

The Presiding Officer: Do you wish to speak against the motion?

Margo MacDonald: I wish to ask why this has happened.

The Presiding Officer: Ms MacDonald has asked why this matter has been brought before us; I offer the minister an opportunity to respond.

The Minister for Parliamentary Business (Bruce Crawford): I would be grateful if Ms MacDonald could first answer my question: what is she actually asking about?

**The Presiding Officer:** Would you like to clarify, Ms MacDonald?

**Margo MacDonald:** A special committee was set up to deal expeditiously with the bill. I therefore wonder why there should be such a long period before it reports.

**Bruce Crawford:** I note that there was a paper before the bureau—which I was at on Tuesday—that suggested that a situation potentially existed whereby that particular committee would not be able to report on stage 1 until much closer to the end of the year.

Therefore, the bureau took—I think—the right decision, given that the paper said that, on that timetable, a debate could at the very earliest take place on 24 November, and given that the committee had made a plea for a longer period. The bureau rightly decided to take the shortest possible timescale that was available to it, on the committee's advice.

The Presiding Officer: I hope that that clarifies the position.

Motion moved,

That the Parliament agrees that consideration of the End of Life Assistance (Scotland) Bill at Stage 1 be completed by 24 November 2010—[Bruce Crawford.]

Motion agreed to.

# **Parliamentary Bureau Motion**

17:02

**The Presiding Officer:** The next item is consideration of Parliamentary Bureau motion S3M-5972, on the approval of a Scottish statutory instrument.

Motion moved,

That the Parliament agrees that the Renewables Obligation (Scotland) Amendment Order 2010 be approved—[Bruce Crawford.]

**The Presiding Officer:** The question on the motion will be put at decision time.

# **Decision Time**

17:02

The Presiding Officer (Alex Fergusson): There are five questions to be put as a result of today's business.

The question is, that amendment S3M-5962.3, in the name of Lewis Macdonald, which seeks to amend motion S3M-5962, in the name of Jim Mather, on tourism, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

#### For

Aitken, Bill (Glasgow) (Con)

Alexander, Ms Wendy (Paisley North) (Lab)

Baillie, Jackie (Dumbarton) (Lab)

Baker, Richard (North East Scotland) (Lab)

Boyack, Sarah (Edinburgh Central) (Lab)

Brankin, Rhona (Midlothian) (Lab)

Brocklebank, Ted (Mid Scotland and Fife) (Con)

Brown, Gavin (Lothians) (Con)

Brown, Robert (Glasgow) (LD)

Brownlee, Derek (South of Scotland) (Con)

Butler, Bill (Glasgow Anniesland) (Lab)

Carlaw, Jackson (West of Scotland) (Con)

Chisholm, Malcolm (Edinburgh North and Leith) (Lab)

Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Eadie, Helen (Dunfermline East) (Lab)

Ferguson, Patricia (Glasgow Maryhill) (Lab)

Finnie, Ross (West of Scotland) (LD)

Foulkes, George (Lothians) (Lab)

Fraser, Murdo (Mid Scotland and Fife) (Con)

Gillon, Karen (Clydesdale) (Lab)

Glen, Marlyn (North East Scotland) (Lab)

Godman, Trish (West Renfrewshire) (Lab)

Goldie, Annabel (West of Scotland) (Con)

Gordon, Charlie (Glasgow Cathcart) (Lab)

Grant, Rhoda (Highlands and Islands) (Lab)

Gray, lain (East Lothian) (Lab)

Henry, Hugh (Paisley South) (Lab)

Hume, Jim (South of Scotland) (LD)

Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)

Kelly, James (Glasgow Rutherglen) (Lab)

Kerr, Andy (East Kilbride) (Lab)

Livingstone, Marilyn (Kirkcaldy) (Lab)

Macdonald, Lewis (Aberdeen Central) (Lab)

Macintosh, Ken (Eastwood) (Lab)

Martin, Paul (Glasgow Springburn) (Lab)

McArthur, Liam (Orkney) (LD)

McAveety, Mr Frank (Glasgow Shettleston) (Lab)

McCabe, Tom (Hamilton South) (Lab)

McConnell, Jack (Motherwell and Wishaw) (Lab)

McGrigor, Jamie (Highlands and Islands) (Con)

McInnes, Alison (North East Scotland) (LD)

McLetchie, David (Edinburgh Pentlands) (Con)

McMahon, Michael (Hamilton North and Bellshill) (Lab)

McNeil, Duncan (Greenock and Inverclyde) (Lab)

McNeill, Pauline (Glasgow Kelvin) (Lab)

McNulty, Des (Clydebank and Milngavie) (Lab)

Milne, Nanette (North East Scotland) (Con)

Mitchell, Margaret (Central Scotland) (Con)

Mulligan, Mary (Linlithgow) (Lab)

Murray, Elaine (Dumfries) (Lab)

O'Donnell, Hugh (Central Scotland) (LD)

Oldfather, Irene (Cunninghame South) (Lab)

Peacock, Peter (Highlands and Islands) (Lab)

Peattie, Cathy (Falkirk East) (Lab)

Pringle, Mike (Edinburgh South) (LD)

Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)

Rumbles, Mike (West Aberdeenshire and Kincardine)

(LD)

Scanlon, Mary (Highlands and Islands) (Con)

Scott, John (Ayr) (Con)

Scott, Tavish (Shetland) (LD)

Simpson, Dr Richard (Mid Scotland and Fife) (Lab)

Smith, Elaine (Coatbridge and Chryston) (Lab)

Smith, Elizabeth (Mid Scotland and Fife) (Con)

Smith, Iain (North East Fife) (LD)

Smith, Margaret (Edinburgh West) (LD)

Stewart, David (Highlands and Islands) (Lab)

Stone, Jamie (Caithness, Sutherland and Easter Ross)

(LD)

Tolson, Jim (Dunfermline West) (LD)

Whitefield, Karen (Airdrie and Shotts) (Lab)

Whitton, David (Strathkelvin and Bearsden) (Lab)

# **Against**

Adam, Brian (Aberdeen North) (SNP)

Allan, Alasdair (Western Isles) (SNP)

Brown, Keith (Ochil) (SNP)

Campbell, Aileen (South of Scotland) (SNP)

Coffey, Willie (Kilmarnock and Loudoun) (SNP)

Constance, Angela (Livingston) (SNP)

Crawford, Bruce (Stirling) (SNP)

Cunningham, Roseanna (Perth) (SNP)

Don, Nigel (North East Scotland) (SNP)

Doris, Bob (Glasgow) (SNP)

Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)

Fabiani, Linda (Central Scotland) (SNP)

FitzPatrick, Joe (Dundee West) (SNP)

Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)

Grahame, Christine (South of Scotland) (SNP)

Harper, Robin (Lothians) (Green)

Harvie, Christopher (Mid Scotland and Fife) (SNP)

Harvie, Patrick (Glasgow) (Green)

