



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 1 June 2011

Session 4

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Scottish Parliament

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

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business is time for reflection, for which our speaker is Dr John Lennox, guest speaker at the National Prayer Breakfast for Scotland.

Dr John Lennox (Guest Speaker at the National Prayer Breakfast for Scotland): It is a great honour for an Ulster Scot to be invited to address you. It is a remarkable sign of grace that you have me here.

James Clerk Maxwell, the Scottish physicist whom Einstein ranked with Newton, inscribed over the door of the Cavendish laboratory in Cambridge:

“Great are the works of the Lord, searched out by those who take delight in them”.

Yet today, an ill-conceived but highly vocal attempt is being made to use science to abolish God from public life. The tragic irony of that is that it forgets that, in the words of Lord Mackay,

“all human law making is dependent on the objective reality of Almighty God for its validity.”

It was Christianity, not atheism, that originally gave us the universities that educated us, the liberties that permit us to propagate our views and the laws that protect us.

Members of the Scottish Parliament, I congratulate you on your appointment as stewards of those laws and defenders of the freedoms that they enshrine. I encourage you and all of us to reflect on the source of those laws and freedoms. For if there is no eternal base for values that are external to humanity, how can anyone’s standards be anything but limited human conventions?

Abolish God the Creator and you remove the ultimate source of human dignity—the fact that men and women are made in God’s image. We need to reaffirm that dignity in a world that is rapidly losing the roots of meaning and identity in a sea of relativism. What is more, there is an urgent need to have the courage to affirm the centrality of marriage and its importance to society’s wellbeing and to the emotional and moral stability of the children who are our future.

In an increasingly fragmented, uncertain and lonely world, men and women need a message of real hope. For centuries in Scotland, that hope has

been found in the central message of Christianity—Christ himself. Yet that message is sometimes tragically lost in sectarian violence. That is a tragedy, for those who use guns or fists in that way are not following Christ; they are disobeying him.

Jesus forbade the use of weapons to defend him or his message. To the Roman provincial governor Pilate, Jesus said:

“My kingdom is not of this world, otherwise my servants would have been fighting”.

He explained further:

“To this end I was born and to this end I came into the world that I might bear witness to the truth”.

Pilate said, “What is truth?”, perhaps more wistfully than cynically. He could see what is self-evident—that truth cannot be imposed by violence, especially when that truth has to do with forgiveness, reconciliation and peace with God through trust in Jesus Christ.

Thank you.

The Presiding Officer: I inform members that a revised section A of the *Business Bulletin*, showing proposed committee membership, is on their desks.

Taking Scotland Forward: Finance, Employment and Sustainable Growth

The Presiding Officer (Tricia Marwick): The next item of business is a debate on taking Scotland forward: finance, employment and sustainable growth.

14:34

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I welcome the opportunity to lead this debate on the economy—the first of the major debates in this parliamentary session following the First Minister's statement of the Government's priorities last week. I am delighted to do so in my capacity as Cabinet Secretary for Finance, Employment and Sustainable Growth. It is my duty to lead the Government's efforts to deliver economic recovery within the powers that are available to us, in co-operation with my ministerial colleagues.

The timing of this debate, as the first debate on the Government's programme, demonstrates the priority that the Government places on securing economic recovery and creating employment. In 2007, the Scottish Government made increasing Scotland's sustainable economic growth rate the purpose to which all our activity was directed. Today I reaffirm that commitment.

In my remarks, I will set out the Government's core economic and jobs priorities for the coming months, the challenges that we seek to address and the opportunities for Scotland in the years ahead. Before doing so, I welcome to their respective posts Richard Baker, Gavin Brown and Tavish Scott. I make it clear that, despite the fact that the Government holds an overall majority in Parliament, I remain committed to dialogue and discussion with the other parties and welcome positive suggestions from each of the Opposition parties to advance the arguments for economic recovery and job creation. That is the approach that I took in my dealings in the previous session with Andy Kerr, Derek Brownlee and Jeremy Purvis. None of my counterparts has returned to the Parliament; I take the opportunity to wish them well for the future. I also welcome Fergus Ewing to his post as Minister for Energy, Enterprise and Tourism; I look forward to working with him.

The foundation of the Government's approach is well established, through the Government's economic strategy and our economic recovery plan. However, as we look to our new term in office, we will ensure that we are entirely focused on economic recovery, reflect on developments over the past four years and build for the future.

That will be the content of the Government economic strategy that will be brought before Parliament in the autumn.

Although economic conditions have changed markedly since 2007 and we have faced the full effects of the financial crisis and global downturn, I believe that we have made significant progress as a country. When the financial crisis first took hold, we responded quickly and decisively with a detailed recovery plan, which included our vital programme of capital acceleration. The plan supported the economy and protected jobs at our most difficult time. That direct action helped to support 15,000 jobs across Scotland.

However, we have also put in place key foundations to promote long-term growth. We have delivered a competitive business tax environment—the most competitive business rates package in the United Kingdom, which includes the small business bonus scheme, removing or lowering rates for more than 70,000 small business properties.

Gavin Brown (Lothian) (Con): The cabinet secretary talks about the tax environment. Will he rule out any new taxes in Scotland?

John Swinney: I have no proposals to bring forward any new taxes in Scotland. Mr Brown will be aware that the Government will publish its spending proposals and wider budget in the autumn. If there is any change to the position that I have expressed to Mr Brown, it will be contained in that document. At this stage, I can foresee no circumstances in which such a change would be brought forward.

We have supported infrastructure investment right across Scotland in transport, health and education—for example, the completion of the M74 extension and the signing of the contract for the Forth replacement crossing. We have taken forward radical improvements to the planning system and the way in which the public sector pays for contracts. We have funded significant investment in skills development and training—100,000 training opportunities this year, including a record 25,000 modern apprenticeships.

We have exceeded our efficiency savings targets, freeing up additional resources to be reinvested in Scotland's public services. We have established the Scottish Investment Bank to promote investment in early-stage, innovative small and medium-sized enterprises with the highest growth potential. We have also taken significant steps to develop Scotland's key sectors, such as our unrivalled opportunities in renewables and the low-carbon economy. Having said all that, we recognise that there is much more to do to stimulate economic recovery and the

economic performance that the Government seeks.

Although Scotland has just emerged from a significant recession, with output still 4.3 per cent below pre-recession levels, we can reflect on a downturn that was both shorter and shallower than that in the UK as a whole. In recent months, there has also been a trend of growing employment and falling unemployment in Scotland. There are 52,000 more people in Scotland in employment currently than was the case at this time last year.

Our employment rate is the highest of any of the United Kingdom nations, and our female employment rate is the highest of all the UK countries and regions. We have witnessed six consecutive months of falling unemployment, with the Scottish unemployment rate now at 7.7 per cent, which is below that of England and which matches the G7 average.

However, the recovery is at a vital stage, and a number of significant headwinds remain, not least the impact of reductions in public spending and a sluggish recovery on the part of many of our key trading partners.

The fragility of the economy was recently highlighted by the reported fall in output during the final quarter of 2010. Experiences from previous recessions show that sustained improvements in employment tend to lag behind the wider improvement in the economy. Therefore, a jobs agenda will be at the very heart of our programme for government.

The inclusion of "Employment" in my job description and my title as cabinet secretary is much more than a cosmetic addition. It serves to highlight the strategic importance that is given to this priority within the Government. My role will involve linking across different portfolios to ensure co-ordinated action to support employment creation.

We commit to tackling unemployment, particularly among people aged 18 to 24, which remains unacceptably high. We commit to assisting the nearly one in every five of our young people who are seeking employment. Youth unemployment will be a particular priority for the Government, and our youth employment Scotland initiative will be central to that objective.

We are committed to providing people of all ages with skills and training to help them find sustained, productive employment. We have already delivered more than 300,000 training opportunities since May 2007, with funding to support almost 100,000 new opportunities this year. That includes 25,000 modern apprenticeships, 14,500 places to help individuals of all ages who are unemployed to access the labour market, and 7,000 flexible training

opportunities specifically to help meet the needs of smaller employers and businesses.

Our policy of encouraging young people to stay in post-16 learning to develop further the skills that they require for the world of work has led to an increase in the number of school leavers who are moving to positive and sustained destinations. Those actions have helped to improve the employability of our young people, and they ensure that they are best placed to enter the workforce. That is the approach that the Government intends to take—giving our people the support that they require to enable them to enter the workforce.

The other part of the bargain is to create the conditions in which we can support and sustain employment. Where we can, we will protect employment. Our no compulsory redundancies policy will do just that, and I hope that that cover will be extended not just to the Scottish Government and the national health service but across the whole of the public sector in Scotland. We will also continue to protect household income, as part of our commitment on the social wage.

Ultimately, however, it is growth in the private sector that will be the principal driver of job creation in Scotland. Around 80 per cent of people in Scotland are employed in the private sector, and the key decisions that we will take will be those that help businesses, large and small, to grow and generate employment opportunities themselves.

In the short run, our actions can help to maintain and support capacity in the economy—whether in employment, capital, skills or knowledge—in the face of continuing global economic pressures. In the long run, by promoting participation in the labour market, building our infrastructure and boosting business investment, innovation and growth, we can create greater opportunities for all.

Just as importantly, our efforts to support job creation will succeed only if all our workforce—new entrants, people returning to the labour market and those who seek to upskill or to move to a new career—have the skills and training that are necessary for them to succeed. That tailored approach provides support irrespective of where an individual is in the labour market.

Our college and university sector plays a critical role here, providing many of the skills that employers need to grow their business and that individuals need to secure sustainable and rewarding employment. We will take the fullest possible economic advantage of our significant investment in all those sectors.

We will rise to those challenges by developing a growth strategy for Scotland, focusing our efforts

on growth companies, growth sectors and growth markets.

At the heart of our delivery will be our economic agencies: Scottish Enterprise, Highlands and Islands Enterprise, Scottish Development International and VisitScotland. Although we will propose no structural change in those bodies, we will require them to work more closely together and with Government, in the name of efficiency and effectiveness.

In taking forward our economic strategy we will, first, direct our efforts and resources to create the right environment for growth companies in Scotland. Our 295,000 small and medium-sized enterprises employ more than 1 million people in Scotland and remain the heartbeat of our economy, right across the country. We will consider how best to support our SME sector to create jobs—we took the first steps in our budget proposals last year, to focus on employment creation. We will focus our interventions, whether in relation to improved access to finance, competitive business taxation or reform to planning, on helping such organisations to grow.

Gavin Brown: Should there be a target for public sector procurement that is aimed at helping SMEs? That is one way in which the Government can directly help small businesses.

John Swinney: The Government's focus, for example in what we have done with public contracts Scotland, has been on trying to maximise the opportunity for smaller companies to participate efficiently in the whole process of public sector procurement. On whether a target is the right way to do that, I would rather put in place the mechanisms that enable small companies to participate, identify whether we are making sufficient progress in that respect and, if we are not making sufficient progress, look again at the interventions that we make to boost small companies' participation.

As part of our support for growth companies, we focus a proportion of our activities through Scottish Development International and our enterprise agencies, to make Scotland an attractive place for inward investment. In recent months there have been excellent announcements from Amazon, Mitsubishi Power Systems, Ryanair, Gamesa and Doosan, and this morning I was present at State Street in Edinburgh for the announcement of a further 90 jobs in the financial services sector as a consequence of the company's securing the European centre of excellence in cash management facilities here in Edinburgh, which is a great feather in the cap of the company and of the city. *[Applause.]*

Secondly, we will focus our efforts on supporting the growth sectors of our economy, many of which

have the potential to reindustrialise our economy. Our principal focus in that regard will be on activities around the renewables sector and life sciences, but there are opportunities to realise further potential in other sectors, such as food and drink, tourism, the creative industries, the universities and financial services.

Finally, we will seek to take advantage of the increasing importance of growth markets. We must encourage more and more Scottish companies to participate in the process of internationalisation. With the addition of the Scottish Investment Bank and the role of Scottish Development International, we will take steps to ensure that more companies are involved in international activity and exporting, to ensure that we capitalise on all the available opportunities.

I said that the Government will focus its energies within the powers that we have at our disposal and I have set out exactly how we will do that. We also have an ambition for greater responsibility, which will enable the Government to deliver the economic vision that we have for Scotland. In the short term, we will press for immediate and substantial capital borrowing powers, to allow us to maintain investment in infrastructure in Scotland and to build on the success of the Scottish Futures Trust in bringing forward a substantial programme of privately funded public infrastructure investment.

We will press for control of corporation tax, to enable us to help to improve the competitiveness of the Scottish economy and to attract companies to Scotland. We will press for control over the Crown estate—supported by the Conservatives, the Liberal Democrats and many people in the Labour Party—which will improve the process for maximising offshore renewables and provide an opportunity to secure the benefits for local communities.

Those are the Government's priorities, which are focused on the theme of economic recovery and the promotion of jobs in Scotland. We go forward, despite our majority, in a spirit of willingness to listen and to debate and discuss those ideas with other parties in the Parliament. I look forward to doing that during this afternoon's debate.

14:49

Richard Baker (North East Scotland) (Lab): I welcome this early opportunity to debate the Government's strategy on finance, employment and sustainable growth. We want the Government to take our economy forward to greater prosperity, but we are all aware that we still face significant challenges to achieving that. It is therefore crucial that Parliament sets out the right strategy. We

welcome the greater focus that has been placed on job creation in the cabinet secretary's brief, because it is central to encouraging growth.

I congratulate the cabinet secretary on being reappointed to his crucial role in Cabinet. When he was reappointed, it was said that his brief would be slimmed down to allow him to spend more time with his family. When I was appointed to shadow the cabinet secretary, I read through the 25 major policy areas for which he has responsibility and I was left wondering exactly how much extra time he will have to spend with his family and how much time I, in opposition, will have left to spend with mine. There is no doubt that the cabinet secretary has a huge task ahead of him and I wish him well with it.

I welcome the cabinet secretary's offer to have constructive dialogue with other parties in the Parliament, even though his is a majority Administration. I also welcome his good wishes for my predecessor, Andy Kerr, who made an extraordinary contribution to our group. As long as I am in the role, the cabinet secretary can be assured that my approach will, as always, be one of constructive and positive opposition.

