



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 22 June 2011

Session 4

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Scottish Parliament

Wednesday 22 June 2011

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

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business this afternoon is time for reflection. Our time for reflection leader is the Rev Mark Drane of Dull and Weem parish.

The Rev Mark Drane (Dull and Weem Parish Church): This time of year is fraught with tensions and frustrations, not because it is a time of great importance within the Christian calendar, nor because of company year ends or tax returns. The worst kind of tensions are felt when families begin to plan their annual holidays and time away together, with questions such as, "How will I cope with the kids for seven weeks? What will I do with them? How will I afford it all?" Sadly, for some, those tensions can be the reason for not taking an annual vacation.

The body is designed not to work constantly but to have periods of rest and relaxation—a time to get away from the pressures of life, when the body and mind can be recharged. As with our weekly activities, the body is designed for regular rest—one day in the week to be laid aside for such things. When we read the account of creation in the Bible, we read of a God who knows exactly what he is doing—not only creating out of love something that he can impart his love to, but also including in the design of our bodies the need for rest and relaxation. Within that is the recognition that that rest is taken with God, whether it be regular worship on a Sunday or not. Sadly, at this time of year, when people take a holiday away from work and from the pressures of home, they also take a holiday from God, leaving him at home with all the other things.

Members of the Parliament, I hope that you will take advantage of your time off when it comes. Come back from it refreshed and renewed in body, mind and spirit. My prayer for you is that in your deliberations and your debates you will not only use your intellect and your minds, but pay heed to the spirit of God who seeks to guide you and direct you in all that you do.

Allow me to bless you with the ancient Hebrew priestly blessing:

May the Lord bless you and keep you;
May the Lord make his face to shine upon you and be gracious to you;
May the Lord lift up his countenance upon you and give you peace.

Business Motion

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-00370, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revision to the business for the week.

14:34

The Cabinet Secretary for Parliamentary Business and Government Strategy (Bruce Crawford): In moving motion S4M-00370, I explain to the Parliament that the purpose of the motion is to insert a ministerial statement on public sector pensions reform, which we are about to come to, and to bring forward tomorrow's debate on the Offensive Behaviour at Football and Threatening Communications (Scotland) Bill from the afternoon so that there is more time for discussion of that item.

I move,

That the Parliament agrees—

a) the following revision to the programme of business for Wednesday 22 June 2011—

delete

followed by Scottish Government Business: Taking Scotland Forward – Rural Affairs and the Environment

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

and insert

followed by Ministerial Statement: Public Sector Pensions Reform

followed by Scottish Government Debate: Taking Scotland Forward – Rural Affairs and the Environment

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

b) the following revision to the programme of business for Thursday 23 June 2011—

delete

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Debate: Taking Scotland Forward – Culture and External Affairs

11.40 am General Question Time

12.00 pm First Minister's Question Time

2.15 pm Themed Question Time
Justice and the Law Officers;
Rural Affairs and the Environment

2.55 pm	Scottish Government Debate: Proposed Offensive Behaviour at Football and Threatening Communications (Scotland) Bill
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business
and insert	
9.15 am	Debate on a Scottish Government Motion to treat the Offensive Behaviour at Football and Threatening Communications (Scotland) Bill as an Emergency Bill
<i>followed by</i>	Parliamentary Bureau Motions
<i>followed by</i>	Stage 1 Debate: Offensive Behaviour at Football and Threatening Communications (Scotland) Bill
<i>followed by</i>	Financial Resolution: Offensive Behaviour at Football and Threatening Communications (Scotland) Bill
11.40 am	General Question Time
12.00 pm	First Minister's Question Time
2.15 pm	Themed Question Time Justice and the Law Officers; Rural Affairs and the Environment
2.55 pm	Scottish Government Debate: Taking Scotland Forward – Culture and External Affairs
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Motion agreed to.

Public Sector Pensions Reform

The Presiding Officer (Tricia Marwick): The next item of business is a statement by John Swinney on public sector pensions reform.

14:35

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I welcome this opportunity to make a statement to the Parliament on public sector pensions. This is an issue of real and immediate concern to a large number of people in Scotland, particularly to the thousands of public sector workers who deliver devolved services and their dependents.

Although we are discussing pension arrangements for staff delivering devolved services, many of the issues at stake are reserved to the United Kingdom Government. The stance of the UK Government has been set out previously and was reinforced in the speech given by the Chief Secretary to the Treasury to the Institute for Public Policy Research last Friday.