Hepburn, Jamie (Central Scotland) (SNP)

Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)

Kidd, Bill (Glasgow) (SNP)

Lochhead, Richard (Moray) (SNP)

MacAskill, Kenny (Edinburgh East and Musselburgh)

(SNP)

MacDonald, Margo (Lothians) (Ind)

Marwick, Tricia (Central Fife) (SNP)

Mather, Jim (Argyll and Bute) (SNP)

Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP)

McKee, Ian (Lothians) (SNP)

McKelvie, Christina (Central Scotland) (SNP)

McLaughlin, Anne (Glasgow) (SNP)

McMillan, Stuart (West of Scotland) (SNP)

Morgan, Alasdair (South of Scotland) (SNP)

Neil, Alex (Central Scotland) (SNP)

Paterson, Gil (West of Scotland) (SNP)

Robison, Shona (Dundee East) (SNP)

Russell, Michael (South of Scotland) (SNP)

Salmond, Alex (Gordon) (SNP) Somerville, Shirley-Anne (Lothians) (SNP) Stevenson, Stewart (Banff and Buchan) (SNP) Sturgeon, Nicola (Glasgow Govan) (SNP) Swinney, John (North Tayside) (SNP) Thompson, Dave (Highlands and Islands) (SNP) Watt, Maureen (North East Scotland) (SNP) Welsh, Andrew (Angus) (SNP) White, Sandra (Glasgow) (SNP) Wilson, Bill (West of Scotland) (SNP)

The Presiding Officer: The result of the division is: For 70, Against 50, Abstentions 0.

Amendment agreed to.

Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The question is, that amendment S3M-5962.2, in the name of Gavin Brown, which seeks to amend motion S3M-5962, in the name of Jim Mather, on tourism, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For Aitken, Bill (Glasgow) (Con) Alexander, Ms Wendy (Paisley North) (Lab) Baillie, Jackie (Dumbarton) (Lab) Baker, Richard (North East Scotland) (Lab) Boyack, Sarah (Edinburgh Central) (Lab) Brankin, Rhona (Midlothian) (Lab) Brocklebank, Ted (Mid Scotland and Fife) (Con) Brown, Gavin (Lothians) (Con) Brown, Robert (Glasgow) (LD) Brownlee, Derek (South of Scotland) (Con) Butler, Bill (Glasgow Anniesland) (Lab) Carlaw, Jackson (West of Scotland) (Con) Chisholm, Malcolm (Edinburgh North and Leith) (Lab) Craigie, Cathie (Cumbernauld and Kilsyth) (Lab) Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab) Finnie, Ross (West of Scotland) (LD) Foulkes, George (Lothians) (Lab) Fraser, Murdo (Mid Scotland and Fife) (Con) Gillon, Karen (Clydesdale) (Lab) Glen, Marlyn (North East Scotland) (Lab) Godman, Trish (West Renfrewshire) (Lab) Goldie, Annabel (West of Scotland) (Con) Gordon, Charlie (Glasgow Cathcart) (Lab) Grant, Rhoda (Highlands and Islands) (Lab) Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab) Hume, Jim (South of Scotland) (LD) Jamieson, Cathy (Carrick, Cumnock and Doon Valley)

Kelly, James (Glasgow Rutherglen) (Lab) Kerr, Andy (East Kilbride) (Lab) Livingstone, Marilyn (Kirkcaldy) (Lab) Macdonald, Lewis (Aberdeen Central) (Lab) Macintosh, Ken (Eastwood) (Lab) Martin, Paul (Glasgow Springburn) (Lab) McArthur, Liam (Orkney) (LD) McAveety, Mr Frank (Glasgow Shettleston) (Lab) McCabe, Tom (Hamilton South) (Lab)

McConnell, Jack (Motherwell and Wishaw) (Lab) McGrigor, Jamie (Highlands and Islands) (Con)

McInnes, Alison (North East Scotland) (LD) McLetchie, David (Edinburgh Pentlands) (Con) McMahon, Michael (Hamilton North and Bellshill) (Lab) McNeil, Duncan (Greenock and Inverclyde) (Lab) McNeill, Pauline (Glasgow Kelvin) (Lab) McNulty, Des (Clydebank and Milngavie) (Lab) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Mulligan, Mary (Linlithgow) (Lab) Murray, Elaine (Dumfries) (Lab) O'Donnell, Hugh (Central Scotland) (LD) Oldfather, Irene (Cunninghame South) (Lab) Peacock, Peter (Highlands and Islands) (Lab) Peattie, Cathy (Falkirk East) (Lab) Pringle, Mike (Edinburgh South) (LD) Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) Rumbles, Mike (West Aberdeenshire and Kincardine) (LD) Scanlon, Mary (Highlands and Islands) (Con) Scott, John (Ayr) (Con) Scott, Tavish (Shetland) (LD) Simpson, Dr Richard (Mid Scotland and Fife) (Lab) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Elizabeth (Mid Scotland and Fife) (Con) Smith, Iain (North East Fife) (LD) Smith, Margaret (Edinburgh West) (LD) Stewart, David (Highlands and Islands) (Lab) Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD) Tolson, Jim (Dunfermline West) (LD) Whitefield, Karen (Airdrie and Shotts) (Lab) Whitton, David (Strathkelvin and Bearsden) (Lab)

# **Against**

Adam, Brian (Aberdeen North) (SNP) Allan, Alasdair (Western Isles) (SNP) Brown, Keith (Ochil) (SNP) Campbell, Aileen (South of Scotland) (SNP) Coffey, Willie (Kilmarnock and Loudoun) (SNP) Constance, Angela (Livingston) (SNP) Crawford, Bruce (Stirling) (SNP) Cunningham, Roseanna (Perth) (SNP) Don, Nigel (North East Scotland) (SNP) Doris, Bob (Glasgow) (SNP) Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP) Fabiani, Linda (Central Scotland) (SNP) FitzPatrick, Joe (Dundee West) (SNP) Gibson, Kenneth (Cunninghame North) (SNP) Gibson, Rob (Highlands and Islands) (SNP) Grahame, Christine (South of Scotland) (SNP) Harvie, Christopher (Mid Scotland and Fife) (SNP) Hepburn, Jamie (Central Scotland) (SNP) Hyslop, Fiona (Lothians) (SNP) Ingram, Adam (South of Scotland) (SNP) Kidd, Bill (Glasgow) (SNP) Lochhead, Richard (Moray) (SNP) MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP) Marwick, Tricia (Central Fife) (SNP) Mather, Jim (Argyll and Bute) (SNP) Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP) McKee, Ian (Lothians) (SNP)

McKelvie, Christina (Central Scotland) (SNP)

McMillan, Stuart (West of Scotland) (SNP)

McLaughlin, Anne (Glasgow) (SNP)

Morgan, Alasdair (South of Scotland) (SNP)
Neil, Alex (Central Scotland) (SNP)
Paterson, Gil (West of Scotland) (SNP)
Robison, Shona (Dundee East) (SNP)
Russell, Michael (South of Scotland) (SNP)
Salmond, Alex (Gordon) (SNP)
Somerville, Shirley-Anne (Lothians) (SNP)
Stevenson, Stewart (Banff and Buchan) (SNP)
Sturgeon, Nicola (Glasgow Govan) (SNP)
Swinney, John (North Tayside) (SNP)
Thompson, Dave (Highlands and Islands) (SNP)
Watt, Maureen (North East Scotland) (SNP)
Welsh, Andrew (Angus) (SNP)
White, Sandra (Glasgow) (SNP)
Wilson, Bill (West of Scotland) (SNP)

# **Abstentions**

Harper, Robin (Lothians) (Green) Harvie, Patrick (Glasgow) (Green) MacDonald, Margo (Lothians) (Ind)

Wilson, John (Central Scotland) (SNP)

**The Presiding Officer:** The result of the division is: For 70, Against 47, Abstentions 3.

Amendment agreed to.