We are keen to work with the Scottish Government to create jobs and growth, and when we can endorse the actions of the Government in those areas, we will. At the same time, we cannot shirk our responsibilities to scrutinise and hold ministers to account.

In the weeks since the election, in discussing how to take Scotland and our economy forward, a great deal of the ministers' focus has been on financial powers. We recognise that those are important issues and there will be many more debates on them. However, the task in hand is for us to focus on what we can do now with the significant powers that we already have to create jobs and growth. To be fair, the cabinet secretary had that focus in his speech.

Thousands of Scots are worried about what the economic situation means for them, for their employment prospects and for the key services on which they and their families depend, and we in Parliament must put their interests first. In areas such as the future jobs fund, the importance of modern apprenticeships and the living wage, there are already significant areas of agreement between ourselves and ministers.

Although it is for ministers to implement their manifesto commitments and we do not have the opportunity to implement ours, I ask them to consider some of the policies that we proposed at the election and which I still believe could have an impact on making Scotland more prosperous. For example, ministers could consider our proposal for a first foot scheme to help first-time buyers; our

plans for a green new deal to create new jobs and provide low-carbon electricity for 10,000 homes; and the measures that we proposed for using procurement processes to encourage innovation and SMEs and to support local businesses. Those are important proposals and I hope that the cabinet secretary can agree that there is merit in them and common ground between us. We stand ready to work with him on making progress on those important policy areas.

All parties recognise that the Parliament's powers are an issue of crucial importance. We are keen to enter into the debate that we will have about what is best for the future economic security and prosperity of our country, not least on the issue of independence. However, in arguing for new powers, the Scottish Government must be clear about what it would use them for and why they would be in Scotland's interests.

The Government has embraced proposals on fiscal autonomy that have often been advanced by those who wish to see Scotland as a low-tax economy with lower spending on public services, but it should not pretend that it can deliver a left-of-centre approach to investing in social provision while adhering to a right-wing economic analysis and strategy. When the cabinet secretary argues for the devolution of powers on corporation tax, I ask him to tell us the rate that he would set in Scotland and to show us the evidence that he has and can provide that we would benefit from such a move. I understand that UK ministers have asked the First Minister to provide such evidence, but it has not yet been forthcoming.

Indeed, the First Minister seems to have had little success in convincing his fellow leaders of the devolved Administrations of the merits of his case. Carwyn Jones warned of a race to the bottom on corporation tax, and Peter Robinson made an important point about what it could mean for the Scottish Government's budget. There could be a reduction of £1 billion when there are already huge pressures on budgets and major spending commitments.

Thus far, the cabinet secretary has not produced evidence to show that the budget reduction would be compensated by additional tax receipts. Indeed, from what I have seen of international evidence, there seems to be little correlation between a country's level of corporation tax and the success of its economy. We are therefore ready to enter into the debate, but the Scottish Government has not yet produced evidence that a reduction in corporation tax would be a beneficial change.

The Scottish Government is right to be ambitious in what it hopes to achieve, but it faces a stiff challenge in dealing with reduced budgets in the year ahead while meeting its commitments to

the electorate. We will require more clarity from ministers in that area. The Centre for Public Policy for Regions asked tough questions of all the party manifestos, but it made it clear that the SNP was the most dependent on efficiency savings to balance its budget and fulfil its commitments.

Our manifesto, too, provided for 2 per cent efficiencies, but it was not dependent on that to fulfil our spending commitments. It will be important for the cabinet secretary to outline how those savings will be made, how he will ensure that efficiencies are genuine and are not cuts in service and how they will affect his stated intention—made clear again in his speech—that there should be no compulsory redundancies. Indeed, I would welcome any further information that he can give us about his dialogue with local authorities in particular on that issue.

The question arises not only in the context of efficiencies, but with regard to the commitment on the five-year council tax freeze. According to Professor David Bell, that is likely to cost £535 million, which is £250 million more than the estimate in the SNP manifesto. The Scottish Parliament information centre has put the price tag for the council tax freeze commitment at £3 billion.

It will be vital for the cabinet secretary to come forward with further detail on how he will fund the Scottish Government's commitments, and he will need to ensure that he outlines at his next budget his spending plans through to 2014-15. We argued that he should have done that before the election and we questioned why he did not announce his detailed plans in the same way that such plans were announced in Wales prior to the election there. In any event, he must do that now. We will look forward to that in the autumn.

We did not agree with the cabinet secretary that the work of the Christie commission required the postponement of the spending review, but we recognise the importance of the commission's work and we have supported a bold approach for reforms, such as a single police service and a single fire and rescue service, to achieve savings that can protect front-line services at times of budget cuts. We believe that in making such changes, structures must be established to improve local accountability for decisions on local priorities in key services. If the cabinet secretary takes such an approach in moving forward with reforms, we will be keen to work with him to promote them.

We will work with the Scottish Government where we can support its strategy to promote economic growth in Scotland and where it makes the right choices to invest in taking Scotland forward. However, we are the Opposition in the Parliament, so we will ask the questions that need to be asked about how the Government will keep

its substantial promises to the people and how it will, in these straitened times for public finances, provide the necessary funding for them while maintaining investment in the key services locally and nationally on which our people depend.

We will have the debate about the powers of the Parliament and the debate about the future of our country. However, the Government has the powers now to sustain and grow employment in our economy and to protect the services that the country needs to take us forward. That is the job in hand for the Government that it should be getting on with.

I welcome the cabinet secretary's focus on the strategy that the Scottish Government wishes to pursue. We hope that the strategy will result in economic growth in Scotland and a more prosperous nation. In wishing the cabinet secretary well in his role, I urge him to ensure that that is the Government's clear focus in the months and years ahead.

14:59

Gavin Brown (Lothian) (Con): I associate myself with all the remarks that the cabinet secretary made at the beginning of his speech about various spokespeople past and present; he made particular mention of my predecessor, Derek Brownlee, who was an outstanding legislator.

The Scottish economy must be the priority of priorities going forward. Each Scottish Administration since devolution has said that, but it is even more important this time around. In that regard, there was a lot to welcome in the cabinet secretary's speech.

I welcome the cabinet secretary's brief comments about the Scottish Investment Bank and how it can be used to help exporters, which is crucial for the country. His comments about apprenticeships and training opportunities were welcome, too. I accept entirely his point that the private sector must be the engine for growth over the next few years. As a Lothian MSP, I particularly welcome the announcement by State Street, which came to Scotland in 1998 with a mere 50 employees. That number had increased to 750 by the time that the organisation appeared before the Economy, Energy and Tourism Committee last year and, today, it has announced that the workforce is to increase to 840. That represents strong growth, not in a short spurt, but over a period of years from 1998. From the evidence that the company gave and from its deeds, it certainly appears that it is here for the long run. Asset servicing is sometimes the forgotten cousin of the financial services industry, but it is a branch of financial services in which Scotland is particularly strong—I think that it

provides between 4,000 and 5,000 jobs—and we ought to celebrate the role that it plays in Edinburgh and across Scotland.

That is where we agree with the cabinet secretary, but I want to make a plea to him and to make a couple of positive suggestions, which he called for in his speech. My plea is one for realism. I ask that the Scottish Government and Mr Swinney and Mr Ewing, in particular, put forward the economic statistics about Scotland in a straightforward and realistic manner. Any Government wants to highlight the very best of what it is doing and to point to all the good news to which it can, but I fear that previously and, again, in some of what Mr Swinney said today, the SNP Government's intention has been to comment only on the positive and almost to brush aside some of the negative aspects of the statistics that have come out.

We heard about the recovery plan saving 15,000 jobs, about Scotland going through a shorter and shallower recession and about unemployment in Scotland being lower than the rate in England, but we heard nothing about any of the negative news concerning our economy that has come out recently. We owe it to the people of Scotland and to the business community to put forward a balanced and realistic assessment of where our economy is going and to tell us how the Scottish Government is doing against its growth target—which was its number 1 target—of matching the growth rate of the UK by 2011. From 2011 onwards, rather than it being a case of Scotland trying to catch up with Britain, it should be a case of Britain trying to keep up with Scotland, but the cabinet secretary made no mention of that, nor did he mention the key, secondary economic target of matching the performance of the small European Union countries by 2017. According to the Scottish Government's website, on the UK target, we are simply maintaining our performance, which has been poor over the long term, and, on the EU target, our performance is worsening. We must acknowledge the Scottish Government's failures as well as its successes.

Turning to suggestions, I passionately agree with the cabinet secretary on the need to grow exports. One of the best ways of doing that is to internationalise and to grow our export markets by hitching ourselves to those economies that are already growing exponentially. Over the past decade or so, we have punched below our weight on exports. In 2001, Scottish exports represented 9 per cent of UK exports, whereas today they account for only 7 per cent of UK exports. We welcome initiatives such as the smart exporter initiative, funding for which the Conservatives fought to be included in the budget, but a step change is required. We must insist that SDI

develops a far stronger focus on exports, as I think that it has had a stronger focus on inward investment, to the detriment of exports. That situation must be reversed.

We must give serious attention to how Scottish companies that want to export utilise SDI's international network. At the moment, Scottish companies that want to go to the Baltics or to central or eastern Europe must do so via Düsseldorf. How can we tackle eastern Europe through Düsseldorf? We need a step change on exports.

The same is true of start-up businesses. We must increase the country's business start-up rate, because those are the businesses of the future. There are only 34 VAT registrations per 10,000 people in Scotland, whereas the equivalent figure for the UK as a whole is 47. Although we have the same start-up rate as Wales, our rate is lower than every other UK region apart from the north-east of England and Northern Ireland. We must do more to address that. Entrepreneurship training is key to that, as is considering how we can get public sector contracts to SMEs. That was the purpose behind my question to the cabinet secretary. If it is not a target, that could at least be an ambition.

Liam McArthur (Orkney Islands) (LD): Will the member take an intervention?

The Presiding Officer: The member is finishing.

Gavin Brown: I am sorry about that.

Let us be realistic about what is achievable and about where we are. We have powerful levers at our disposal. Perhaps we cannot control the wind, but we have the power to adjust the sails. We ought to focus on doing that.

The Presiding Officer: We move to the open debate, with speeches of six minutes. We have a wee bit of time in hand so the Presiding Officers will be flexible if members wish to take interventions. However, we do not have a lot of time so I ask members to keep the interventions quite short.

15:05

Joe FitzPatrick (Dundee City West) (SNP): I am pleased to be making my first contribution of this session on an issue that is extremely important and significant to constituents in Dundee.

The tone that was used by the front-bench speakers from both the main Opposition parties is a sign of positive things to come. I might not agree with them on everything, but both front-bench spokespeople made a positive contribution. I hope that the session continues in that way.

Jobs and the economy were important issues in the recent election. The Scottish National Party stood on our record in government and on our vision for the future. The verdict of the Scottish people is plain for all to see in the make-up of the chamber. The SNP has taken Scotland forward over the past four years. In Scotland, under an SNP Government, the recession was shorter and shallower than in the rest of the UK. That was made possible because of the Scottish Government's priority of investing in infrastructure, skills and support for business.

From 2008 to 2010, the SNP Government accelerated £350 million of capital spending to boost the economy—something that was often questioned by Opposition members in the previous session. In 2010-11, we are spending £3.3 billion on capital projects, which will support some 50,000 jobs throughout Scotland.

We have supported business. The small business bonus scheme has removed 1,424 businesses in Dundee from rates altogether. Hundreds more have seen their rates bills reduced. The Scottish Investment Bank, which the cabinet secretary mentioned earlier, is supporting SMEs throughout the country.

We have invested in skills. Last year, the Scottish Government delivered a record 20,000 modern apprenticeships. This year, we are going further by providing funding for some 25,000 modern apprenticeships. It should always be remembered that, in Scotland, modern apprenticeships are real apprenticeships attached to real jobs.

However, this is not the time for complacency. As the cabinet secretary has outlined, this re-elected SNP Government, with the largest mandate in the history of the Parliament, will do more in the years ahead to take Scotland forward and grow our economy. It will introduce a small business jobs plan to remove the barriers to employment. It will introduce a sustainable procurement bill that will clearly define the legal position for public procurement in Scotland and ensure that it is geared towards social and environmental benefits. The Government will deliver an improved export support package, with the aim of continuing the boost that our export industry has experienced recently and bringing about a 50 per cent increase in exports over the next six years.

As we are all too aware, ultimately much of our economic fate at present lies in the hands of Westminster. As we have seen historically with the demise of our heavy industries, that does not always result in what is best for the Scottish economy. It is still the case that Scotland is poorly served by a London-based economic strategy. An example that I have used previously in the

Parliament, which I use again for the benefit of new members, is that of the computer games industry. Ten per cent of the UK's computer games industry is based in Dundee. As a result, that industry is disproportionately more important to the Scottish economy than it is to the rest of the UK. The benefits of tax breaks for games development have long been established as a viable way of protecting and growing jobs in that sector. However, concessions have not been forthcoming from the UK Government, despite calls from this Parliament that cross party boundaries.

There is a clear majority understanding in this Parliament that tax breaks are important for the computer games industry.

Gavin Brown: Could the Scottish Government give business rate tax breaks to the computer games industry?

Joe FitzPatrick: The member makes a good point, but it emphasises the importance of our having the full range of tax powers. The difference in the UK Government being able to give a tax break to the computer games industry is that it would benefit from the tax break. The evidence from TIGA—the Independent Game Developers Association—is that a tax break would increase the take to the UK Exchequer while protecting and sustaining more jobs in Scotland. The member makes a great point for full fiscal autonomy if not independence.

In an independent Scotland, the concerns and issues facing our industries would be addressed first and foremost in Scotland, for Scotland and by a Government elected by the people of Scotland. The SNP wants to give the people the choice of who will be in charge of their finances. We will argue that John Swinney is the best person to take forward Scotland's finances. Others, on the Labour, Tory and Liberal benches, may very well argue that that person is George Osborne. I think that the people of Scotland should have that choice.

We will never agree on everything, but there are various manifesto commitments from all the parties on which we can work together. I thought that one manifesto commitment on which there was agreement between those on these benches and those on the Labour benches was on the council tax freeze, but Richard Baker perhaps suggests that there has been another flip-flop on that.