The purpose of this statement is to set out to the Parliament the Scottish Government's views on the UK Government's proposed reforms, given that they will have a significant impact on many staff delivering devolved services in Scotland and that this Administration does not have responsibility for such decisions. This is a long-term issue that affects the livelihood and wellbeing of nurses, teachers, police officers, social workers, firefighters and many others in Scotland—around 500,000 people. Those individuals work hard to deliver health, education and other services, upon which their fellow citizens depend. It is absolutely right, therefore, that the Scottish Parliament should hear a statement on the matter.

The Scottish Government does not believe that the United Kingdom Government's proposals represent the correct course to address the issue of public pensions. We believe that the UK Government must reconsider its proposals before seeking to impose significant changes on public service staff at this time, and in the manner and at the pace that have been signalled by the chief secretary.

Last October, the United Kingdom Government decided—without consulting the devolved Administrations—to adopt a policy of increasing employee contributions to public service schemes by an average of 3.2 per cent of pay by April 2014. The increased contributions would be staged over a three-year period commencing 1 April 2012. That, alongside the £1 billion of savings that were already planned by the previous UK Government through cap-and-share schemes for pension

contributions, is expected to deliver annual UK savings of £2.8 billion from 2014-15 from pay-as-you-go pension schemes such as those for nurses, teachers and police officers. The policy is also expected to deliver a further £900 million a year from the funded local government scheme.

The UK Government asked the devolved Administrations to agree to that approach in principle by January of this year to enable detailed preparations to take their course. We made it clear to the UK Government that we required to undertake dialogue with the other political parties in the Parliament and with stakeholders before we gave any agreement to a proposal with such long-term implications. In the intervening period, the UK Government opened negotiations with the Trades Union Congress and other relevant trade unions. It was therefore something of a surprise that the UK Government position was reinforced by the chief secretary last Friday before those discussions, which were aimed at finding a solution, had come to a conclusion.

It is important to consider the financial impact of the UK Government's proposals on the individuals who will be affected. We are particularly concerned about the burden that the policy will place on lower-paid workers, thereby undoing the benefits that we are achieving through encouraging a move to the Scottish living wage across the public sector. The real danger of a flawed approach to employee contributions might be to motivate opting out from schemes, which will be bad for the individual and bad for society.

Although the UK Government has indicated that it will rule out contribution increases for people earning £15,000 or less, it has signalled an increase of up to 1.5 per cent of pay for those earning between £15,000 and £18,000. That comes on top of other changes that the UK Government has decided to make to pensions, using its reserved powers. They include indexing public sector pensions to the consumer prices index rather than the retail prices index, which change alone is expected to reduce the value of public sector pensions by around 15 per cent.

At a time of a public sector pay freeze, rising inflation, increases in national insurance contributions, higher VAT and significant rises in fuel prices, and at a time when consumer confidence is low and we need to kick-start the economy, we believe that it is wrong to require employees to increase their pension contributions. We think that it is a short-term policy primarily geared towards deficit reduction that will have significant and negative implications for the long-term retirement provision of some of the lowest-paid individuals in our society.

The debate on public sector pensions is a long-term debate that must be founded on careful

analysis. We believe that public sector pensions must be affordable, sustainable and fair. Lord Hutton's independent review of public service pensions looked carefully at the case for reform. In his interim conclusions last October, he said that, despite recent scheme reforms, including in Scotland between 2006 and 2009, further reform is needed to recognise increasing longevity and associated costs. However, he also said that public sector pensions are far from gold-plated. In Scotland, average annual pensions for civil servants are around £4,200, or £80 a week; for local government workers they are around £4,750, or £90 a week; and the average for national health service workers, including for general practitioners and hospital consultants, stands at around £7,000 annually.

Lord Hutton's final report, published at the end of March, made a number of further, more detailed recommendations about pension scheme design, costs and governance. We recognise that a case has been made for further reform and that the issue is not unique to Scotland. We will not shirk consideration of that case, assessing it against our tests of affordability, sustainability and fairness. We will do so in full consultation with the people most affected—public sector staff and their representatives—but we must do that while taking into account the real and immediate financial pressures faced by members of the public at this time.

In setting out the Scottish Government's position on pension reform, I must be clear about the constraints on our ability to develop and apply our own solutions in Scotland. The civil service pension scheme is entirely reserved and we have no control over its provisions. In terms of legislation, changes to the teachers and NHS pension schemes require the active support of Her Majesty's Treasury. So, without the UK Government's agreement, we cannot make changes to pension rules for many of the key staff in Scotland who deliver the services for which we are rightly held to account.