The Presiding Officer: The question is, that amendment S3M-5962.1, in the name of Jeremy Purvis, which seeks to amend motion S3M-5962, in the name of Jim Mather, on tourism, 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) Baker, Richard (North East Scotland) (Lab) Boyack, Sarah (Edinburgh Central) (Lab) Brankin, Rhona (Midlothian) (Lab) Brown, Robert (Glasgow) (LD) Butler, Bill (Glasgow Anniesland) (Lab) Chisholm, Malcolm (Edinburgh North and Leith) (Lab) Craigie, Cathie (Cumbernauld and Kilsyth) (Lab) Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab) Finnie, Ross (West of Scotland) (LD) Foulkes, George (Lothians) (Lab) Gillon, Karen (Clydesdale) (Lab) Glen, Marlyn (North East Scotland) (Lab) Godman, Trish (West Renfrewshire) (Lab) Gordon, Charlie (Glasgow Cathcart) (Lab) Grant, Rhoda (Highlands and Islands) (Lab) Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab) Hume, Jim (South of Scotland) (LD) Jamieson, Cathy (Carrick, Cumnock and Doon Valley)

(Lab)
Kelly, James (Glasgow Rutherglen) (Lab)
Kerr, Andy (East Kilbride) (Lab)
Livingstone, Marilyn (Kirkcaldy) (Lab)
Macdonald, Lewis (Aberdeen Central) (Lab)
Macintosh, Ken (Eastwood) (Lab)
Martin, Paul (Glasgow Springburn) (Lab)
McArthur, Liam (Orkney) (LD)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)

McConnell, Jack (Motherwell and Wishaw) (Lab) McInnes, Alison (North East Scotland) (LD) McMahon, Michael (Hamilton North and Bellshill) (Lab) McNeil, Duncan (Greenock and Inverclyde) (Lab) McNeill, Pauline (Glasgow Kelvin) (Lab) McNulty, Des (Clydebank and Milngavie) (Lab) Mulligan, Mary (Linlithgow) (Lab) Murray, Elaine (Dumfries) (Lab) O'Donnell, Hugh (Central Scotland) (LD) Oldfather, Irene (Cunninghame South) (Lab) Peacock, Peter (Highlands and Islands) (Lab) Peattie, Cathy (Falkirk East) (Lab) Pringle, Mike (Edinburgh South) (LD) Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD) Rumbles, Mike (West Aberdeenshire and Kincardine) (LD) Scott, Tavish (Shetland) (LD) Simpson, Dr Richard (Mid Scotland and Fife) (Lab) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Iain (North East Fife) (LD) Smith, Margaret (Edinburgh West) (LD) Stewart, David (Highlands and Islands) (Lab) Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD) Tolson, Jim (Dunfermline West) (LD) Whitefield, Karen (Airdrie and Shotts) (Lab) Whitton, David (Strathkelvin and Bearsden) (Lab)

McCabe, Tom (Hamilton South) (Lab)

Against Adam, Brian (Aberdeen North) (SNP) Aitken, Bill (Glasgow) (Con) Allan, Alasdair (Western Isles) (SNP) Brocklebank, Ted (Mid Scotland and Fife) (Con) Brown, Gavin (Lothians) (Con) Brown, Keith (Ochil) (SNP) Brownlee, Derek (South of Scotland) (Con) Campbell, Aileen (South of Scotland) (SNP) Carlaw, Jackson (West of Scotland) (Con) Coffey, Willie (Kilmarnock and Loudoun) (SNP) Constance, Angela (Livingston) (SNP) Crawford, Bruce (Stirling) (SNP) Cunningham, Roseanna (Perth) (SNP) Don, Nigel (North East Scotland) (SNP) Doris, Bob (Glasgow) (SNP) Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP) Fabiani, Linda (Central Scotland) (SNP) FitzPatrick, Joe (Dundee West) (SNP) Fraser, Murdo (Mid Scotland and Fife) (Con) Gibson, Kenneth (Cunninghame North) (SNP) Gibson, Rob (Highlands and Islands) (SNP) Goldie, Annabel (West of Scotland) (Con) Grahame, Christine (South of Scotland) (SNP) Harper, Robin (Lothians) (Green)

Harper, Robin (Lothians) (Green)
Harvie, Christopher (Mid Scotland and Fife) (SNP)
Harvie, Patrick (Glasgow) (Green)
Hepburn, Jamie (Central Scotland) (SNP)

Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)

Kidd, Bill (Glasgow) (SNP)

Lochhead, Richard (Moray) (SNP)

MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)

MacDonald, Margo (Lothians) (Ind) Marwick, Tricia (Central Fife) (SNP) Mather, Jim (Argyll and Bute) (SNP) Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP) McGrigor, Jamie (Highlands and Islands) (Con) McKee, Ian (Lothians) (SNP) McKelvie, Christina (Central Scotland) (SNP) McLaughlin, Anne (Glasgow) (SNP) McLetchie, David (Edinburgh Pentlands) (Con) McMillan, Stuart (West of Scotland) (SNP) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Morgan, Alasdair (South of Scotland) (SNP) Neil, Alex (Central Scotland) (SNP) Paterson, Gil (West of Scotland) (SNP) Robison, Shona (Dundee East) (SNP) Russell, Michael (South of Scotland) (SNP) Salmond, Alex (Gordon) (SNP) Scanlon, Mary (Highlands and Islands) (Con) Scott, John (Ayr) (Con) Smith, Elizabeth (Mid Scotland and Fife) (Con) Somerville, Shirley-Anne (Lothians) (SNP) Stevenson, Stewart (Banff and Buchan) (SNP) Sturgeon, Nicola (Glasgow Govan) (SNP) Swinney, John (North Tayside) (SNP) Thompson, Dave (Highlands and Islands) (SNP) Watt, Maureen (North East Scotland) (SNP) Welsh, Andrew (Angus) (SNP) White, Sandra (Glasgow) (SNP) Wilson, Bill (West of Scotland) (SNP) Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 56, Against 64, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The question is, that motion S3M-5962, in the name of Jim Mather, on tourism, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