One area in which I am sure there is common ground is the need to work to improve youth employment. Young people must surely be at the heart of sustainable economic growth, and we must ensure that we create and support opportunities for them. The cabinet secretary

mentioned the 100,000 training opportunities for young people, and we must ensure that we can carry them forward throughout the session. Schemes such as the green academies, to be set up in partnership with Scottish Gas, are other ways to take the issue forward.

Despite the hardship that will be caused by the cuts from Westminster, I hope that people will be reassured by the approach that the cabinet secretary outlined, and I hope that we can work together. We can do things differently in Scotland, such as working to ensure that there are no compulsory redundancies in the public sector, but we could do so much more if we had the full powers of a normal independent state.

The Presiding Officer: I call Jenny Marra to be followed by Willie Rennie. Members will wish to note that this is Jenny Marra's first speech in the chamber.

15:12

Jenny Marra (North East Scotland) (Lab): Thank you, Presiding Officer.

First, let me thank Joe FitzPatrick, the member for Dundee City West, for his speech and for his early endorsement of Labour Party policy on a tax break for the computer games industry.

The day that Donald Dewar stood at the dispatch box in the House of Commons and exclaimed his relish at the opening lines of the Scotland Act 1998, I was leaning over the balcony in the public gallery, listening to him speak those words to establish this Parliament. My friend and I had taken an afternoon out of a trip to London to visit the House of Commons for the first time. We were lucky enough to witness a little bit of Scottish history.

I never met Donald Dewar, but I know that it was always his intention—and the intention of everyone who campaigned for and framed the Scotland Act—that this building would be a living, breathing and working place to make Scotland better, to serve the Scottish people, to better their lives, and to give voice to those without one. That is what brings me to this Parliament today. For many Scots, despite their living in one of the most prosperous countries in the world, opportunities are still not theirs. Material poverty, poverty of aspiration, isolation, dependence, addiction and separation from the world are still the daily reality for many Scots. It is our job in this Parliament to create the climate in which people can learn, live, dream and work their way to a better future.

Employment is the fabric of our society. The dignity of work is undisputable. In my home city of Dundee, 24 per cent of adults are economically inactive. Most of them want to work. The First

Minister talked last week of an ambitious Scotland. Our first, driving and ultimate ambition should be work for every Scot, and I pledge today to commit my term in this Parliament to working towards that ambition. It is worth every day of those five years.

For Dundee, we should have no greater priority. Job creation and the encouragement of private investment should be at the core of the Government's term in office and I will press the Government at every opportunity for jobs for my home city and the north-east. We must realise the opportunities in the north-east of the renewables technologies market, combining the wealth of oil and gas expertise and higher education. Scotland should lead the world in that field, not just in the theory but in the application. I will hold the Government to account on its promise of jobs in renewables and will assist in every way that I can to make those jobs happen. Good-quality, skilled jobs in their home towns should be a realistic aspiration for every teenager leaving school. They strengthen families, communities and our country as a whole.

Every Dundonian in the chamber and every adopted citizen of my home town will know what I am talking about when I describe the shiver that goes up my spine as the north-bound train turns slowly from Wormit on to the bridge, pacing its way over the silvery Tay to Dundee. The former rector of the University of Dundee, Stephen Fry, said:

"Dundee's setting is ... about as ideal—ludicrously ideal—as any city setting could be."

That is why the plans to bring Kengo Kuma's stunning design for the Victoria and Albert museum to Dundee are exciting beyond all expectations. They herald a new era for Dundee, which is taking shape along its waterfront. I know that the SNP shares my enthusiasm for those plans, and I presume that the Government has now decided to meet its full £15 million commitment to that project. After all, it will "be part of better" and excuses will not wash on that one.

Neither will excuses wash while the blame game between the Scottish Government and local councils continues and out-of-school care clubs for our most vulnerable communities in Dundee close down, the number of teachers is slashed, there are no jobs for newly qualified teachers and bus routes are pulled. The councils blame the funding gap left by the Scottish Government; the Government blames the decisions of local authorities and washes its hands of such matters. SNP members have a cheek to suggest that the council tax freeze is fully funded, and they know it. We will look for a better settlement with the local authorities next time round—no excuses. We want to make things better, too.

I thank those Labour Party leaders in Dundee who have inspired me since I joined the party in Dundee's Caird hall 18 years ago. They have lived the values of social justice and opportunity and have given years of public service to the city. I am thinking of Marlyn Glen, Jim McGovern, Ernie Ross, John McAllion, Iain Luke, the late Peter Court and John Henderson. Their commitment, principles and counsel come with me to Parliament today and will stay with me during my time here.

I do not see a tide of nationalism sweeping this country; I see that the SNP made a better case to govern than we did, and that is our challenge for the future. We are not all nationalists now. The Scottish spring comparison is, frankly, insulting to those who are fighting repression and state-sponsored terrorism across the middle east. We live in a safe society. We must temper our language and move the referendum debate forward with all the facts and make reasoned arguments. The public expect no less.

While we do that, we will press the Government every day to put people's priorities at the centre of its agenda: jobs, education, childcare, care for the elderly and our hospitals. That is our duty as the Opposition, and in our democratic country it is a big and important responsibility.

15:19

Willie Rennie (Mid Scotland and Fife) (LD): That was an excellent maiden speech by Jenny Marra. It was very eloquent and spirited, and I look forward to many more speeches like it. When I see her name up on the board, I will be here to listen to her speeches. I congratulate her on her eloquent remarks.

I also look forward to working with John Swinney. This morning, he set a serious tone with his serious remarks. He is obviously a very serious finance secretary with a record, over the past four years, of which he can probably be proud.

I welcome the new jobs that were announced this morning. The cabinet secretary was in the fortunate position of being at State Street in Edinburgh to welcome the new jobs that it announced. It is a tribute to the workforce at that company that it has grown so big in so few years.

I thank the finance secretary for his remarks about Jeremy Purvis, who is a great loss to the Liberal Democrat group. He was a great parliamentarian and we will miss him.

We will engage positively with the cabinet secretary and we will actively support him on many of the steps that he outlined in his speech, especially when they match our priorities of community, opportunity and sustainability.

It was reported yesterday that manufacturers have seen the first increase in the availability of credit since the banking crisis, which is welcome, but many small businesses are still not getting the support that they need. I recognise the cabinet secretary's serious intention to deal with that issue and I hope that he will work with us on some of our ideas and solutions. For instance, we propose the creation of regional development banks, which would bring together colleges, businesses and local councils to get the best from those institutions, and would therefore create local jobs and opportunities. We propose extending broadband to businesses across the country, especially in rural areas, so that they have access to high-speed communications. We also have plans for a home insulation investment programme—

John Swinney: Before Mr Rennie develops his argument, I take him back to access to finance, because there is a substantial area of co-operation in relation to which I am sure that he could assist us in our dialogue with the United Kingdom Government. Many of the issues that arise out of our access to finance survey in Scotland mirror what the United Kingdom Government has experienced, so joint efforts to ensure that the banking sector responds to Mr Rennie's clarion call, which I support, would be welcome in our dialogue with the UK Government—perhaps he can facilitate that.

Willie Rennie: Mr Swinney is very cunning, but I will not fall into his trap. We can work together with the United Kingdom Parliament to achieve so much more for Scotland and the United Kingdom with our existing powers. I am sure that Michael Moore, my colleague at Westminster, will listen to Mr Swinney and his desire to get more powers for this Parliament, but we could do so much more now by working together across the Parliaments. I will be happy to discuss those plans, because we are always open to new ideas and are working to try to get a better Scotland.

I have three questions for the cabinet secretary. First, on university funding, we have a shared goal to have an excellent higher education sector in Scotland to train our young people and to compete on the international stage. Does Mr Swinney think that there is sufficient finance for our universities? He said before the election that the funding gap was roughly £93 million, but since then we have heard of cuts—to jobs and to courses—at many universities throughout the country, such as Glasgow, Strathclyde, Stirling and Dundee. Has Mr Swinney revised his plans and will he review whether sufficient finance is available for our universities? We would like to discuss with him our plans to reform the higher education sector, but I would like to know whether he will review the

finance that is available for our universities to ensure that they can compete.

The second question is on the council tax freeze, which I touched on last week, but we have still not had any answers on how we will pay for the five-year council tax freeze. Our suspicion is that there will be a pay freeze and that, for example, some nurses on modest earnings could lose around £125,000 over the course of their career. I would like to hear from Mr Swinney exactly how he will pay for the five-year promise. The SNP shouted about that big prize during the election, but we have not heard much about the price.

The third question is on independence. As we now know that an independence referendum is coming, we would like the cabinet secretary to set out what the costs of independence might be, so that we can have a mature debate about the future of Scotland. For instance, that means working out what would be the cost of having separate diplomatic and foreign policy services, ensuring that we have costs for a separate welfare system and establishing the cost of insurance against a future banking crisis, which could take down the Scottish economy and the public sector. We would like to know the answers to those questions, so that we can have a mature debate in Scotland over the next few years.

I was a bit surprised that there was no mention of Professor Joseph Stiglitz in Mr Swinney's opening remarks. Last October, at the SNP conference, the First Minister said:

"Joseph Stiglitz has agreed to advise the Scottish Government on our country's economic future. A Nobel prize winning economist backing Scotland."

During the most recent budget process, my former colleague Jeremy Purvis, whom I mentioned earlier, asked Mr Swinney whether Professor Stiglitz was involved in the budget process. Mr Swinney said:

"Professor Stiglitz has not advised on the detail of the budget, but I have seen material that leads me to suspect that he would approve".—[*Official Report, Finance Committee*, 14 December 2010; c 2887.]

I think that that means that Mr Swinney has read his book. I would like to know whether Professor Stiglitz has been involved in the current process. Why did we not hear from Professor Stiglitz before we had this debate, so that we could have the benefit of the words of wisdom of that great man?

15:25

Aileen McLeod (South Scotland) (SNP): It is an immense privilege for me to make my first speech in this Parliament as a list member for South Scotland. In representing that area, I am following in the footsteps of Alasdair Morgan, who

retired from front-line politics at the recent election. I would like to take this opportunity to pay tribute to the many years of outstanding public service that Alasdair gave to the south-west of Scotland as an MP and as an MSP and also to this Parliament, where he served with distinction as Deputy Presiding Officer. [*Applause.*]

Like others, I welcome this debate on Scotland's economy and the statement from the cabinet secretary that set out the Government's core priorities for economic recovery and job creation. This debate has considerable importance for the south of Scotland. Like every other part of the country, the south of Scotland has been badly affected by the economic downturn that has resulted from the deflationary policies that have been imposed on Scotland by the Tory-Liberal coalition in London. Against that backdrop, the policies of the SNP Government to support our rural economies represent a bold and innovative approach that is aimed at creating new jobs and delivering sustainable growth across the south of Scotland.

The record of this Government in supporting Scotland's rural economy is exemplary. I could draw on many examples from the south-west of Scotland, where SNP policies on farming, fishing, the environment and renewables have supported our rural economies to expand and exploit new opportunities. However, I think that we all agree that a large part of the future prosperity and sustainability of the economies of rural Scotland will depend on the success of our small business sector. As the cabinet secretary said earlier, our small businesses remain the heartbeat of our economy, and I will focus my remarks on them.

Some of the measures that support small businesses apply across the country, such as the small business bonus scheme, which has taken 64,000 small businesses out of the rates system altogether—saving them up to £4,100 a year—and has given substantial reductions to tens of thousands of others. The Government is committed to maintaining the scheme for the next five years, and I can assure members that that commitment is welcomed by the many small businesses that I have visited across Galloway.

Other policies have significantly improved the prospects for our small businesses in specific sectors that are of key importance to the south of Scotland. In particular, the food and drink sector, tourism, the creative industries and the renewable energy sector are all areas in which the SNP Government's policies over the past four years have supported the growth of new and existing companies, many of which have acquired a global reputation for supplying world-class products.

Over the next five years, the Government will provide further direct support to help the small

businesses in all of those sectors in the south of Scotland to grow and create new jobs through our small business jobs plan. That will support small businesses that are looking to take on their first employees and apprentices and will assist them to gain access to the finance that they need to expand their operations. It will also involve assisting our rural producers to position their products higher up the value-added chain.

I particularly welcome the £50 million digital connectivity initiative that the Government will introduce and which will roll out superfast broadband to rural Scotland. That will be a crucial element in improving the economic opportunities for enterprises that are located in the south of Scotland. Indeed, I believe that it will act as a magnet to bring new firms, and therefore jobs, to the region. In particular, enhanced digital connectivity will greatly increase the likelihood that more of the research and development activity that often becomes the key driver of sustained economic growth will be attracted to locate in the south.

Equally important is improving our rural small businesses' access to new markets, especially those overseas, and I have already noted the growing international reputation of many firms in the south of Scotland. This Government's commitment to supporting the development of new export markets will be immensely important to many small firms across the south, particularly those in Galloway that are involved in the tourism, food and drink, and creative arts sectors.

The Government's rural agenda for the next five years, which has been enthusiastically received across the south of Scotland, offers a framework within which enterprise can flourish and new and lasting jobs can be created. However, it raises the question whether we could achieve more. I believe that we could, both in the south of Scotland and in the whole country, if we had access to a wider range of economic policy levers. A simple example will illustrate the general point: as a direct consequence of the UK Government's decisions, and despite our request for a fair fuel duty, fuel prices in the south of Scotland are among the highest in the country. If this Parliament had the power to set fuel duty, we would be able to address a problem that not only is economic but has a much wider social cost for many of the elderly and disadvantaged for whom transport is an essential part of daily life. A similar argument can be made with regard to our demand for control over corporation tax and the Crown estate and for having a greater say over European policy.

Although I look on the next five years as a privileged opportunity to implement with others the Government's policies in the south of Scotland, I must end with a plea that, in the debates to come

on the economic powers that the Parliament should have, we recognise that such powers are being sought not for their own sake but because they are essential in addressing the needs of Scotland's economy and fulfilling our people's aspirations.