Regulations about the local government pension scheme, which is a funded scheme, and the police and firefighters schemes, which are pay-as-you-go schemes, are within our control. In the past, however, the details of the police and firefighters schemes have been agreed on a UK-wide basis. In terms of funding, HM Treasury has made it clear that if we do not introduce increases to employee contribution rates as specified by them, they will reduce Scotland's block grant by a corresponding amount in respect of pension scheme costs met by the Treasury from annually managed expenditure budgets.

While the individual mechanisms vary, the consequences would be the same. Leaving

contribution rates unchanged would result in pressures on those departmental expenditure limit budgets out of which employer contributions are paid for all schemes that we have responsibility for: the NHS, teachers, local government, the police and the fire service. To give some idea of the amounts at issue, by 2014 the teachers and NHS pension schemes in Scotland are projected to generate an additional £230 million a year in extra employee contributions if the Treasury's policy is applied.

Taking together all the changes to schemes that could have an effect on our budget, higher employee contributions in line with the Treasury's policy would generate £400 million a year in additional revenue. If we were not to introduce the increases to employee contribution rates, we may need to find £400 million per year to replace that funding. That would lead to even more pressure on public services and public sector jobs in Scotland.

Given the assumptions that have been made by the UK Government on the effect on the public finances of increased pension contributions, we have very limited power to act differently from the UK. The fact is that HM Treasury is able, once again, to exercise control over Scotland's resources. By taking its current course, the UK Government is also making it difficult for us to pursue our approach of discussing how to achieve a fair balance of costs in the short term and in the longer term—for example, by using cost-sharing arrangements—and of ensuring proper consideration of, and consultation on, these far-reaching changes.

We are clear that we need an open and constructive dialogue about how to take the issue forward. Last week, the First Minister and I discussed the issue with the president of the Convention of Scottish Local Authorities, who made clear the opposition of Scottish local government to the proposals. I have also discussed the matter with the Scottish Trades Union Congress and other relevant trade unions, which share the same view.

As a Government, we are calling on the UK Government to reconsider its policy on contribution rates alongside Lord Hutton's longer-term recommendations and within the context of the current constraints on public sector pay and rising costs for householders. We are also pressing for a more appropriate timetable for consideration of the issue. We believe that the UK Government has not taken account of uniquely Scottish factors and the importance that we and this Parliament place on thorough consultation. Pension reform requires consent to be built. We do not believe that that has been achieved, and

we urge the United Kingdom Government to take a different course.

My statement has been designed to help inform the public discussion that needs to take place on the vital issue of public sector pensions. I hope that the UK Government, and the Treasury in particular, will take careful note of the views that are expressed in the Parliament, as they represent the will of people in Scotland.

Finally, let me address the issue of the industrial action that some, but not all, of the trade unions involved have proposed. The Scottish Government does not believe that there is a case for industrial action to be taken while negotiations are on-going. Such action will only damage the delivery of the public services on which our citizens depend. I urge those who are thinking about taking industrial action to encourage participation in dialogue with the UK Government in an attempt to reach a positive resolution to this important issue.

The Presiding Officer: I intend to allow 20 minutes for questions, after which we will move on to the next item of business.

Richard Baker (North East Scotland) (Lab): I thank the cabinet secretary for the copy of his statement and assure him that we will join him in opposing the approach that the UK Government has taken on public sector pensions and in calling for a change in its proposals. No one is saying that pensions should not be reviewed, but it is a fact that the huge hikes in contributions would mean that public sector workers, who already face a pay freeze and job cuts, would once again pay the price of the coalition's cuts, which are too deep and too fast.

It is the cabinet secretary's responsibility to find a different way in Scotland. That is what the Scottish Parliament is for, and the cabinet secretary can find a different way in a number of areas. Simply passing the pain from Westminster when he can act to avoid the same mistakes here will not wash.

Will the cabinet secretary therefore reassure me that he will enter into further negotiations with the trade unions before he makes any changes, and that he will not repeat the mistakes that the UK Government has made in failing to consult properly? In particular, is it not the case that there would be no reduction in funding through the Barnett formula for the Scottish Government if he decided not to make the changes for employees in the local government scheme? Indeed, is there not a risk that increasing contributions in that way might cause financial problems for that scheme if employees left it as a result? Given that we agree entirely that the UK Government is taking the wrong approach on the issue, surely the cabinet

secretary will also agree that we should not simply follow its lead.