### For

Aitken, Bill (Glasgow) (Con) Alexander, Ms Wendy (Paisley North) (Lab) Baillie, Jackie (Dumbarton) (Lab) Baker, Richard (North East Scotland) (Lab) Boyack, Sarah (Edinburgh Central) (Lab) Brankin, Rhona (Midlothian) (Lab) Brocklebank, Ted (Mid Scotland and Fife) (Con) Brown, Gavin (Lothians) (Con) Brown, Robert (Glasgow) (LD) Brownlee, Derek (South of Scotland) (Con) Butler, Bill (Glasgow Anniesland) (Lab) Carlaw, Jackson (West of Scotland) (Con) Chisholm, Malcolm (Edinburgh North and Leith) (Lab) Craigie, Cathie (Cumbernauld and Kilsyth) (Lab) Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab) Finnie, Ross (West of Scotland) (LD) Foulkes, George (Lothians) (Lab) Fraser, Murdo (Mid Scotland and Fife) (Con) Gillon, Karen (Clydesdale) (Lab) Glen, Marlyn (North East Scotland) (Lab)

Godman, Trish (West Renfrewshire) (Lab)

Goldie, Annabel (West of Scotland) (Con)

Gordon, Charlie (Glasgow Cathcart) (Lab)

Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab) Hume, Jim (South of Scotland) (LD) Jamieson, Cathy (Carrick, Cumnock and Doon Valley) Kelly, James (Glasgow Rutherglen) (Lab) Kerr, Andy (East Kilbride) (Lab) Livingstone, Marilyn (Kirkcaldy) (Lab) Macdonald, Lewis (Aberdeen Central) (Lab) MacDonald, Margo (Lothians) (Ind) Macintosh, Ken (Eastwood) (Lab) Martin, Paul (Glasgow Springburn) (Lab) McArthur, Liam (Orkney) (LD) McAveety, Mr Frank (Glasgow Shettleston) (Lab) McCabe, Tom (Hamilton South) (Lab) McConnell, Jack (Motherwell and Wishaw) (Lab) McGrigor, Jamie (Highlands and Islands) (Con) McInnes, Alison (North East Scotland) (LD) McLetchie, David (Edinburgh Pentlands) (Con) McMahon, Michael (Hamilton North and Bellshill) (Lab) McNeil, Duncan (Greenock and Inverclyde) (Lab) McNeill, Pauline (Glasgow Kelvin) (Lab) McNulty, Des (Clydebank and Milngavie) (Lab) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Mulligan, Mary (Linlithgow) (Lab) Murray, Elaine (Dumfries) (Lab) O'Donnell, Hugh (Central Scotland) (LD) Oldfather, Irene (Cunninghame South) (Lab) Peacock, Peter (Highlands and Islands) (Lab) Peattie, Cathy (Falkirk East) (Lab) Pringle, Mike (Edinburgh South) (LD) Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) Rumbles, Mike (West Aberdeenshire and Kincardine) (LD) Scanlon, Mary (Highlands and Islands) (Con) Scott, John (Ayr) (Con) Scott, Tavish (Shetland) (LD) Simpson, Dr Richard (Mid Scotland and Fife) (Lab) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Elizabeth (Mid Scotland and Fife) (Con) Smith, Iain (North East Fife) (LD) Smith, Margaret (Edinburgh West) (LD) Stewart, David (Highlands and Islands) (Lab) Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD) Tolson, Jim (Dunfermline West) (LD) Whitefield, Karen (Airdrie and Shotts) (Lab) Whitton, David (Strathkelvin and Bearsden) (Lab)

Grant, Rhoda (Highlands and Islands) (Lab)

# Against

Adam, Brian (Aberdeen North) (SNP) Allan, Alasdair (Western Isles) (SNP) Brown, Keith (Ochil) (SNP) Campbell, Aileen (South of Scotland) (SNP) Coffey, Willie (Kilmarnock and Loudoun) (SNP) Constance, Angela (Livingston) (SNP) Crawford, Bruce (Stirling) (SNP) Cunningham, Roseanna (Perth) (SNP) Don, Nigel (North East Scotland) (SNP) Doris, Bob (Glasgow) (SNP) Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP) Fabiani, Linda (Central Scotland) (SNP) FitzPatrick, Joe (Dundee West) (SNP) Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)
Grahame, Christine (South of Scotland) (SNP)
Harper, Robin (Lothians) (Green)
Harvie, Christopher (Mid Scotland and Fife) (SNP)
Harvie, Patrick (Glasgow) (Green)
Hepburn, Jamie (Central Scotland) (SNP)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Adam (South of Scotland) (SNP)
Kidd, Bill (Glasgow) (SNP)
Lochhead, Richard (Moray) (SNP)
MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)

Marwick, Tricia (Central Fife) (SNP) Mather, Jim (Argyll and Bute) (SNP) Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP) McKee, Ian (Lothians) (SNP) McKelvie, Christina (Central Scotland) (SNP) McLaughlin, Anne (Glasgow) (SNP) McMillan, Stuart (West of Scotland) (SNP) Morgan, Alasdair (South of Scotland) (SNP) Neil, Alex (Central Scotland) (SNP) Paterson, Gil (West of Scotland) (SNP) Robison, Shona (Dundee East) (SNP) Russell, Michael (South of Scotland) (SNP) Salmond, Alex (Gordon) (SNP) Somerville, Shirley-Anne (Lothians) (SNP) Stevenson, Stewart (Banff and Buchan) (SNP) Sturgeon, Nicola (Glasgow Govan) (SNP) Swinney, John (North Tayside) (SNP) Thompson, Dave (Highlands and Islands) (SNP) Watt, Maureen (North East Scotland) (SNP) Welsh, Andrew (Angus) (SNP) White, Sandra (Glasgow) (SNP) Wilson, Bill (West of Scotland) (SNP) Wilson, John (Central Scotland) (SNP)

**The Presiding Officer:** The result of the division is: For 71, Against 49, Abstentions 0.

# Motion, as amended, agreed to.

That the Parliament supports the Scottish tourism industry as it works toward the shared growth ambition set out in the Tourism Framework for Change (TFFC) strategy; commends the commitment shown by the industry in establishing the new TFFC Leadership Group to drive an industry-led approach to improvements in quality, skills, innovation and investment across the sector; believes, however, that the Scottish Government must also take responsibility for meeting the skills gaps; notes that, in spite of the efforts made by tourism businesses and local communities as part of Homecoming Scotland 2009, overseas visitor numbers and economic activity in the hotels and catering sector fell in the first three quarters of 2009; regrets that, in spite of that fall in earnings in the sector, many Scottish tourism businesses are facing significant increases in non-domestic rates with immediate effect; notes the recent announcement that a focus on Scotland's food and drink will start in 2010; recognises tourism as a key sector with a vital contribution to make to the Scottish Government's strategic objectives and economic recovery plan; notes the importance of continuing to promote Scotland as a place to visit, stay, live and work; further notes that in its 2008 report, Growing Pains - can we achieve a 50% growth in tourist revenue by 2015?, the Economy, Energy and Tourism Committee recommended unanimously that the Scottish Government should set up a review group of leading industry specialists to make recommendations on the type and number of tourism education, skills and training courses in the future; notes that the committee's report suggested that the starting point for the review group should be a wholesale rationalisation into a model that suits Scottish needs and has industry buyin; calls on the Scottish Government to implement the committee recommendation as soon as possible, and calls on the Scottish Government to ensure that all press releases and announcements that it issues regarding tourism statistics paint a clear and wholly accurate picture of the industry.