15:32

Stuart McMillan (West Scotland) (SNP): I have been looking forward to taking part in this debate with my first speech in this new session. First of all, though, I wish every member well for the new session, particularly new members and those who are making their first speeches this afternoon.

Politically, this session will be different—and, as an SNP member, I am obviously delighted at the chamber's formation. However, the one issue that my Government and every member will have to address has been constant for some time now: the need for job opportunities and to ensure that the economy can grow sustainably.

We all ran our campaigns and the electorate spoke. The population obviously liked the small business bonus scheme, the continuation of the creation of 100,000 training opportunities—including 25,000 apprenticeships—every year and the introduction of better funding methods for buildings and infrastructure, as well as the many other things that the SNP managed to achieve over the past four years and plans to do over the next five.

I want to touch on a number of issues, the first of which is the small business bonus scheme. I am sure that every member will have spoken to many in the small business community about the importance of that initiative—after all, that sector is the rock of the Scottish economy and it is vital that it not only survives but progresses. For many small businesses that I have spoken to, the scheme has, over the past few years, been essential in keeping their doors open to ensure that people are working and contributing to society. Understandably, the scheme was not seen as a handout to the small business sector, but neither was it seen as a handout to the wider population. I found that the wider population actually realised the importance of the initiative to Scotland and were happy to maintain it in this parliamentary session.

Another important issue for the sector, which came up on numerous occasions in my meetings with business representatives, relates to the procurement opportunities that are open to smaller businesses. Many businesses felt that they were too small to compete for larger contracts or that they did not have the expertise or knowledge to be able to spend time bidding for work. As a result,

they perhaps thought that they were being left behind with some opportunities. Now and again, I heard comments that priority should be given to local businesses to take up local work opportunities. I understand and sympathise with comments that were made to me, but I also realise that there is EU legislation and that tendering and procurement must be open, transparent and available to all.

Richard Baker: Does Mr McMillan accept that processes have been introduced in other parts of the country—Wales, for example—that have been within current EU rules but which have enabled procurement to be directed to local businesses? *[Interruption.]*

Stuart McMillan: I am just coming on to that.

As I was saying, I understand the comments that were made and I am looking forward to learning more about the proposed sustainable procurement bill. It would be helpful if the minister provided a bit more information about that in his closing speech, if that is possible. I am sure that many members can put forward arguments about the environmental and sustainability benefits of awarding work to smaller local businesses compared with offering work to everyone. I am also sure that every member will know about new builds or refurbishments in their constituencies or regions in respect of which outside labour has undertaken most of the work. Could local people have undertaken some of that labour? That approach would have a positive effect on our local communities.

The third issue that I want to touch on is exporting. I recommend that members across the chamber read the report on the internationalisation of business that the Economy, Energy and Tourism Committee produced in the previous parliamentary session. One way in which we can fully ensure that the Scottish economy drives forward is through making more things and selling them abroad. We need to bring more money and new money into Scotland.

I grew up in Inverclyde, and I stay there. I am sure that I will see quite a lot of members there over the coming weeks, and they are certainly very welcome there as political tourists. However, they will have an obligation to help the local economy when they visit. If they want ideas about places to visit or eat in, they should speak to me later.

Inverclyde is famous for making many things, including ships, engines, computers and sugar. There is still a manufacturing base there and things are still made there, although perhaps not in the same quantity as in the past. Can Inverclyde make more? Absolutely, provided that the conditions are right and people want to buy the

products. Can Paisley, Glasgow and Aberdeen make more? Absolutely; Scotland can manufacture more. Given that the conditions for manufacturing in Scotland and the UK are less stringent than those in Germany, Sweden and France, where the cost of living is higher, wages are higher and labour laws are more stringent, we need to establish what we need to do to improve our exporting capabilities in Scotland. I therefore welcome the closer working partnership between the Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise and SDI that the cabinet secretary mentioned earlier.

To conclude, during the election campaign the SNP campaigned on the reindustrialisation of the Scottish economy. I greatly look forward to that. Obviously, the focus of that reindustrialisation is on the green energy sector. I recommend that the Government and the Parliament look a bit westwards at the industrial history of, and the industrial opportunities in, the west of Scotland.

The Deputy Presiding Officer (Elaine Smith): I remind members to switch off their mobiles, please, as they interfere with the sound system.

15:38

Michael McMahon (Uddingston and Bellshill) (Lab): I am pleased to be making my first speech in the new parliamentary session in this debate. I congratulate all the new members who have made their maiden speeches today and I offer my best wishes to those who will make their first contributions in the remainder of the afternoon.

Like most Labour members who spoke in last week's debate and who have spoken in today's debate, I reiterate our desire to identify areas of policy that we have in common with the Government, but also to examine the Government's programme to ensure that it does not fail to deliver for the people of Scotland either by implementation or omission.

I commend the First Minister for finally appointing a minister with specific responsibility for local government. Iain Gray gave me a specific remit on that soon after he took over as leader of the Labour Party, as he wanted to make it clear that he saw local government, which spends more than 30 per cent of the Government's money, as a major priority. I am therefore pleased that the First Minister has followed Iain Gray's lead.

I also welcome the fact that the new minister's responsibility includes planning, as that is another key field in which policy will play a principal role in pursuit of the economic growth and job creation that we all want to develop in the period ahead. The Scottish Government's 100 per cent target for renewable electricity production is just one area in which planning policy will be important. Some

have called the target ambitious, while others have gone as far as to say that it is undesirable. Regardless of what view we take on the promise, having made the commitment the Government will now be held to account for its delivery, both in the Parliament and outside it, by the energy generation sector and the environmental lobby.

As Iain Gray pointed out last week, we need to establish what else needs to be done to deliver the required level of renewables capacity by the end of the decade. I firmly believe that we need to revisit the national planning framework to make clearer what needs to be provided and—possibly more important—where that capacity might be installed.

We also need much clearer guidance on the less desirable but ultimately necessary technology for waste management in energy generation. Not to put too fine a point on it, agreement must be reached on the location of incineration and biomass plants, as well as wind farms, so that the politics is taken out of the subject in the planning process. For all our sakes, we need to end the nimbyism that, as history shows, too often skews debates on such matters, but we must also protect communities in which overprovision or unsuitable developments are proposed. Those are as much a blight on local communities as they are a bonus to the environmental benefit of Scotland.

To move away from such practical planning considerations, we await the report of the Christie commission to see its suggestions for the future development of our public services in general. I am particularly keen to see what it holds in store for local government, given the general raspberry that the Convention of Scottish Local Authorities blew towards the reform plans that all the parties outlined in the election. It will be no easy task to consider the suggestions for reform of public services and to implement them while retaining the confidence of those who run the services, those who are employed in them and the communities that they serve.

A particular concern of mine is that too many local government employees—who, on the whole, do a great job—still do not receive salaries that are commensurate with the responsibility that they hold. They are now faced with the prospect of long-term financial restrictions, which might further prevent their terms and conditions from being raised to the level to which they are already entitled but have not yet reached. In particular, far too many female employees are affected by the fact that equal pay settlements remain outstanding in a number of local authority areas.

Last week, the First Minister used colourful prose to paint a picture of a fairer society, but Scotland will not be a fairer place if public sector workers are forced to pay a disproportionate price

for five years of council budget restrictions. Willie Rennie was absolutely right to mention that there is a price to be paid for the council tax freeze. We have accepted the reality of the existing settlement between the Government and our 32 local authorities, but it comes at a price. People in poor sections of our society now pay for services that they previously received for free, while MSPs, doctors, lawyers and millionaire bankers benefit from the council tax freeze. In no one's language is that fair.

John Swinney: It was interesting that, during the election campaign, the Labour Party, having told me consistently in the previous four years that the council tax freeze was not properly funded, offered £10 million to properly fund the council tax freeze. Does Mr McMahon believe that the kind of language that he and his colleagues used for four years in the Parliament was appropriate in talking about £2 per head in Scotland?

Michael McMahon: That figure of £2 per head for every person is more than the 54p or 55p—the price of a pint of milk—that the council tax freeze saved people such as the member and me. People are now paying £40 to have their grass cut and are being forced to pay for home help services for which they previously did not pay. That is the price of the council tax freeze. At some point, that price will have to be paid and the cabinet secretary will have to realise that the freeze cannot continue in the manner that he proposes. That would not be fair, regardless of what the cabinet secretary and the First Minister claim about the social wage.

Overall, those who serve in our public sector need us to work constructively on their behalf so that we can help them to deliver the better services that we all want for Scotland. I look forward to doing that. I hope that figures are produced so that we can judge the Government on exactly what the people of Scotland are paying to meet the Government's populist headlines.

The Deputy Presiding Officer: I call Margaret Burgess, who is making her first speech.

15:45

Margaret Burgess (Cunninghame South) (SNP): Thank you, Presiding Officer. This is my first speech, so, not surprisingly, the first thing that I want to say is how honoured I am to have been elected to represent the people of Cunninghame South. It is a privilege but also a responsibility, which I will not shirk. I will always do my very best for the people of Cunninghame South.

It is also appropriate at this time to say something about my predecessor, Irene Oldfather, who was the member for Cunninghame South for 12 years. Irene chaired the cross-party group on

Alzheimer's, which helped to shape our national dementia strategy, which was announced last year. It is therefore only right that we acknowledge her work in the field of dementia and assure her that the Cabinet Secretary for Health, Wellbeing and Cities Strategy is committed to getting it right for people with dementia and their families, as I hope we all are. I wish Irene well.

I turn now to the debate. I will not say the title, because it is such a mouthful. I will focus my comments on employment. My constituency is in North Ayrshire, which consistently has one of the highest levels of unemployment in Scotland, which we need to change.

It was the SNP's proposals on jobs that got me elected. We heard from members last week that we did not mention jobs during the election campaign, but we did—it was jobs, jobs, jobs. That is why I am here—people liked what the SNP was saying on jobs.

I want to say something about those who have no jobs, because it focuses on why we are all here. Every day in my work with the citizens advice bureau service, I saw the impact that unemployment has on individuals and their families—the relationships that break down, the mental health problems, the bills that cannot be paid, the homes that are lost and the intolerable strain on families. Our job creation programme will make things better for those people.

Youth unemployment, which many members have mentioned, is at a crisis level in Cunninghame South, as it is in many other parts of Scotland, and is causing a large section of young people to become disengaged from their communities. I have spoken to many of those young people, who say that they lie in bed all day because there is nothing to get up for—they have given up. Those people are our future, which is why we need to make things better for them.

The examples that I have outlined are not exclusive to Cunninghame South; they are everywhere in Scotland—just ask citizens advice bureaux.

I will talk about the public sector, which is the biggest employer in North Ayrshire. We all acknowledge that there are tough times ahead, with the looming Westminster cuts. We need to persuade the local authorities to agree a policy of no compulsory redundancies. The Scottish Government has done that for its services; we need to make local authorities do it, too.

My colleague the member for Cunninghame North said last week that in North Ayrshire Council dozens of classroom assistants and school staff are being made compulsorily redundant. I have to say that that was opposed by the SNP group on the council. Our public sector workers and their

families need reassurance and stability, not uncertainty. There has to be another way for them.

Many are looking to us to make things better, given their hopes and aspirations, so we must support the ambitious plans for jobs and sustainability that the Cabinet Secretary for Finance, Employment and Sustainable Growth has put before us today. That is the way forward. I say to the cabinet secretary that North Ayrshire is ideally placed to contribute to and benefit from the opportunities that renewable energy presents. I will also be asking him to find a place in future plans for the upgrading of the A737, which is one of the main routes into North Ayrshire. The local businesses there see that as their number 1 priority, particularly if they are to benefit fully from the business support package that has been outlined today.

I return to our young people. The measures that are proposed for them on youth employment, education and skills, such as 25,000 modern apprenticeships a year for the next five years, will make the difference. The key point for me is that those apprenticeships will be linked to real jobs. In the past, we have seen too many supposed job-creation schemes from Westminster that have provided only what I call kiddy-on jobs, which offer the young person neither skills nor opportunities. We cannot allow that to happen again. We must ensure that the modern apprenticeships in our constituencies are linked to real jobs, as intended. I will certainly monitor that in Cunninghame South.

The strategy that the cabinet secretary has presented today is the right way forward. We will get Scotland's economy growing to deliver prosperity and a more sustainable future, but we all—members in the chamber, people in local authorities, businesses, our young people and every agency in Scotland—need to work together. It must be a collective effort. However, like many others in the Parliament, I believe that Scotland will really flourish only with the economic levers and powers of independence.

The Deputy Presiding Officer: I advise members that we are now tight for time in the debate.

15:50

Murdo Fraser (Mid Scotland and Fife) (Con): I pay tribute to Margaret Burgess for an excellent maiden speech. It is clear that she is passionate about her constituents' interests in her new constituency. I look forward to hearing more contributions from her.

I think that we all agree that we want a sustained economic recovery and that we all acknowledge that Governments do not create jobs but can create an environment in which business

can flourish. Businesses need a stable—and preferably low—tax regime, a light touch on regulation and good-quality infrastructure. I will concentrate on infrastructure this afternoon.

I will make two points. The first is on connectivity to Edinburgh airport for my constituents in Mid Scotland and Fife, and particularly for those in Fife and in Perth and Kinross. That issue arose when I and several colleagues met Fife Chamber of Commerce on Friday. Everybody in the area—particularly those who are involved in the tourism industry—acknowledges the importance of a direct rail link with Edinburgh airport for Fife and Perth and Kinross.

We all know that the Scottish Government—with our support—cancelled the overambitious and expensive Edinburgh airport rail link project in the previous parliamentary session. That decision was correct, but the quid pro quo was that we were promised an alternative—the creation of a new station at Gogar, which the trams would link to the airport terminal.

I will not rehearse the whole unhappy saga of the trams. More than a little *schadenfreude* has gone on as people have observed what has happened to the trams project under the stewardship of TIE and the City of Edinburgh Council. We must accept the risk that the entire trams project might now be cancelled, which would have implications not just for City of Edinburgh Council residents but for those who live elsewhere on the east coast and who hoped that a tram link would provide a vital connection between Edinburgh airport and the main rail line. I hope that, when the Government considers the issue, it does not lose sight of the very important point that we were promised a rail link by means of the tram when EARL was cancelled.