John Swinney: I can certainly assure Mr Baker that the Scottish Government will undertake a thorough and comprehensive process of discussion and dialogue on the issue with our local authority partners, stakeholders, including the relevant trade unions, and other political parties.

Mr Baker may not be familiar with the details of everything that has happened. Before the election, the Government was presented with the requirement to give responses that would affect long-term pension contributions. One of my reasons for not doing so was that I thought that all the political parties—none of us knew the outcome of the election at that stage—had to have the opportunity to make an input into those discussions. I assure Mr Baker of the importance that I attach to building consensus and consent on such issues.

On the specific issue of the local government scheme, any scheme will be affected by employees opting out. Opting out of pension provision is a bad thing for individuals. The significant and serious financial pressures that individuals who are employed in the public sector are dealing with as a result of the combination of wage freezes and increases in VAT and prices, particularly fuel prices, are among the issues that I am raising with members. Of course people will be concerned about their financial arrangements and the implications that go with them. The local government scheme is different in that it is driven by an actuarial valuation of its health, which must take into account the scheme's financial strength and its ability to fulfil its commitments to all the relevant policy holders and pensioners. It is important in that valuation that the contribution that can be made from the public purse to the local government pension scheme is sustainable, as it is not just employee contributions that go into it; employer contributions go into it into the bargain.

Those are the issues that we would have to wrestle with in discussions with local government and the trade unions.

Gavin Brown (Lothian) (Con): I, too, thank the cabinet secretary for the advance copy of his statement. I will focus on what he has actually asked the UK Government to do. He has asked it to reconsider its policy on an increase in contribution rates, so we know that the Scottish Government does not want the average rate to be 3.2 per cent, but what does it think the rate should be? Will it argue that the rate should be 0 per cent, or somewhere between 0 and 3.2 per cent? We deserve to know.

The cabinet secretary has asked the UK Government for what he calls "a more appropriate

timetable". Can he be specific about what he means by that? Given that the commission was set up last year and that the contribution increases are to start in April 2012 and be phased in over a three-year period, what does he mean by "a more appropriate timetable"?

John Swinney: To all those questions, I say that the measures should be a product of negotiation and not a product of the United Kingdom Government setting out its position and asserting it, as in the situation that we faced in December, when the UK Government required the devolved Administrations to sign up to agreements. In my view, that is not how to do business with devolved Administrations or public sector employees. The measures must be the product of negotiation between the Government and the relevant trade unions and other stakeholders. That relates to levels of contribution and the timing of contributions.

I cannot imagine that Mr Brown is anything other than seized of the perspective, as I am, that members of the public are facing acute pressure on their household income. In part, that is because of a wage freeze that we have applied. I have explained to the Parliament the rationale for that and said that it cannot be for just one year and that it is likely to have to be for two. That places financial pressure on individuals and is coupled to the increasing costs with which all our constituents are wrestling. My advice, guidance and stance would be that the United Kingdom should enter into a process of negotiation that is fruitful and that engages the relevant stakeholders to address the questions.

The Presiding Officer: Many members wish to ask the cabinet secretary a question, so from here on the questions and answers should be brief. I point out that this is time for questions, so I do not expect statements from members. If you have a question for the cabinet secretary, ask it without the preamble.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Thank you for that warning, Presiding Officer.

The cabinet secretary mentioned the change from the use of the retail prices index to the consumer prices index in the calculation of pensions and the suppression that that will cause to their value. Does he agree that that is because the CPI does not adequately reflect the cost of living and that, moreover, the Treasury must already know that, because it uses the RPI whenever it wants to justify an increase in taxation?

John Swinney: Mr Hepburn makes a fair point. The shift that is being undertaken in that respect affects the value and effectiveness of the relevant

pensions for public sector employees, so it is a material factor in the sustainability of the pensions that individuals receive.

Rhoda Grant (Highlands and Islands) (Lab): The cabinet secretary will be aware that the NHS scheme is in surplus. What discussions has he had with the Treasury on that, given that an increase in contributions is tantamount to increasing taxation for health service workers at a time of pay restraint? Will he outline what power he has to act differently from the UK Government in respect of the various public sector schemes?

John Swinney: The First Minister made representations to the Treasury directly at the joint ministerial committee the other week, and I did so at a meeting with the Chief Secretary to the Treasury earlier this week.

I have no discretion whatever on civil service pensions. On NHS and teachers schemes, we would require—as I said in my statement—the active co-operation of Her Majesty's Treasury in making relevant regulations. We have devolved competence in relation to local government personnel, the police and the fire service, although there are budgetary implications on which we must seek clarity, and the police scheme is generally addressed on a UK-wide basis.