**The Presiding Officer:** The question is, that motion S3M-5972, in the name of Bruce Crawford, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the Renewables Obligation (Scotland) Amendment Order 2010 be approved.

The Presiding Officer: That concludes decision time.

# **Industrial Communities**

The Deputy Presiding Officer (Trish Godman): The final item of business is a members' business debate on motion S3M-5895, in the name of Cathy Jamieson, on the Industrial Communities Alliance's real impact of the recession report. The debate will be concluded without any question being put.

# Motion debated.

That the Parliament notes the report by the Industrial Communities Alliance (ICA), *The Impact of Recession on Unemployment in Industrial Britain*; considers that the current recession has greatly affected Scotland's former industrial communities, including in Carrick, Cumnock and Doon Valley and the South of Scotland; welcomes the continued efforts of the ICA to influence policies, and would welcome detailed examination of the report and engagement with the ICA on the reports' recommendations.

# 17:07

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I am delighted to have the opportunity to put this motion before the Parliament. I thank all the members who signed the motion for their support. Indeed, I am delighted that it received cross-party support—it shows that, irrespective of party politics, we are all prepared to work together for the benefit of our local areas. I also thank Councillor Jimmy Kelly from East Ayrshire Council, who chairs the ICA in Scotlandunfortunately, he is unable to attend the debateand Anne Houston, who acts as the secretary for the cross-party group on industrial communities, which will meet later this evening. Finally, I thank Alex Neil, the Minister for Housing and Communities, for taking the time once again to meet representatives of the alliance. We had a very productive meeting at which Mr Neil made the much-appreciated suggestion that we have a joint meeting later in the year. I wonder whether Mr Mather knows that yet. [Interruption.] I see from his response that he does.

For the benefit of those who are not aware of the ICA, I should perhaps say a few words of introduction about this local authority association that campaigns on behalf of councils in the industrial areas of England, Scotland and Wales where many of the country's most socially excluded communities, including former mining communities, are to be found. Those communities have a wide range of problems that can be traced back many years to job losses arising from economic restructuring. The ICA brings together two long-established local authority groups—the coalfield communities campaign and steel actionand covers former textile, shipbuilding and manufacturing areas. As a result, our recently established cross-party group contains members

not only from Ayrshire but from Lanarkshire, Glasgow, Fife and Scottish Borders.

Nearly 60 local authorities in nine regions throughout the United Kingdom make up the membership of founding the Industrial Communities Alliance. For two and a half decades, the components of that alliance have made a huge contribution to regenerating local areas and influencing policies. At a recent alliance event in Wales, I was struck by the similarity of the problems that the areas the alliance represents face. From south Wales through the midlands and Yorkshire to Scotland, a number of communities face the same long-standing issues.

The motion highlights the recent alliance report on the impact of the recession on the UK's industrial areas. The report is an important contribution to the debate on how we can deal with issues surrounding unemployment and the decline of the manufacturing sector. I was a bit disappointed that the Scottish economic recovery plan did not specifically mention the additional problems that our former industrial communities face. I look to the minister to confirm that those communities are very much part of the Scottish Government's thinking.

There are opportunities to promote a low-carbon economy in areas that have industrial and manufacturing histories and a great desire to reinvigorate their industrial base. I hope that those opportunities will be discussed in more detail. It is not a matter of looking to the past, as some people might think; rather, it is a matter of recognising that our national economy needs to be rebalanced and that manufacturing has a key role to play in creating jobs throughout our communities and must be supported.

I was delighted to join the Scotland Office minister Ann McKechin when she recently came to Ayrshire to take part in a jobs summit. That event highlighted the additional challenges that Ayrshire will face as a result of Diageo's decision to move out of Kilmarnock, which will have repercussions not only throughout East Ayrshire, but throughout Ayrshire and more widely in the South of Scotland region. Those who attended the summit were clear that everything possible must be done to give people who are out of work skills and opportunities to find other employment. In essence, we must learn from the mistakes that were made in the 1980s and 1990s, when many able people were simply written off.

A visit on Monday by the Minister for Enterprise, Energy and Tourism, Jim Mather, quickly followed Ann McKechin's visit. I appreciate the attention that is now being bestowed on Ayrshire: long may that continue. As the minister will know, the clear view from Monday's event was that there must not be just talking shops; rather, specific action plans

are needed, with resources to back them up. I hope that the Governments in Westminster and Holyrood will work together on that with the three local authorities in Ayrshire, other public sector organisations, the trade unions and local businesses. That was the call from Monday's meeting.

The Industrial Communities Alliance report calls for more local input into local economic strategies and a leading role for local authorities. It would be fair to say that there has been a mixed response to the restructuring of Scottish Enterprise. In Ayrshire, there is concern that there has been a loss of strategic focus on economic development. I know that the three Ayrshire councils are keen to work together with the wider public sector and local businesses to improve the local economy. There is broad agreement that creating jobs must be a priority and that the actions that the UK and Scottish Governments have already taken must be built on. It would also be fair to say that people think that there needs to be a catalyst and something to focus on in future.

There are several excellent examples of things that are happening in my area as a result of the future jobs fund. Organisations such as the Forestry Commission and East Ayrshire Council are now providing employment and training that would simply not have been possible during the current economic difficulties without that fund. However, there is emerging concern that the take-up in Scotland could be better. I hope that all councils will look again at good practice and see what more they can do, particularly now, when a new batch of school leavers are heading towards the jobs market.

In Scotland, and in the Scottish Parliament in particular, we have also sought to deliver on apprenticeships. My colleague John Park deserves recognition for his work on promoting that issue in Parliament. Thousands of Scottish youngsters now benefit from investment in apprenticeships. I hope that we can consider more imaginatively how we can make more use of the future jobs fund to support that.

I recognise that there is a long way to go to ensure that full employment, especially for hard-to-reach benefit claimants, becomes a reality rather than just a vision. The alliance report indicates that there is still hidden unemployment in several communities in the UK. People who claim incapacity benefits could be reskilled and retrained.