Joe FitzPatrick: Does Murdo Fraser think that now is the time to apologise for the Conservative Party's decision to force the Government's hand on spending £500 million on trams that not even the people of Edinburgh wanted?

Murdo Fraser: People should apologise for mishandling the project. If Transport Scotland—the Government agency—had been a bit more hands on instead of sitting back in the past four years, perhaps more progress would have been made on the trams project than has been the case.

I move on to broadband connectivity, which I have raised many times in the chamber and which I make no apology for raising. I am happy to follow Aileen McLeod's reference to the issue in her excellent speech. Many people in rural areas have no access to fast and reliable broadband, or have no access to broadband at all. In the previous

parliamentary session, the Government's broadband commitment extended to providing basic broadband, which is defined as 512 kilobits per second. Even that is not available to many residents. Meanwhile, people who live in urban areas can expect broadband speeds of faster than 40 megabits per second.

I have always believed that it is unacceptable that we have a two-tier method of communication whereby those who live in cities receive a much better service. Every year, the gulf in technology seems to be larger. That is why it must be a Government priority to see that all of rural Scotland is broadband enabled and that there is proper investment in superfast broadband for the whole country.

John Swinney: Would Mr Fraser like to reflect on the role of the market in this area? I know that he is a great enthusiast for the market. Is there not an obligation on the market, which is making a fortune from providing broadband in the cities, to step up to the plate and to deliver into the bargain some of its commitment to the rural constituents about whom I am concerned?

Murdo Fraser: Mr Swinney makes a reasonable point, but there is an issue of market failure, and Government has a role in addressing specific market failure. In some rural areas, it will not be economic for the private sector to deliver; there is a role for Government to step in there. Interestingly, the UK Government recently announced that the Highlands, along with three other areas of the UK, will see investment to roll out superfast broadband. Highland Council has stated that that investment will deliver more than £70 million of additional economic output per annum for the region. Already the UK Government is demonstrating that there is a role for some Government intervention.

Eighty-three exchanges in Scotland have the capacity for only 0.5 megabits per second. I know of many cases of households and businesses that have no access to broadband as a result. There will be investment in those exchanges only through public-private partnerships. I urge the Government to go down that road.

Cornwall Council has set a good example. Like Scotland, Cornwall is an area with a widely dispersed rural population. Cornwall Council opened a tender process to allow for a public-private partnership to bring broadband to rural communities. The contract was awarded to BT. The partnership enabled business to provide the extra investment and expertise that are needed to deliver broadband in a rural area. The project will deliver superfast broadband for the region, connecting between 80 and 90 per cent of homes and businesses, with speeds up to 100 megabits per second. All homes and businesses will receive

faster speeds than they receive at the moment. The project is expected to create up to 4,000 new jobs, with a further 2,000 jobs being safeguarded.

I agree with Mr Swinney that there is a role for the private sector, but there is also a role for partnership between Government and the private sector. I hope that the Scottish Government will learn from Cornwall's experience and from the action that the UK Government is taking to roll out superfast broadband. We need to see leadership from the Scottish Government on that vital issue.

15:57

Bob Doris (Glasgow) (SNP): In this debate, we will hear much from all sides of the chamber about whether the Scottish Government's methods of focusing on economic recovery and job creation are working. That is only right. I am sure that the Scottish Government will welcome that scrutiny. I want to ensure that we look not only at what we can achieve in the short term in relation to the issue but at how much we could achieve given the right conditions. For absolute clarity, I note that the right conditions include additional powers for the Parliament. I will say more about that later in my speech, but I want to begin by saying a bit about the here and now.

I am delighted that the cabinet secretary has reinforced his commitment to the small business bonus scheme. I see the scheme's effect on the ground locally—in Maryhill Road in Glasgow, in Springburn shopping centre and in the town centres of Rutherglen and Cambuslang. I could list business after business that has stayed afloat simply because of the scheme. There are 64,000 businesses that no longer pay rates. The scheme has made a real difference in difficult times. I am delighted that the cabinet secretary's commitment to it has been reiterated here this afternoon.

I am also delighted that we are going further. The small business jobs plan seems rather exciting. It is eye watering to think that there are 200,000 one-person companies in this country. Think of the jobs that would be created here if just a small fraction of those individuals were able to take on a second employee. I am delighted that the small business jobs plan will look at ways of supporting them to do that by showing them how to get through the complexities of the tax system, how to design and frame contracts, and how to get additional finance to make a business grow. The plan is an essential job creation measure. I am delighted to see it.

I am also delighted to see the re-emphasis on investing in our skills base and the 100,000 training opportunities per year that the Scottish Government will roll out. Of course I am delighted by the 25,000 apprenticeships, but I am also

delighted to hear more information on flexible and non-age-specific apprenticeships and other training opportunities, which are vital. In the past, some people have felt frozen out of training opportunities. It is important that we widen the possibilities and opportunities that are available to them.

I will be closely following the progress of the proposed procurement bill. It is important for local authorities and the public sector throughout Scotland to get best value through the procurement process. I am reminded of the Scottish Futures Trust's first annual outturn report, which said that, over the lifetime of contracts negotiated in the first year, there would be a saving to the taxpayer in Scotland of £100 million. It is important to get procurement right, and the procurement bill can do that.

The procurement bill can also do much more. We can ensure that local jobs form a key part of the procurement process. I hear time and again—from the construction industry and right across the board—that, because of procurement rules and European regulations, some people are squeezed out when attempts are made to fill vacancies locally. It would be good to get more information on that.

We need to do more to leverage in cash. Tax increment finance and joint European support for sustainable investment in city areas are exciting developments, but mention should also be made of the work that Alex Neil did as a minister in leveraging additional cash into the housing sector. I hope to hear good news soon about UK pension funds investing in the Scottish social housing sector. I am sure that the whole Parliament can get on board and support a can-do attitude on the part of the Scottish Government in that regard.

We must think ahead for the longer term. We must ensure that, when the economy grows—and grows strongly—again, everyone in society benefits. Parts of society never benefited from the previous good times, and inequality endured. As we create wealth for all in society, we must ensure that everyone can access it.

We must be honest: the majority of members believe that the UK Government has taken a wrong-headed approach to economic recovery in this country: where it would rather cut to bolster the economy, we would rather invest. Joe FitzPatrick illustrated how such investment works. For the financial year 2010-11, £3.3 billion of capital projects have sustained or created 50,000 jobs in the Scottish economy. Investment works.

However, with UK cuts coming to Scotland and with our desire to invest, the existing funding gap is accentuated. We must borrow to invest, and I am delighted that members on all sides of the

chamber now agree—I think—that we must go further than the Calman proposals on borrowing.

The thing about borrowing is that the money that is borrowed has to be paid back. My question is: who retains the wealth that is created when we borrow to invest? The Scottish Government will take the borrowing risk, but who will get the borrowing reward?

Every time the Scottish Government invests and takes someone off the dole or stops someone going on the dole, that brings a cash benefit to the UK Exchequer. Every time someone is put into employment, they pay tax and national insurance into the UK Exchequer. We borrow to invest, and we bring a cash benefit to the UK Exchequer. Every time someone feels confident enough to spend an extra pound in the shop, the 20 per cent in VAT—part of their spending power—brings a cash benefit to the UK Exchequer. Every time someone fills up their tank with petrol—because they can now afford to—it brings a tax benefit to the UK Exchequer.

David McLetchie (Lothian) (Con): Will the member give way?

Bob Doris: I am afraid I do not think that I have time.

There are increased profits from increased economic activity due to our decisions to invest in our economy.

A hundred jobs at £20,000 a year for people who would otherwise be unemployed means a £1 million saving through tax, national insurance and dole money for the UK Exchequer, but not one penny comes back to Scotland.

Let us secure more borrowing powers and encourage job creation. We have the rights and we want the responsibilities—and, when we create the wealth, let us ensure that this place retains that wealth to invest further in the future.

16:04

Margaret McCulloch (Central Scotland) (Lab): I pay tribute to all those members who have delivered their maiden speech today and last week. I take this opportunity to thank some of my predecessors from the previous session, including my good friend Andy Kerr, whose contribution to the Scottish Parliament and the Scottish Labour Party has been invaluable. I am delighted to have been elected by the people of Central Scotland to represent them in this Parliament.

During the course of the election, and in recent days and weeks, a great deal of attention has been given to the difficulties that face young people as they struggle to gain employment in these uncertain times. Recently published

statistics show that North Lanarkshire, South Lanarkshire and Falkirk, which are all in my region, Central Scotland, have some of the highest claimant counts in Scotland. For example, in South Lanarkshire alone, 2,685 16 to 24-year-olds are claiming jobseekers allowance.

My party, the Labour Party, has always put full square and centre the need to address the challenge of youth unemployment, because behind those statistics lie a personal tragedy for every one of those young people and a social tragedy for communities the length and breadth of Scotland. If we accomplish anything during the next five years, we must give those young people hope for the future, by giving them real jobs and real opportunities.

There are skills gaps and shortages in our economy. Employers, training providers and the Government must all work together to plug the skills gap, and if they can do so successfully, traditional industries and the new economy will prosper. Last week I visited East Kilbride & District Engineering Group Training Association, which is a centre of excellence for engineering and craft apprenticeships. I saw for myself the sense of worth and value that training and skills bring to young apprentices. We must ensure that other young people have the same opportunities. I was impressed by the confidence of not just the young apprentices I met in East Kilbride but the company, which is confident about its future and is—even in these difficult times—investing in a new-build extension.

The Scottish Government must build on that example of good practice if we are serious about taking Scotland forward. Scotland needs more apprenticeships, more jobs for the unemployed, more support for small businesses, more investment in our infrastructure and more support for first-time buyers. Those are my priorities for the Parliament and I hope that they are the Scottish Government's priorities, too.

Just as the training company in East Kilbride is tooling up for the future, so must we tool up. We need a vision for a strong and sustainable economy and we need a plan to make it happen. We need a plan to get Scots back into work and a plan for their families. We need a plan that takes the best from our proud industrial heritage and focuses firmly on future opportunities in green jobs, bio-engineering and tourism.

The people of Scotland are not daft. They do not expect miracles. However, they do expect conviction and they deserve a Government that is focused on what really matters: jobs, skills and growth. Times are tough, but if we invest today in those priorities we can build for tomorrow.

I take this opportunity to thank all the Scottish Parliament staff for their tremendous help to me and other members in helping us all to settle in. I have been genuinely overwhelmed by their support, professionalism and can-do attitude. If we could capture those intangible skills and give them to everyone the length and breadth of the country, without doubt we would take Scotland forward.

The Deputy Presiding Officer (John Scott): I call Paul Wheelhouse, who is making his first speech in the Parliament.

16:09

Paul Wheelhouse (South Scotland) (SNP): Thank you, and I congratulate you on your election to the post of Deputy Presiding Officer.

Having been born in Northern Ireland, I am a migrant from outside Scotland—a status that I share with a third of the people who live in the Borders, where I settled some 11 years ago. Some 114,000 people in the south determined that I should have the honour of representing them. I thank them sincerely and will strive to repay their faith in me.

Although I said that I am a migrant, I can trace my roots to farmers from Roxburghshire and Ayrshire, as well as mining stock in Kilmarnock and a manse in Kirkcudbright. I am very much a product of the south and I am especially proud of that.

For my sins, I am an economist by training, and I want to make my first speech a plea for the Parliament to turn its gaze towards the economic needs of the south of Scotland in the same way that Scotland once turned to the needs of the Highlands in the 1970s and 1980s. Aside from giving Scotland its national bard, Robbie Burns, and the Borders' own Sir Walter Scott, the region is perhaps best known for its scenic beauty, with rolling hills, farmscapes, pretty villages and towns. That is one of the region's undoubted virtues but it masks many economic and social challenges.

Unemployment is comparatively low and it is falling, but we have an ageing population and we struggle to retain our young people. Historically, there has been a lack of private sector graduate employment. In fact, outward migration of our young people is one of the reasons why unemployment is so low.

Although the quality of the south's produce is second to none, the region's economy suffers from what economists call a low skills equilibrium, with low employer demand for skills, low productivity and low wages. The effect is that, of the three nomenclature of units for territorial statistics areas—the geographic areas that are used by Europe—that have the lowest economic output per

head in Scotland, two are in the south of Scotland. East Ayrshire, combined with North Ayrshire, has 60 per cent of the average gross value added per head for Scotland. The Scottish Borders has 66 per cent, and Dumfries and Galloway is not far behind on 71 per cent. Economic output per head of population in the city of Edinburgh is 2.6 times that of the Scottish Borders. The Parliament must try to level up the areas.

In the programme for taking Scotland forward, at the heart of the SNP Government's economic strategy are a number of desired characteristics of growth, including the concept of cohesion between the areas of Scotland and the idea that no area would be left behind. That is a welcome change in emphasis.

Looking at cohesion in Scotland, we see that since 1999, the Scottish Borders has slipped from 78 per cent to just 66 per cent of the Scottish average GVA per head, while Dumfries and Galloway has slipped from more than 80 per cent to its current figure of 71 per cent. That long-term trend, exacerbated by the region's severe exposure to rising fuel costs, will take some time to reverse. It might surprise some members, but much of the south of Scotland now has lower economic output per head than comparable areas in the Highlands and Islands. All NUTS areas in the Highlands and Islands now outperform the Scottish Borders, East Ayrshire and North Ayrshire. Across the south, we also face high levels of in-work poverty, with many people working part time or reduced hours, or working at more than one job to make their way.

I would be the last person to ask Parliament to play one region off against another but we need to recognise—lest we forget—that the south is Scotland's southern gateway and, as such, it could have a huge role to play in Scotland's economic success. The south should therefore have a more dynamic economy and stronger society than it has had during recent decades.

Much of the region lies within a 60-mile radius of Scotland's two largest cities but, despite that potential geographic advantage, the local economies of the region languish in the economic doldrums and there is no simple cure for that. Effective distance and peripherality is best measured by drive times and, because of poor infrastructure and public transport, those times cannot compete with areas to the north of and in the central belt. For example, it takes a passenger more than two hours to reach Edinburgh from Hawick on an express bus service. That makes it impractical for people to commute daily to places such as Edinburgh or Glasgow; it also makes it essential that local jobs and the sustainability of economic development are at the forefront of our thinking.

Despite the union dividend that we are told about, and despite more than three decades of North Sea oil production and wealth, those who lived more than a century ago would probably recognise the roads infrastructure as being the same as they had in their own time. One could argue that the infrastructure of some areas of the region has regressed rather than progressed, as rail services were lost half a century ago. Transport is one of the most important factors that influence investment into the UK, and the position in Scotland is no different. However, the Scottish Borders and Midlothian have a total of zero railway stations. By contrast, the Highland Council area has 58 and Glasgow has 60. In fact, Glasgow has more stations than the total for the south of Scotland, which is 49 if we include the whole of south Lanarkshire in the total for the region.

I am proud that it will be an SNP Government that, through an innovative funding model, will restore rail to the Scottish Borders and Midlothian in 2014. Once that service is operational, I hope that I can play a role in exploring the further extension of that line to the Borders' most populous town—Hawick—and perhaps beyond to Carlisle.

I appeal to those in other parties who may be tempted to criticise the Borders railway project to resist the urge to do so, and I urge them to back the project and ensure that it is a success—just as other recent rail projects have been a success. The people of the Borders need and deserve that success, and the same is true across the south of Scotland. By supporting the project and engaging with it, we can ensure that it maximises the economic return and has the maximum number of passengers.

Like my colleague Dr Aileen McLeod, I believe that investment in research and development and in innovation is key to the future of the region. In the south of Scotland, we have an abnormally low share of investment in research and development from higher education, further education, Government and business. Tackling that issue will address another key question—why the south suffers from being vulnerable to downturns and economic shocks.

I appeal to the Parliament: the south expects all of us to look to the future and to offer the region the hope that we will act together to transform its future. I ask members to rise to that challenge and, together, to move the economy of the south forward.

16:16

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Taking Scotland forward at a time of deep recession when the country is facing substantial

cuts in its budget, is—to put it mildly—a challenge for our new Government and the cabinet secretary. That so much has already been achieved shows, in my view, not only the quality of the team that we have in place, but that the vision is there to move Scotland forward even in these economic circumstances.

Taking Kilmarnock and Irvine Valley forward will present even greater challenges locally when Diageo finally leaves with, after 192 years in the town, the Johnnie Walker identity—leaving behind an additional 700 unemployed people and directly affecting thousands of local families. Although the plant is not yet closed, the impact of the decision is already being felt through a decline in the number of vacancies being advertised right across East Ayrshire. Research by the Trades Union Congress shows that East Ayrshire has already moved to the bottom of the jobs league table, with more people chasing each vacancy than in almost any other part of the UK. As the figures show, Diageo could not have picked a worse time for its announcement. It came on top of the 2008 recession, which more than doubled the number of applicants chasing each job across the whole of the UK.

The Scottish Government is right to pursue more powers to deal with the crisis. We need solutions that suit Scotland, and we need the power to reindustrialise Scotland with industries fit for the 21st century. We also need to take all of Scotland with us down that road. As they have shown by their support for the SNP, towns such as Kilmarnock want to be part of that future. We want Scottish Enterprise and companies to look again at what communities such as ours can offer.

The people of Kilmarnock are now looking to Diageo, to East Ayrshire Council and to the Scottish Government for solutions for a sustainable future. Whether that is achieved through an enterprise zone, through an urban development company or through some other mechanism is less important than there being evidence of commitment to attract the private sector investment that we need in order to rebuild our economy.

I would like to talk for a wee minute about public sector procurement. As the local elected member, I have been approached by companies in my constituency from a diverse range of industries—from utilities to information technology, and from printing to construction. Many of those companies have worked for years on contracts let by the Scottish Government or its agencies, or with local authorities. They have all expressed some concern at the growing complexity of public sector procurement mechanisms and their impact on small indigenous companies. They all recognise the need for efficiency in procurement and for cost

savings in the face of current financial pressures, but they have highlighted the need to be mindful of the importance to Scotland of its indigenous companies. I welcome the work that has been done during the past four years to increase access to information about public sector contracts. However, although that has allowed many SMEs to access the information, we also need to ensure that procurement methods do not discriminate against companies that focus on the Scottish market alone. When tenders can result in the allocation of work for up to five years ahead, it is vital that Scottish companies are able to access public sector work here in Scotland. Without that base, they are unlikely to build the ability to compete in international markets.

With that situation in mind, I welcome the Scottish Government's plan to establish a small business unit to help SMEs in Scotland to apply for public sector contracts. That is the kind of initiative that will strengthen our business base.

I will say a bit more about the digital highway and so on. As someone who was convener of the cross-party group in the Scottish Parliament on digital inclusion in the previous session of Parliament, I recognise that a high-performing digital network is as important to Scotland's economic development today as the roads, railways and canals were during the first industrial revolution. It is great to see inward investment from companies such as Amazon, but it would be even better to see more Scottish companies building their presence on the web, so I welcome the £50 million next generation digital fund that is on the way, which will provide a real boost for business and will help to challenge the digital divide in Scotland. I caution that the digital divide is not simply a rural issue—parts of urban Scotland, particularly in Glasgow, are also falling behind in the race to get online.

There is a great deal of overlap in the actions of the Scottish and UK Governments in that area, and we need to get the best out of what will be a considerable investment. The Royal Society of Edinburgh is already doing some cutting-edge work on digital infrastructure, and it is good to see that being picked up by the UK Government, but the funding needs to follow the ideas if we are not to fall behind other countries.

If we achieve our goals for Scotland and for my constituency of Kilmarnock and Irvine Valley even in the present economic circumstances, we will certainly have cause to celebrate. The clear pledge from the Scottish Government is that, alongside East Ayrshire Council, it will work flat out to achieve those goals and to take Scotland forward to the better future that we all hope for.

The Deputy Presiding Officer: I call Neil Findlay, who will make his first speech in our Parliament. He will be followed by Chic Brodie.

16:21

Neil Findlay (Lothian) (Lab): Like many new members, I begin by saying that it is a great honour and privilege to serve in our national Parliament, representing such a vibrant and diverse region as the Lothians, which—from the warmth and solidarity of the people in the ex-mining communities of West Lothian and Midlothian to the beauty and splendour of Edinburgh—is a fantastic place to live and work.

Like the First Minister, I come from West Lothian, and I follow in the footsteps of some very notable Labour people who have represented my party at a national level: Mary Mulligan, who represented the Linlithgow constituency with great dignity and humility for 12 years; George Foulkes, my predecessor as a Lothians MSP; and two political giants of the Westminster scene, Robin Cook and my great friend and mentor, Tam Dalyell, a man for whom the phrase “independent minded”—not “independence minded”, I hasten to add—was invented.

I am an unwavering supporter of our public services. Over the past 18 years of my life, as a housing official, a teacher and a councillor, I have witnessed the vital role that good public services play in maintaining and developing a civilised and caring society. Today, the public services that we know and treasure, and which we often take for granted, are in imminent danger as a result of the bankers' recklessness and greed. Spending cuts are attacking living standards, leaving our most vulnerable people at risk, causing widespread unemployment and damaging educational opportunities.

I know that I do not look it, but I am old enough to remember the impact of the last Tory Westminster Government. In my home area of West Lothian, following the closure of Polkemmet pit and British Leyland, there were places where unemployment reached 26 per cent—what a shocking and scandalous waste of human talent. Communities were victimised and torn apart as the Tories took revenge on the National Union of Mineworkers and closed steel plants, car factories and the bulk of our manufacturing sector.

Twenty-five years later, our young people are in the firing line again. They are being denied access to training, apprenticeships and real jobs. West Lothian currently languishes near the bottom end of the national scale in providing positive destinations for our school leavers. We have to do better—we have to give people hope. That will happen, but it can do so only if we invest in our

communities, our public services and those young people.

Earlier this year, I joined a million people in London at the Trades Union Congress march against the coalition's cuts. With my colleagues in the West Lothian TUC, I have been active in driving forward the Scottish Trades Union Congress's there is a better way campaign. I fully intend to continue that campaign inside and outside Parliament. *[Interruption.]* I suggest to the Scottish Government that if it genuinely wants to work in the interests of the Scottish people and create a consensus around a sound future for our economy and social justice in our society, it should take a lead from that campaign. *[Interruption.]* For example, we should stop bleeding the public sector. It is public servants, teachers, nurses, classroom assistants and refuse collectors who deliver the essential public services that make our society a decent one. How can the Scottish Government defend public services when it is committed to a five-year council tax freeze with no prospect of reform of that tax on the horizon? I was amused by Mr Swinney's phrase

"the success of the Scottish Futures Trust"

—not really words that should be in the same sentence.

We should introduce a living wage of £7.15 per hour, not just in the Scottish Government but in local government, just as Glasgow City Council has done, and we should be evangelical about convincing the private sector to do similar.

We should highlight Scottish companies that are involved in the global scandal of corporate tax evasion. We should support the proposal for a Robin Hood tax on useless speculation and we should promote regulation for the public good.

We should have a genuine national investment bank that is able to support job creation and not here-today-gone-tomorrow chancers. We should promote workers' rights and trade union reforms and stop union derecognition such as that which is happening in the higher education sector.

We need to make social and economic equality an objective of government and have independent monitoring of progress towards that aim.

We should invest in the green economy—not just renewables but all the other opportunities that are presented by that agenda—and we should have a high wage commission to consider excessive pay and the big bonus culture that has destroyed the reputation of our once-respected financial institutions.

The debate is called "Taking Scotland Forward". I, for one, sign up to that sentiment 100 per cent. I am a socialist, and no one can be a socialist and a pessimist. Therefore, I am optimistic that we can

take Scotland forward. However, that will not happen with an agenda that cuts our valued public services and accepts privatisation—the public bad, private good argument—and does nothing to address poverty pay, poor working conditions and the lack of opportunities for our young people.

To take Scotland forward, the Parliament must defend our vitally important public services.

The Deputy Presiding Officer: I remind members to switch off their mobile phones.

16:28

Chic Brodie (South Scotland) (SNP): It is a pleasure to follow such a maiden speech.

I begin by paying a fulsome and public tribute to the Cabinet Secretary for Finance, Employment and Sustainable Growth for his husbandry of the nation's finances over the past four years. A great measure of the success of any organisation, company or association is how well the books are looked after. The nation's books have been very well looked after.

Acronyms are a problem. I fought a constituency seat so, when I received a document on my first day here that said, "Chic Brodie—SOS", my first thought was that somebody needed help. My second thought was that it was *Scotland on Sunday* and that I needed help. Eventually, I became reconciled with South of Scotland, only after one of the less charitable of my colleagues said that it actually meant silly so-and-so. I will explain why I use acronyms in a minute.

The Government deserves great credit for its proposed investment in two specific areas that are targeted at developing national sustainable growth: social enterprise and technology transfer. I am proud to be part of a Government that has committed to spend £125 million on the third sector and the creation of more social enterprises, alongside our plans for 25,000 modern apprenticeships and, as the cabinet secretary said, the youth employment Scotland initiative. I know that the cabinet secretary and the minister are heavily committed to those sectors as a major investment platform as our nation goes forward. From such little acorns, great oak trees can grow.

There is a plethora of organisations, whether it be—here I go—the SCVO, the SSEC, the CEMVO, CEIS, SKS or any of the others. I could go on and on, acronym after acronym, good company after good company. Those companies now have the opportunity to respond to the Government's investment initiative to grow with a rationalisation of intent, to voluntarily create a more cohesive, focused and joined-up sector and to provide clarity on what they do.

There are 41,000 very good reasons for doing that: the claimants aged 16 to 24. Although we have made and are making great strides into eating into that number, the diverse social enterprise organisations can further aid and abet Scotland's future growth with a common vision and purpose, in particular to enthuse and employ our young unemployed.

The Government is facilitating that work, but the likes of the co-operative mutuals, with 400 shops in Scotland, 27,000 people, a turnover of £4.6 billion a year and assets in excess of £22 billion, the credit unions with assets of £185 million, the 200 housing associations, the social firms, the development trusts and the CICs—there I go again; the community interest companies—can all grasp the Government's intent to see them as a vehicle for real, sustainable growth and, beyond that, social cohesion. They can do that by coming together, working together and involving the young, particularly in deprived areas, in meaningful job pursuits and innovation, and by securing profits that can then be channelled back to refuel our communities. By locking in their assets, the enterprises can and will be one of the engines for sustainable growth.

Social enterprises must not become another vehicle for the private sector to get grants by the back door. Our goal is clear. As part of the pyramid of economic growth, one of the cornerstones has to be a socially beneficial enterprise mechanism that benefits communities. Let it be part of what we can call the small and beautiful society, which will allow us to progress community enterprises, where practical and possible, through SME status to become, in some cases, larger employing companies.

Equally, we have the ITIs—yet another acronym—or their successors. They should piggyback again on the Government's multimillion-pound investment in facilitation to develop a positive and assertive go-to-market philosophy that is real and sustainable. If the likes of South Africa and Canada can establish successful technology transfer laboratories, Scotland can show that we are better.

Scotland's Government's vision on future sustainable growth is clear. We seek a coming together of social enterprise organisations, university research and development departments and technology transfer channels to share that vision and to embrace it and its benefits for our nation and in particular for its young.

I will end my contribution with a message to the chamber: TTFN.

16:34

David McLetchie (Lothian) (Con): I have enjoyed listening to the debate and am pleased to have the opportunity to wind up, especially reflecting on the contributions from many of our new members. I was particularly intrigued by Neil Findlay's remark that a socialist cannot be a pessimist. That led me to think, if true, how come they all look so miserable?

For the SNP Government, this is a no-excuses session of Parliament. Over the next five years, there is no majority of Opposition MSPs to frustrate in any way, shape or form its programme, which was, of course, the convenient pretext for dropping many of its more fanciful pledges in the 2007 manifesto.