I am conscious that there is a shortage of time. I would like to finish with a couple of points, although I am not able to go into them in huge detail. I recently met a young man who is disabled but wants to work. He told me that although he is not mobile he has other skills that employers could

use if only he was given the training and given a chance. That plea to be given a chance is reminiscent of the story of hundreds of thousands of people throughout Scotland and the UK. They are people who perhaps lost their jobs or were out of work in areas that were affected by the major recession of the 1980s and 1990s.

I recall that when I was a young social worker—perhaps, Presiding Officer, you will recall this, too—benefits take-up campaigns were run and we all worked hard to get people on to benefits, simply because that gave them more cash in their pockets. We must deal with that legacy, but we must also recognise that the hardest-hit areas have a higher rate of poor health, a lower rate of educational achievement and long-standing unemployment issues.

The report makes several recommendations on short-term working subsidies, which I believe could offer greater support to businesses in Scotland. I hope that, during the debate, we will explore some of the issues in more detail. The report's recommendations are far reaching, but perhaps none more so than the point that we must achieve a move back to industrial capital, as opposed to financial capital, if we are to support our economy in future. I look forward to the debate and hope that the minister will reflect on the recommendations in the report and take up the opportunity to work with the alliance and the crossparty group on industrial communities to deliver a fairer deal for our industrial communities.

17:16

John Scott (Ayr) (Con): I congratulate Cathy Jamieson on securing the debate and on raising the important issue of unemployment in our former industrial communities. She eloquently identified the problems in her constituency—Carrick, Cumnock and Doon Valley. My constituency—Ayr—suffers from similar problems, as does much of west and central Scotland.

The case study in the report on East Ayrshire, which Cathy Jamieson mentioned, and the recent job losses that have been caused by Diageo withdrawing from Kilmarnock highlight the problems of post-industrial decline and the longterm unemployment that is left in the wake of industrial job losses. Everyone in Ayrshire deplores the unemployment level in East Ayrshire—12.6 per cent—which has come about as a result of the Diageo withdrawal. From taking part in the march through Kilmarnock and attending the rallies, like Cathy Jamieson, I am aware of the impact in human terms that the closure has had on people's lives, not just in Kilmarnock but throughout Ayrshire and the west of Scotland.

In my constituency, particularly in north Ayr, long-term unemployment is a huge issue. The problems seem almost intractable. The telling feature in our areas of high deprivation is the effect on people's health generally and on their life expectancy in particular. The level of incapacity benefits is an indication of the effects of unemployment, and possibly a better indication than the raw figures on the number of unemployed people. I have been struck many times by the heartbreaking situation of the many people who, through absolutely no fault of their own, are unable to find work. Cathy Jamieson correctly highlighted the loss of dignity and the spiral of decline that can flow from that.

That is enough analysis and hand-wringing; we need to find solutions to the problem. I and other Ayrshire members were pleased to welcome Jim Mather to Ayrshire on Monday to discuss the problem and find a sensible way forward. Although I was unable to be present to hear the conclusions that were reached that day, it is self-evident to me that there are many ways of starting to address the problem.

First, notwithstanding the foregoing debate, it is important to say that the glass is half full rather than half empty, in that Ayrshire still has a great deal going for it. By that I mean that we must build on what is already in place. The reality is that it is often easier to expand and grow existing businesses than to attract or build new ones. Therefore, we must build on the aerospace cluster around Prestwick airport, which has a world-class reputation for maintenance, repair and overhaul, that has recently been boosted by Ryanair's welcome decision to create a further 200 jobs there.

As Cathy Jamieson said, we must provide more and better targeted training and apprenticeships for the likely growth sectors in the economy of Ayrshire and the west of Scotland. We must continue to put in place infrastructure that increases Ayrshire's connectivity to central Scotland and England. That means giving the A70 trunk road status and upgrading the strategic link to the M74. We must create and brand Ayrshire as a location and destination of choice for business and tourism alike so that Ayrshire receives more consideration from those who are contemplating inward investment and inbound tourism than it has had in the past.

My view is that, notwithstanding our problems, we must aspire to a branding image that shouts from the rooftops what a terrific and favoured place Ayrshire is. For that reason we should call ourselves the riviera of Scotland, perhaps taking in the whole of south-west Scotland, because we have a fantastic area to promote and sell—but that is not happening sufficiently well at the moment.

We all agree on that. We must position ourselves to take advantage of renewable energy developments onshore and offshore. We should note the availability and sustainability of the ports of Ayr, Troon and Hunterston for those developments, given that land and skills are available in and around Prestwick airport and elsewhere to develop and build wind turbines—all of which gives us a huge potential to sustain jobs and create new ones.

It is self-evident that, if we are to reduce unemployment, we must create employment. Ayrshire must work coherently and collaboratively to support and create new jobs and new businesses. In turn, that will have a positive impact on health and standards of living. Although Cathy Jamieson and I might have slightly different route maps on how best to achieve that goal, I am certain that she and other MSPs share that goal, and I am happy to support her motion today.

17:21

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I, too, congratulate Cathy Jamieson on securing this evening's debate. I regret that I will be unable to make it to the crossparty group on industrial communities because I will be chairing a meeting of the cross-party group on supporting veterans in Scotland. Otherwise, I would very much have liked to be at that meeting. I also congratulate Cathy Jamieson on attracting an audience of 26 of her colleagues for her speech. I regret that John Scott and I have been unable to be an equal draw and to encourage them to stay in the chamber to listen to the pearls of wisdom in our speeches.

In my office, I have a photograph of Galashiels. It was taken by the Royal Air Force when it tookthis is a little-known fact—aerial photographs of all Scotland at the beginning of the second world war to enable comparison of areas before and after the war in order to identify bomb damage. I show it to pupils from the Borders part of my constituency and recently showed it to some sixth formers from Galashiels academy. The photograph shows Galashiels as it was when the RAF came down the Tweed valley, through the plumes of smoke from the textile mills, to the Gala Water. I hide the Eildon hills and ask the pupils where they think the photograph was taken. Most say that it is Strathclyde or other parts of industrial west central Scotland. However, our industrial heritage is also part of our rural heritage.

I have the pleasure of representing Penicuik and the Borders, which are mill communities. They relied heavily first on a renewable source of electricity in hydro power but then very much on the Midlothian mining communities. It is no accident that, when the textile mills started to decline in the 1950s, the demand for coal reduced and pressure was put on the Lady Victoria pit in Rhona Brankin's constituency. Manufacturing has many links and a decline in one part had inevitable consequences for others. In looking back to that decline, we can learn lessons for the future.

Solutions and support cannot be provided in isolation from other parts of Government activity. We need to pay particular attention to the communities that provided Scotland's industrial heritage. That is true in considering regeneration for Walkerburn, where the community was established for industry. In fact, the village is named after part of the process of producing textiles. It is also true of Penicuik, which provided the best-quality paper in the world. Since I was elected, I have seen the decline of the Dalmore paper mill in Penicuik, which made the paper on which Winston Churchill's memoirs were printed.

For generations, the communities in such places provided people to serve the industries. We know that the communities now face particular pressures and that tailored solutions are required. The Industrial Communities Alliance report, which I read before the debate, gives us a good indication of the pressures, particularly in relation to long-term unemployed people. However, societal and family elements are often hidden. I am constantly told that, even today, people who do not go into heavy industry or the equivalent of the mills are considered by some not to be doing a real job.

We must consider the skills for the future and use people who have worked in industry and who have skills to offer, as Cathy Jamieson was correct to say. We must convey the fact that people are doing real jobs and are contributing hugely to Scotland's economy. Of course, many communities were knocked by white-knight industries that came along and raised hopes that were dashed—that happened with electronics in the Borders.

All that can add to a depressing environment. However, there is good news. I take absolutely John Scott's point about the future and how we address it. That involves three aspects. The first is physical infrastructure and regeneration, the second is human infrastructure and regeneration and the third is ensuring that the Government focuses on action that can make a difference.

Whether we are talking about making Penicuik, in my community, the heart of vocational and skills education, or about the Tweed valley, which survived on textiles and is now the world leader for mountain biking, we must be creative in ensuring that what the Government does makes a contribution. If we trust and empower our communities, I have a feeling that they will give us many solutions. However, the Government must

recognise that specific and separate support for industrial heritage and industrial communities is required.

17:26

Willie Coffey (Kilmarnock and Loudoun) (SNP): I, too, congratulate Cathy Jamieson on securing the debate. I am not sure whether Bob Dylan has ever been mentioned in a Scottish Parliament debate, but I will refer to him later.

The ICA's report says:

"The old model of economic growth, based on ever-rising personal and corporate debt and the expansion of the financial services sector, is surely bankrupt."

That is quite a statement and it has been coming for a long time. The bubble well and truly burst with the near-collapse of the banks and the level of personal debt to sustain economic growth is measured in trillions of pounds. That the ICA advocates re-establishing our manufacturing roots will be welcomed by many communities that continue to be blighted by long-term unemployment and which the boom bypassed and brought little direct benefit to.

The UK national debt of about £845 billion, which is 60 per cent of gross domestic product, and personal consumer debt of about £1.5 trillion—a trillion is a million million—are hardly a firm basis for economic recovery. Long after we leave this place, our successors might well ask why that was allowed to become the economic order of the era in which we live.

The ICA's report is a breath of fresh air. It concerns itself—naturally—with some specific initiatives, but it also makes welcome comments about supporting older as well as younger workers and about retaining skills that remain but which are not being deployed. The report mentions the importance of economic regeneration and the priority of creating new jobs. That is not too surprising, but the emphasis is welcome and must encourage communities that hope again for a brighter future.

One major challenge is that the number of companies that are headquartered and which conduct research and development in Scotland is reducing. They are a vital resource to create the new industries that will produce jobs in our communities. All the advice that we are receiving is that we need to develop an industrial strategy to improve Scotland's competitiveness in today's and tomorrow's key industry sectors. We must be clear about the fact that we lead the field in some of those sectors. In addition to pure service industries, which include finance and tourism, we need to look for new developments in the creative industries, energy, food and drink and the life sciences. We can rebuild jobs for the 21st century

in those industries. Recent announcements of progress in renewable energy are particularly welcome.

We should not forget the increasing importance of co-operatives, which offer a trusted, solid and sustainable model for economic growth. I said that I would mention Bob Dylan. The co-operative movement has adopted in support of its principles one of his iconic songs, which contains the lyrics:

"How many times must a man look up Before he can see the sky? ... how many ears must one man have Before he can hear people cry?"

Those are fitting words in the context of communities crying out for help from the despondency of unemployment.

I have previously highlighted the important role that science can play in generating new jobs. Scotland still has an impressive presence in all aspects of science, but scientific advance is usually turned into jobs after the advance has been patented. I was amazed to read recent evidence of the UK as a source of patentable ideas. Based on gross domestic product, the UK has fallen behind countries such as Denmark, Finland and New Zealand in terms of the number of international patents. That is surprising, although it may say more about the dynamism of smaller economies. I would be interested to see the evidence on Scotland's position. emphasis on that in the report is welcome. We have to encourage communities that seek to move in that direction.

In its report, the ICA focuses on the important role of local authorities in economic development. I agree entirely with that and welcome the Scottish Government's decision to empower local authorities in terms of regeneration. Discussions have taken place between local authorities and Scottish Enterprise on the subject, and I look forward to positive news for East Ayrshire Council in that regard in the near future.

Those who were able to attend this week's jobs summit, as Cathy Jamieson and I did, heard of the need for Government to act smarter in supporting local areas. It does not make a lot of sense for local authorities to invest in getting people back into work if the complexity of the benefits system acts as a disincentive. The matter was raised at the summit. I look forward to hearing what steps the Government may take in response.

Two of my colleagues mentioned the Johnnie Walker and Diageo situation. A company in the modern era might take jobs away from our communities, but it can never really take the identification of a product such as Johnnie Walker away from Kilmarnock.

17:31

Rhona Brankin (Midlothian) (Lab): I congratulate Cathy Jamieson on securing the debate. I am delighted to support her timely motion.

As with Cathy Jamieson's area of Carrick, Cumnock and Doon Valley, my constituency has had to face up to the demise of traditional industry over the years. In the case of Midlothian, the key industries in the past were coal mining, paper making and carpet making. Paper making and carpet making no longer take place in the county. Indeed, coal mining now employs only a limited number of people in the opencast sector and at the excellent mining museum at Newtongrange. That is very different from the situation in the past, when many thousands of jobs were in the deep mining sector.

The museum is an example of how Midlothian has had to make the transition from an economy that was based on manufacturing industries to one that is reliant on tourism, bioscience, life sciences, earth sciences and the public sector. Despite the successful development of those industries, Midlothian has not been immune to the global economic downturn. Indeed, in the last month, Midlothian recorded its 19th consecutive monthly increase in claimant count unemployment. As several members mentioned for their areas, the Industrial Communities Alliance report estimates that the true unemployment figure for Midlothian is twice the claimant count. Long-term unemployment and unemployment among 18 to 24-year-olds have risen much faster over the past year in Midlothian than they have in Scotland as a whole. That is of huge concern.

In the space of four years, while the number of claimants per unfilled Jobcentre Plus vacancy has risen rapidly from 2.4 to 11.2 in Scotland, the number for Midlothian has risen even more steeply, from 2.8 in 2006 to 19.5 today. That is a staggering increase, which demonstrates the scale of the challenge in areas such as Midlothian.

The ICA report is absolutely right to identify youth unemployment as a priority. I applaud Midlothian Council for its work with partners to provide opportunities for young people. Despite being one of the smallest local authorities in Scotland, Midlothian Council has used the UK Government's future jobs fund to deliver more than 100 jobs for young people in the private, public and voluntary sectors over an 18-month period. That is real help that puts people into real jobs. In his remarks, will the minister elaborate on what the Scottish Government is doing to assist such initiatives?