Moreover, when it comes to funding the Government's programme, every pledge and commitment was made against the backcloth of a budget allocation from Westminster that was set out in the comprehensive spending review and was known from the outset—and, as the man famously said, there is no more money. Prior to the election, Mr Swinney was uncharacteristically coy about publishing anything other than illustrative figures for budgets for the years ahead. Now, the hour of reckoning is at hand and, although we still await decisions on the division of the cake, there is no doubt about the size of the cake when it comes to revenue spending.

I make those points because, although we constantly hear from the SNP about the need for full fiscal powers in the longer run, there was no serious dissent from the proposition that the extended income tax power in the Scotland Bill should not be implemented until at least 2015. Moreover, everyone acknowledges that a further move in the direction of greater fiscal autonomy, such as the devolution of a power to set corporation tax rates on profits arising from a corporation's activities in Scotland, would also take several years to introduce because, in both cases, the additional power would be matched by an equivalent but neutral reduction in the block grant—a point that was helpfully highlighted for us yesterday by Mr Peter Robinson. As we saw with the debate on the income tax power, a complex calculation is needed to get the figure right.

In reality, the solution to the problem besetting Mr Swinney lies not in bleating about the need for more powers for the Parliament. His problem is of more immediate concern and must be solved over the next few years, for which no additional powers will be available and no additional powers have been sought save for a possible acceleration in the power to borrow for capital purposes. Although I have little doubt that a great deal of SNP energy will go into confusing those issues, the truth is that they are quite separate and on different timelines.

I have been intrigued by the debate that has broken out about the true meaning of independence and somewhat amused by the vehemence with which the concept of independence lite is being denounced and even denied by the SNP. For the source of my amusement, one has to look only at the monetary policy of the SNP were independence to be attained. As I understand it, the SNP's policy is that the Scottish people should be able to vote in a referendum on whether Scotland would join the euro—a currency formerly looked on with great affection by the SNP but one that has fallen even further out of favour with the public in Scotland following the events of recent years. In the meantime, we are to keep the pound. However, in the long term, if the euro is rejected, we are still to keep the pound. Notwithstanding the fact that Scotland could have a petro-currency of its own, John Swinney has apparently no intention of floating the groat. Instead, come what may, our choice is to join the euro or keep the pound.

Is it not amazing that the party that demands independence and full sovereignty for Scotland wants decisions on the interest rates that are paid by our people and our businesses to be made in either London or Frankfurt—in fact, anywhere but Scotland—and by George Osborne at any price rather than John Swinney? Is it not astonishing that those who call for full fiscal freedom are apparently content with full monetary slavery? If the SNP does not want to have control of its own currency and to determine its own monetary policy, is its starting position not independence lite irrespective of the view that it may take on other matters?

Neil Findlay: Will the member give way?

The Deputy Presiding Officer: Mr McLetchie is in his last minute.

David McLetchie: We need to shed a lot more light on that and on other aspects of the independence debate in this session of Parliament. I notice that not one SNP member rose to deny my interpretation of their policy. That is an important issue to be argued and this is no time for flannel, ambiguities or sophistry. There is a fundamental question to be answered and it should be a straightforward one. In the meantime, Mr Swinney and the Government must face up to the financial realities of the debts and deficits that were left behind by Labour, and in that task I wish them well.

16:40

Lewis Macdonald (North East Scotland) (Lab): I congratulate all those members who have made maiden speeches this afternoon—they have

been of very high quality, adding to the quality of those made last week.

I welcome Fergus Ewing to his new role on the Government front bench and encourage him to follow in the footsteps of Jim Mather, his predecessor as Minister for Energy, Enterprise and Tourism. It is not that mind mapping is compulsory, but I pay tribute to Jim Mather's courtesy and willingness to build consensus in the previous session. That is a good example to follow.

I also congratulate Alex Neil on his appointment to the Cabinet, although unfortunately he is not with us this afternoon. I am sure that he will enliven discussion about infrastructure and capital investment in the period ahead.

That discussion is important and nowhere more so than in a debate about finance, employment and the sustainable growth of the Scottish economy. Neil Findlay and others spoke about the risk to the wider economy posed by cuts to public expenditure in Scotland and across the UK. Fewer jobs in the public sector mean less consumer spending in those communities most reliant on public sector employment, and real-terms pay cuts for public sector employees mean less money to go round in the economy as a whole. That risk is significant and there is a specific risk to investment in public infrastructure and the jobs and economic activity that that supports.

That risk was highlighted earlier in the year when Audit Scotland published its report, "Management of the Scottish Government's capital investment programme". It urged ministers to think carefully about how they will deal with a situation in which the Scottish Government's capital budget will fall by £800 million this year and by a total of £1.2 billion, or 36 per cent, over the period to 2015.

We will debate the Scottish Government's borrowing powers next week and we may well agree that the introduction of such powers under the current Scotland Bill is part of the answer. I suspect that the debate will be less about whether ministers should be able to borrow and more about how much they should be able to borrow. I hope that Mr Swinney and Mr Neil will make a case that relates the scale of potential borrowing to the value of assets held and the size of the overall devolved budget, rather than simply seeking the widest possible powers for their own sake. The opportunity to borrow will be useful but, as we have been reminded during the debate, it will also bring the requirement to pay back.

Borrowing powers are, in any case, only part of the answer. We also need ministers to tell us how they plan to update their existing plans for infrastructure investment in a way that reflects the

public spending world that we live in now, rather than that which existed in 2008. I have already asked the Scottish Government to publish up-to-date estimates of timescales and budgets for the largest of the many capital projects envisaged in the infrastructure investment plan three years ago, and I hope that ministers will think carefully about what they need to do to deliver on all their commitments. Audit Scotland summed the situation up in its statement that

“investing in Scotland’s public infrastructure is essential to providing high-quality public services.”

I recently attended the topping-out ceremony for the new emergency care centre at Foresterhill in Aberdeen, which was a project first mooted when I was the Deputy Minister for Health and Community Care some five years ago. The scale and quality of the new healthcare facilities at Foresterhill will provide a very good return on investment, not only in their own right but by allowing more efficient use of existing assets. In that case, the decisions were taken early enough and the vision was strategic enough for the project to have reached an advanced stage before the squeeze on public spending began.

We now need a strategic overview of the Scottish Government’s current capital investment plans and how they will contribute to economic growth in the context of the budgets anticipated over the next four years. Audit Scotland has said that ministers should extend the infrastructure investment plan to become an overarching investment strategy and that they should develop comprehensive information on the whole-life costs of all capital projects and assess their impact on future revenue budgets, to allow well-informed decisions to be made.

I have asked ministers for early meetings to discuss their plans for the Aberdeen western peripheral route and Aberdeen crossrail, in which I have a particular interest from a north east perspective, but the same concerns exist throughout Scotland. There will clearly need to be significant changes if a capital budget of £2.5 billion and falling is to meet the costs of projects planned when capital budgets were £3.3 billion and rising. As the Public Audit Committee said, we need to know what changes ministers are considering in relation to funding mechanisms, budgets or timelines in order to understand how and when those projects will be delivered.

John Swinney: Mr Macdonald has missed two points. First, in his extensive quoting of Audit Scotland, he managed to miss the fact that Audit Scotland complimented the Government on the improvements to the management of the capital budget that it is now undertaking. Secondly, he missed the fact that, in the budget in February, the Government committed itself to a £2.5 billion non-

profit distributing model programme to support investment in a range of public projects, in order to deal with the significant cuts in public expenditure that we face as a result of decisions of the United Kingdom Government.

Lewis Macdonald: I acknowledge those points, but I am sure that Mr Swinney will accept that taking forward a number of highlighted and specified projects through the NPD programme does not answer either the question of the overall changes that will be faced by Government in future or the question of how those NPD projects will attract the finance that is necessary if they are to go forward in a timeous manner. Of course, I would be delighted if he or Mr Ewing was able to give me assurances on those points. If they can, I look forward to hearing that during the Government’s summing-up speech.

Mr Swinney highlighted the issue of the devolution of powers to allow competitive business taxation. The suggestion is that if more business tax powers are devolved to the Scottish Parliament, the Scottish Government will be able to use them to attract more private investment and give Scottish business a better deal. That is one possible consequence of such devolution, but it is important to understand that possibility in the context of what the Scottish Government has done with the business taxation powers that it has, and to ask what its intentions are for its present term.

I remind members that, last year, a full business rates revaluation came into force. Many thousands of businesses, large and small, faced increases in their annual rates of many thousands of pounds, but ministers decided that there was no need to provide transitional relief to phase in the changes, so those who were going to pay more had to do so immediately. The result of that was not only higher bills for larger businesses, but a situation in which many businesses that had benefited from rates relief found that the revaluation had taken them over the threshold and that they were now facing higher bills with no help at all. In Aberdeen city and Aberdeenshire, the number of firms that were able to access the small business bonus scheme fell from more than 3,500 in 2009-10 to less than 3,000 in 2010-11.

Ministers also proposed in the previous session to raise a special rates levy from large retail businesses in Scotland. One of the arguments that was deployed against that proposal was that it would put Scotland at a competitive disadvantage in relation to investment decisions that are made by companies such as John Lewis and Marks & Spencer. [*Interruption.*] Ministers might want to indicate, other than from a sedentary position, whether they now accept that argument or whether they might still be considering having higher rate poundages for some types of

businesses in Scotland than in England and Wales. That will be relevant to our debates on what business tax powers might be appropriate for the Scottish Parliament.

The Deputy Presiding Officer: You should be closing now, Mr Macdonald.

Lewis Macdonald: I am sure that ministers will want to address that issue and ensure that business fully understands their intentions.

16:48

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I think that we would all agree that my immediate predecessor, Jim Mather, was an unusual character in politics. He was entirely without side and without the desire to make personal remarks and was an inspirational character whom I believe created an atmosphere of great trust, particularly in the business community, and was also widely respected across all parties in this chamber. Helping to recruit Jim Mather to the SNP was one of my greatest achievements—although he is somewhat older than me, as members will appreciate—and it is an especially hard task to follow his example, given his boundless and unlimited appetite for hard work and his willingness to meet every member of the chamber. With regard to that latter aspect, I want to state that if any elected member of this Parliament has a serious matter to bring to me, a serious analysis of an issue or a serious problem that is facing his or her constituency, my door will always be open, just as Jim's was.

I pay particular tribute to those new members who have made their first speeches in this debate. We have had many spirited—and from time to time passionate—speeches and I congratulate every one of those members.

A number of themes ran through the debate, especially in the speeches from first-time speakers, and I hope to cover them in principle. First, though, I should say that I believe that we all share a number of fairly straightforward and common objectives, which were outlined by the cabinet secretary, John Swinney. The Administration's fundamental aim is for the Scottish economy to grow sustainably. Gavin Brown was right to point out that our predecessors probably shared the same aim, but it is also right that I should start by saying that, as we all share that objective, we should all be prepared to work together to achieve it. In his speech, the cabinet secretary set out what we should be focusing on to maximise opportunities for achieving further economic growth and creating more jobs in the by-going.

In addition to the Government working with MSPs, MSPs all work together as partners with

business representative bodies and the Scottish Trades Union Congress, which was the first representative body that I had the pleasure of meeting yesterday. I then met the Federation of Small Businesses, the Scottish Chambers of Commerce and the Scottish Council for Development and Industry. In those meetings, it was accepted that we are working with those bodies to try to achieve our objectives and I very much look forward to doing just that.

Although Margaret McCulloch and Jenny Marra also covered the issue, I believe that it was Margaret Burgess who focused most directly on the tragedy of youth unemployment. Gavin Brown was correct to say that I and the cabinet secretary could just stand here and read out our list of successes. We welcome the announcements from State Street and Amazon; the fact that the Scottish Investment Bank has given loans to BigDNA, Aquamarine Power and the Amor Group; the successful inward investment that Scottish Development International has attracted; and the new jobs that many companies all over Scotland have created over recent weeks and months. However, we cannot—and should not—ignore the downside, the difficulties and the problems, especially the problems of young people who have not worked and, most of all, those who have never worked. As I said, Margaret Burgess focused on that issue in a straightforward and direct way, as did other members, notably those in the Labour Party—and rightly so.

I say to all members that we are all in this together; we are all working together to try to tackle these difficult and very wide-ranging problems, which affect not only the economy portfolio but the health portfolio. When I was Minister for Community Safety, I was horrified to learn that the costs of drug addiction to this country were £2,000 million to £3,000 million. The same was true with regard to alcohol addiction. This is not an entirely economic matter and I hope that this time we can build a consensus around our minimum pricing policy. After all, I believe that by addressing that problem in our society, we can substantially help many people to move into the labour market and live successful and fruitful lives.

With regard to helping young people into employment, I am proud that, in the last year of the SNP Government's first term, John Swinney set a target of 20,000 apprenticeships and delivered 21,000. Our target is now 25,000, which is ambitious. I acknowledge that it is dangerous to set ambitious targets, because we might not succeed in meeting them. However, we are determined to succeed and if any member in the chamber has any specific ideas or proposals about how to succeed in that respect, about things that we are not doing that we should be doing, or about things that we should not be doing at all, my

door will always be open to them. As I say, we share that objective.

I also hope to do what we can within the portfolio, using our powers and persuasion with other Parliaments, to lift barriers that prevent business from succeeding. I will run through some of those barriers and give members examples rather than dry jargon from a speech that somebody else wrote for me—members may have noticed that I am not reading it.

When I was in the community safety sector, I found out that bed and breakfast fire regulations were going to cost some B and Bs £20,000. Many B and Bs may not earn £20,000 a year, never mind being able to pay that amount. With co-operation from all parties, we therefore set up a working group and changed the rules and guidance. The new guidance may include a cost of perhaps several hundred pounds or even £1,000, and it can be implemented over a number of years. The process took around 18 months, but that is an example of our working together to deliver better regulation.

Again, I ask for help from all members over the next five years. That is important. Our railing against red tape in general terms is no use at all. Red tape, rules and regulations are not wrong per se. Does anyone think that the regulations that prevent children from going up chimneys should be reconsidered or that workers who worked with asbestos should be able to do so again? Regulation solved those problems. Red tape is not wrong, but over the next five years we can together address the disproportionate impact of regulations that have not been thought through and which have unintended consequences. Perhaps that can be done in the licensing sector—that is one example that concerns many of us. If we do that and lift barriers, we will see jobs being created and businesses succeeding.

It has been mentioned that taxation is another barrier to success. I do not want to start the session on a discordant note, so I will not do so. Many members have talked about the benefits of the small business bonus scheme. Undoubtedly, many other businesses that do not qualify for that scheme still pay substantial business rates. We are all aware of that. Business rates are a necessary evil in society and undoubtedly a large burden for many businesses, and I would be astonished if we did not consider that matter in detail in this session, but, as many members have indicated, the benefit of the small business bonus scheme has been massive. I am talking about the benefit for more than 70,000 businesses in Scotland and an average of £1,400 a year.

I hope that members will visit the Victorian market when they are in Inverness, which is in my constituency. Many businesses in the Victorian

market have said that they would not have survived if it were not for the small business bonus scheme, and many others have said that they were able to take on somebody else because they no longer had to pay business rates under that scheme. Around two months before the small business bonus scheme was introduced, I told a lady who runs a business in Kingussie that she was about to benefit from it. She did not know what it meant and she showed me her bill, which was quite large. I explained that she would receive a reduction of £2,000 or £3,000. Her reaction was a long pause followed by the remark, “Mr Ewing, I love you.” We do not expect that reaction from every constituent.

The Presiding Officer (Tricia Marwick): Your time is almost up, Mr Ewing. Will you conclude, please?

Fergus Ewing: I am happy to draw my remarks to a close, and thank every member for their contribution to the debate.

Business Motion

followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business—[Bruce Crawford.]
Motion agreed to.

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-00164, 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—

Wednesday 8 June 2011

2.30 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Scottish Government Debate: Taking Scotland Forward – Health, Wellbeing and Cities Strategy
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 9 June 2011

9.15 am Parliamentary Bureau Motions
followed by Scottish Labour Party Business
 11.40 am General Question Time
 12.00 pm First Minister's Question Time
 2.30 pm Scottish Government Debate: Scotland Bill – Borrowing Powers and Growing the Scottish Economy
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 15 June 2011

2.30 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Scottish Government Business
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 16 June 2011

9.15 am Parliamentary Bureau Motions
followed by Scottish Government Business
 11.40 am General Question Time
 12.00 pm First Minister's Question Time
 2.15 pm Themed Question Time
 2.45 pm Scottish Government Business

Parliamentary Bureau Motions

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of two Parliamentary Bureau motions. I ask Bruce Crawford to move motion S4M-00165, on the establishment of committees, and motion S4M-00178, on committee membership.

Motions moved,

That the Parliament shall establish committees of the Parliament as follows:

Name of Committee: Equal Opportunities

Remit: Set out in Rule 6.9

Number of members: 7

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: European and External Relations

Remit: Set out in Rule 6.8

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party.

Name of Committee: Finance

Remit: Set out in Rule 6.6

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Public Audit

Remit: Set out in Rule 6.7

Number of members: 9

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish Conservative and Unionist Party.

Name of Committee: Public Petitions

Remit: Set out in Rule 6.10

Number of members: 7

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Standards, Procedures and Public Appointments

Remit: Set out in Rule 6.4

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party.

Name of Committee: Subordinate Legislation

Remit: Set out in Rule 6.11

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Economy, Energy and Tourism

Remit: To consider and report on the Scottish economy, enterprise, energy, tourism and renewables and all other matters within the responsibility of the Cabinet Secretary for Finance, Employment and Sustainable Growth apart from those covered by the remit of the Local Government and Regeneration Committee and matters relating to the Cities Strategy falling within the responsibility of the Cabinet Secretary for Health, Wellbeing and Cities Strategy

Number of members: 9

Convenership: The Convener will be a member of the Scottish Conservative and Unionist Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Education and Culture

Remit: To consider and report on further and higher education, lifelong learning, schools, pre-school care, skills and other matters falling within the responsibility of the Cabinet Secretary for Education and Lifelong Learning and matters relating to culture and the arts falling within the responsibility of the Cabinet Secretary for Culture and External Affairs

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party

Duration: For the whole session of the Parliament.

Name of Committee: Health and Sport

Remit: To consider and report on health policy, the NHS in Scotland, anti poverty measures, equalities, sport and other matters falling within the responsibility of the Cabinet Secretary for Health, Wellbeing and Cities Strategy apart from those covered by the remit of the Economy, Energy and Tourism Committee

Number of members: 9

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Infrastructure and Capital Investment

Remit: To consider and report on infrastructure, capital investment, transport, housing, and other matters falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment apart from those covered by the remit of the Local Government and Regeneration Committee

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Justice

Remit: To consider and report on a) the administration of criminal and civil justice, community safety and other matters falling within the responsibility of the Cabinet Secretary for Justice and b) the functions of the Lord Advocate other than as head of the systems of criminal prosecution and investigation of deaths in Scotland

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party

Duration: For the whole session of the Parliament.

Name of Committee: Local Government and Regeneration

Remit: To consider and report on a) the financing and delivery of local government and local services, and b) planning, and c) matters relating to regeneration falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Rural Affairs, Climate Change and Environment

Remit: To consider and report on agriculture, fisheries, rural development, climate change, the environment and other matters falling within the responsibility of the Cabinet Secretary for Rural Affairs & the Environment

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

That the Parliament agrees the membership of committees of the Parliament as follows:

Equal Opportunities Committee

Membership: Clare Adamson, Claudia Beamish, John Finnie, Siobhan McMahon, Stuart McMillan, Margaret Mitchell, Dennis Robertson

European and External Relations Committee

Membership: Helen Eadie, Annabelle Ewing, Bill Kidd, Hanzala Malik, Jamie McGrigor, Christina McKelvie, Aileen McLeod

Finance Committee

Membership: Kenneth Gibson, Alex Johnstone, Derek Mackay, John Mason, Margaret McCulloch, John Pentland, Paul Wheelhouse

Public Audit Committee

Membership: George Adam, Colin Beattie, Willie Coffey, Murdo Fraser, Hugh Henry, Mark McDonald, Tavish Scott, Drew Smith, Humza Yousaf

Public Petitions Committee

Membership: Neil Bibby, Richard Lyle, Nanette Milne, David Stewart, Bill Walker, Sandra White, John Wilson

Standards, Procedures and Public Appointments Committee

Membership: Margaret Burgess, Bob Doris, Helen Eadie, Margaret McDougall, Nanette Milne, Dave Thompson, Paul Wheelhouse

Subordinate Legislation Committee

Membership: Chic Brodie, Nigel Don, James Dornan, Kezia Dugdale, Mike MacKenzie, John Scott, Drew Smith

Economy, Energy and Tourism Committee

Membership: Chic Brodie, Gavin Brown, Rhoda Grant, Patrick Harvie, Angus MacDonald, Mike MacKenzie, Stuart McMillan, Anne McTaggart, John Wilson

Education and Culture Committee

Membership: Clare Adamson, Claire Baker, Marco Biagi, Jenny Marra, Stewart Maxwell, Joan McAlpine, Liam McArthur, Liz Smith, Jean Urquhart

Health and Sport Committee

Membership: Bob Doris, Jim Eadie, Mary Fee, Richard Lyle, Fiona McLeod, Duncan McNeil, Gil Paterson, Mary Scanlon, Richard Simpson

Infrastructure and Capital Investment Committee

Membership: Jackson Carlaw, Malcolm Chisholm, Neil Findlay, Jamie Hepburn, Adam Ingram, Gordon MacDonald, Maureen Watt

Justice Committee

Membership: Roderick Campbell, John Finnie, Christine Grahame, Colin Keir, James Kelly, John Lamont, Alison McInnes, Graeme Pearson, Humza Yousaf

Local Government and Regeneration Committee

Membership: Ruth Davidson, Kezia Dugdale, Joe FitzPatrick, Mark Griffin, Kevin Stewart, David Torrance, Bill Walker

Rural Affairs, Climate Change and Environment Committee

Membership: Graeme Dey, Annabelle Ewing, Alex Fergusson, Rob Gibson, Jim Hume, Jenny Marra, Mark McDonald, Aileen McLeod, Elaine Murray—[Bruce Crawford.]

The Presiding Officer: The questions on the motions will be put at decision time.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are two questions to be put as a result of today's business. The first question is, that motion S4M-00165, in the name of Bruce Crawford, on the establishment of committees, be agreed to.

Motion agreed to,

That the Parliament shall establish committees of the Parliament as follows:

Name of Committee: Equal Opportunities

Remit: Set out in Rule 6.9

Number of members: 7

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: European and External Relations

Remit: Set out in Rule 6.8

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party.

Name of Committee: Finance

Remit: Set out in Rule 6.6

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Public Audit

Remit: Set out in Rule 6.7

Number of members: 9

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish Conservative and Unionist Party.

Name of Committee: Public Petitions

Remit: Set out in Rule 6.10

Number of members: 7

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Standards, Procedures and Public Appointments

Remit: Set out in Rule 6.4

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party.

Name of Committee: Subordinate Legislation

Remit: Set out in Rule 6.11

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party.

Name of Committee: Economy, Energy and Tourism

Remit: To consider and report on the Scottish economy, enterprise, energy, tourism and renewables and all other matters within the responsibility of the Cabinet Secretary for Finance, Employment and Sustainable Growth apart from those covered by the remit of the Local Government and Regeneration Committee and matters relating to the Cities Strategy falling within the responsibility of the Cabinet Secretary for Health, Wellbeing and Cities Strategy

Number of members: 9

Convenership: The Convener will be a member of the Scottish Conservative and Unionist Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Education and Culture

Remit: To consider and report on further and higher education, lifelong learning, schools, pre-school care, skills and other matters falling within the responsibility of the Cabinet Secretary for Education and Lifelong Learning and matters relating to culture and the arts falling within the responsibility of the Cabinet Secretary for Culture and External Affairs

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party

Duration: For the whole session of the Parliament.

Name of Committee: Health and Sport

Remit: To consider and report on health policy, the NHS in Scotland, anti poverty measures, equalities, sport and other matters falling within the responsibility of the Cabinet Secretary for Health, Wellbeing and Cities Strategy apart from those covered by the remit of the Economy, Energy and Tourism Committee

Number of members: 9

Convenership: The Convener will be a member of the Scottish Labour Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Infrastructure and Capital Investment

Remit: To consider and report on infrastructure, capital investment, transport, housing, and other matters falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment apart from those covered by the remit of the Local Government and Regeneration Committee

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Justice

Remit: To consider and report on a) the administration of criminal and civil justice, community safety and other matters falling within the responsibility of the Cabinet Secretary for Justice and b) the functions of the Lord Advocate other than as head of the systems of criminal prosecution and investigation of deaths in Scotland

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish Labour Party

Duration: For the whole session of the Parliament.

Name of Committee: Local Government and Regeneration

Remit: To consider and report on a) the financing and delivery of local government and local services, and b) planning, and c) matters relating to regeneration falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment

Number of members: 7

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

Name of Committee: Rural Affairs, Climate Change and Environment

Remit: To consider and report on agriculture, fisheries, rural development, climate change, the environment and other matters falling within the responsibility of the Cabinet Secretary for Rural Affairs & the Environment

Number of members: 9

Convenership: The Convener will be a member of the Scottish National Party and the Deputy Convener will be a member of the Scottish National Party

Duration: For the whole session of the Parliament.

The Presiding Officer: The second question is, that motion S4M-00178, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees the membership of committees of the Parliament as follows:

Equal Opportunities Committee

Membership: Clare Adamson, Claudia Beamish, John Finnie, Siobhan McMahon, Stuart McMillan, Margaret Mitchell, Dennis Robertson

European and External Relations Committee

Membership: Helen Eadie, Annabelle Ewing, Bill Kidd, Hanzala Malik, Jamie McGrigor, Christina McKelvie, Aileen McLeod

Finance Committee

Membership: Kenneth Gibson, Alex Johnstone, Derek Mackay, John Mason, Margaret McCulloch, John Pentland,

Paul Wheelhouse

Public Audit Committee

Membership: George Adam, Colin Beattie, Willie Coffey, Murdo Fraser, Hugh Henry, Mark McDonald, Tavish Scott, Drew Smith, Humza Yousaf

Public Petitions Committee

Membership: Neil Bibby, Richard Lyle, Nanette Milne, David Stewart, Bill Walker, Sandra White, John Wilson

Standards, Procedures and Public Appointments Committee

Membership: Margaret Burgess, Bob Doris, Helen Eadie, Margaret McDougall, Nanette Milne, Dave Thompson, Paul Wheelhouse

Subordinate Legislation Committee

Membership: Chic Brodie, Nigel Don, James Dornan, Kezia Dugdale, Mike MacKenzie, John Scott, Drew Smith

Economy, Energy and Tourism Committee

Membership: Chic Brodie, Gavin Brown, Rhoda Grant, Patrick Harvie, Angus MacDonald, Mike MacKenzie, Stuart McMillan, Anne McTaggart, John Wilson

Education and Culture Committee

Membership: Clare Adamson, Claire Baker, Marco Biagi, Jenny Marra, Stewart Maxwell, Joan McAlpine, Liam McArthur, Liz Smith, Jean Urquhart

Health and Sport Committee

Membership: Bob Doris, Jim Eadie, Mary Fee, Richard Lyle, Fiona McLeod, Duncan McNeil, Gil Paterson, Mary Scanlon, Richard Simpson

Infrastructure and Capital Investment Committee

Membership: Jackson Carlaw, Malcolm Chisholm, Neil Findlay, Jamie Hepburn, Adam Ingram, Gordon MacDonald, Maureen Watt

Justice Committee

Membership: Roderick Campbell, John Finnie, Christine Grahame, Colin Keir, James Kelly, John Lamont, Alison McInnes, Graeme Pearson, Humza Yousaf

Local Government and Regeneration Committee

Membership: Ruth Davidson, Kezia Dugdale, Joe FitzPatrick, Mark Griffin, Kevin Stewart, David Torrance, Bill Walker

Rural Affairs, Climate Change and Environment Committee

Membership: Graeme Dey, Annabelle Ewing, Alex Fergusson, Rob Gibson, Jim Hume, Jenny Marra, Mark McDonald, Aileen McLeod, Elaine Murray

Meeting closed at 17:01.

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