I turn to the issue of young people who leave school and do not find a job or go into education or

training. I am very concerned that Midlothian now lags behind not only neighbouring East Lothian, Edinburgh and the Borders but every other local authority in Scotland in this regard. It is a concern to me that one Midlothian youngster in five leaves school and can find no job or opportunity to improve their skills. I welcome the Scottish Further and Higher Education Funding Council's allocation to Jewel and Esk Valley College of £789,000 from partnership action for continuing employment-PACE—redundancy funding to help to tackle the issue, but more needs to be done. Of the £28.1 million of economic downturn funding, £8.4 million is still to be allocated to colleges for additional student places. Will the minister assure us that support for additional places will be targeted on areas with a high number of young people who are not in education, employment or training? Many of those areas continue to struggle with the loss of traditional industries, despite good work by councils such as Midlothian Council to diversify local economies into other sectors.

I strongly believe that the issues that industrial communities face are best addressed through the partnership working at all levels that is taking place. I welcome the ICA's report as a constructive, thoughtful and extremely timely contribution to the debate. I look forward to hearing how the minister intends to respond to the challenges and opportunities that the report presents.

### 17:36

The Minister for Enterprise, Energy and Tourism (Jim Mather): I put on record my thanks to Cathy Jamieson for raising the issue of our former industrial communities and putting it in context so well. As she said, the Industrial Communities Alliance has evolved to handle these historic legacy problems, so that we can learn from mistakes, learn from elsewhere and move on. I spent my boyhood years in Greenock. Latterly, as an accountant, I audited companies such as John G Kincaid & Co Ltd, Scotts Shipbuilding and Engineering Co Ltd, Lithgows Ltd, John Hastie & Co Ltd, Drummond tin, Mitchell's and so on, all of which are gone. What has replaced them has never been enough, and some communities in Ayrshire have not had even that interim solution.

I have listened carefully to the debate and am grateful to the Industrial Communities Alliance, especially Professor Steve Fothergill, for the work that it has put into its report. The Scottish Government is always willing to listen to and consider new ideas and approaches. I understand that the alliance and Alex Neil met this afternoon and that we have three action-agreed responses. We face the possibility of an emergency budget that could create further difficulties, but Mr Neil

has agreed that he, the alliance and I will meet in September or October and that ICA will contact officials on other issues to provide views on areas where funding rules are prohibitive at present.

Many issues were raised in the session that we held on Monday in Ayr; I am sorry, it was in Kilmarnock. I give the Ayrshire members who are present a total assurance that we intend to drive forward on those issues. The importance of local authority leadership and the need for a pan-Ayrshire approach were mentioned, but many practical measures—on planning, public sector procurement, internationalisation, on-going collaboration across the private, public and voluntary sectors, and better links with the business community—were suggested.

The cross-party approach that was evident at the meeting was striking. The four Labour, one Conservative and three Scottish National Party members-including me-who were present all came to the same conclusion. We have a focus on industrial communities throughout Scotland and realise that those communities have faced and are facing a considerable challenge, especially during this recession, which is the deepest in living memory, has manifested itself over the past two years and may continue for some time. The Scottish Government is meeting that challenge, through the economic recovery plan, by supporting jobs in our communities, strengthening Scotland's education and skills, and investing in innovation and the industries of the future.

It is important that we combine such actions with talking to people. Jeremy Purvis made a significant point about trusting communitiesgetting in among them, bringing in people who can help them and benefiting from their success. It is a matter of trying to achieve the cross-pollination that has taken place among some successful social enterprises, with people being taken from one area to cross-pollinate another. We have strengths in all the key components that we need-in water, energy, food and drink, and education, as well as the tourism possibilities. I am keen for us to go the extra mile to make that happen. Our approach is the right one, although we need to do more and bring more people together.

I recently met Susan Deacon at Celtic Connections. I found that, although we come from different places, with different experiences and different backgrounds—and different gender, clearly—we have come to the same place as far as solving problems is concerned. My version is to get everyone in the same room; hers is more modern, as we would expect from a younger woman: to get everybody in the same space. We can do that.

There is now a greater degree of cohesion from Scottish Enterprise, Highlands and Islands Enterprise, Scottish Development International, local authorities, Skills Development Scotland and the Scottish funding council. The Scottish manufacturing advisory service recently went through an expansion. That might sound oblique, given that we have lost the manufacturing base, but a new level of resilience is being created.

I was out last week listening to Gilad Tiefenbrun, Ivor Tiefenbrun's young son, who has essentially rescued their company and has allowed it to evolve. I listened to Rhona Brankin telling us about the proud manufacturing tradition in Midlothian. I wonder what it would be like if we had a few more Gilad Tiefenbruns, who could help to move technologies forward.

Work is being put into the Scottish manufacturing advisory service, and there is much happening at the Strathclyde institute for operations management.

On short-term subsidies. the Scottish Government has responded rapidly to the downturn by putting in place a comprehensive support package for education and skills through ScotAction. Through ScotAction we have invested £145 million to help unemployed people to enter the labour market. We will continue to prioritise skills and investment training by providing 34,500 opportunities, including training apprenticeships and training for the unemployed. I heard today that we have exceeded targets on that.

The budget for 2009-10 accelerated £293 million of capital spend, on top of the £53 million from 2008-09. That has supported 5,000 jobs, including 3,000 jobs in construction. Members all know the story of what has happened there.

The key thing that I wish to emphasise is almost the same as the message that Willie Coffey gave us at the end of his speech: there is a need in the world economy, particularly in the west, for a new beginning. There is a need for a new approach that is less based on debt and which seeks to resuscitate the real economy, real communities and real people and to get real businesses under way. I believe passionately that that can be done.

Rhona Brankin: I am not sure how long the minister still has to speak—I was worried that he was getting into his peroration. He did not respond to my specific question about whether the funding council will favourably consider areas such as Midlothian, which has such a high level of young people not in employment, education or training.

**Jim Mather:** The member makes a valid point. Regretfully, I cannot put myself up as spokesman for Mike Russell, but I believe in having that debate, and it is perfectly reasonable to have the

funding council, Skills Development Scotland and other players in the room when we have debates on such matters. I refer again to the session that was held in Ayr-in Kilmarnock, rather; I must have Ayr on my mind. It was at Grange academy in Kilmarnock, and it was excellent, with lots of bright youngsters about the place. The session was very useful, but we must take such events to the next level, with the relevant people in the room. It might have been useful, for instance, to have people from procurement or planning at that session on Monday. It certainly would have been good to have people from the funding council, Skills Development Scotland and so on. We have managed to achieve that at a local level, having run some sessions in Argyll and Bute. We must go through a rite of passage to get to that point.

The former industrial communities of Scotland, like other communities, have our whole-hearted commitment. I look forward to the meetings that are to take place, and I hope that we can move forward progressively together in this area.

Meeting closed at 17:44.

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