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Would the cabinet secretary care to comment on the deeply unfair and unequal situation pertaining to the women—as many as 40,000—who were born in 1953 and 1954? They have twice had the goalposts moved on their state pension age, just at the point when they are planning for retirement. Will the cabinet secretary ensure that he highlights the plight of those women in any representations that he makes to the UK Government on pensions reform?

John Swinney: That is a fair point, which highlights the importance of ensuring that there is effective and adequate consultation on all these questions. We are dealing with very serious issues that affect the livelihoods of individuals and, unless all the questions and unintended consequences that can arise from decision making in that area are given proper consideration, we will not do justice to individuals who have faithfully contributed to pension schemes in the expectation of having a sustainable income in their retirement.

Jean Urquhart (Highlands and Islands) (SNP): This increase comes against a backdrop of rises in fuel prices, energy and heating costs, inflation and national insurance contributions and—more significantly—a public sector pay freeze. The Treasury really could not have picked a worse time to introduce the change. What effect does the cabinet secretary think that it could have on an already fragile economy?

John Swinney: I made the point in my statement that the Scottish Government does not believe that this is the correct moment to undertake such an increase in contribution rates. Jean Urquhart sets out the reason for that in referring to the various pressures with which individuals are wrestling. Those pressures are seriously affecting household income, which has a spillover effect on the condition of the economy.

We are concerned about retail sales figures, which have been disappointing of late—indeed, I was asked about them in committee just last week. Is it any wonder that retail sales are under some pressure, given the pressures on household income? I do not think that this is the moment to add to that, when we are trying to encourage economic recovery.

Willie Rennie (Mid Scotland and Fife) (LD): I thank the finance secretary for the advance copy of his statement. He says that he views the UK changes as “short-term policy”. Does that not fly in the face of his own independent budget review, which stated that the

“projected costs of pensions are an issue of major significance”

that dwarfs much of the rest of the budget? The review recommended that the finance secretary should recognise that change is unavoidable and Mr Swinney says that he will not shirk consideration of the case, but was the rest of his statement not just that: full-on shirk?

John Swinney: Mr Rennie is fairly carving out a niche for himself in this Parliament; that is about all the justice that I can do to that particular remark. If he had paid the slightest bit of attention to my statement, to my decision to commission the independent budget review or to the current pressures on household income, he might have thought of a more sensible question to ask.

My statement made it clear that, while this Government accepts the case for pension reform, we do not believe that it would be helpful to economic recovery to undermine household income by a significant margin.

Mr Rennie is following in the distinguished footsteps of his predecessor by endlessly muttering during the answers that he is getting to the questions that he has already asked—usually badly, I have to say. I suspect that he is careering in the same direction as his predecessor.

John Pentland (Motherwell and Wishaw) (Lab): The minister's statement referred to police and firefighters' pensions. I am sure he will agree that our emergency services do a remarkable job in supporting our communities. However, he will be aware of his Government's plans to reorganise those services. What discussions has he had with

the Fire Brigades Union Scotland and the Scottish Police Federation about the proposed pension changes and how the Scottish Government's reorganisation of those services might affect such matters?

John Swinney: I have certainly not had any discussions personally with the Fire Brigades Union Scotland and the Scottish Police Federation but, as I am sure that Mr Pentland will be aware, Mr MacAskill, the Cabinet Secretary for Justice, has regular dialogue with the Scottish Police Federation and Roseanna Cunningham, the Minister for Community Safety and Legal Affairs, has regular dialogue with the Fire Brigades Union. I assure Mr Pentland that in any agenda for reform of the structure of Scottish police or fire authorities, the issues around pensions about which he is concerned would be a fundamental part of the discussion.

It is important to recall—this point follows on from the question from my colleague Christina McKelvie—that individuals have entered into pension schemes in good faith and that must be respected in any of our decision making.

Mark McDonald (North East Scotland) (SNP): I declare an interest as a member of the local government pension scheme. The cabinet secretary spoke of the need for re-engagement between those who are currently considering strike action and the UK Government. Does he agree that the recent remarks made by the Chief Secretary to the Treasury were at best naive and at worst inflammatory? Does he agree that perhaps Mr Alexander would benefit from a period of sombre reflection before he re-engages constructively with stakeholders?

John Swinney: What is important is that there is a process of substantive dialogue on this question. I am grateful to Mr McDonald for giving me the opportunity to reiterate that the Government's position is absolutely crystal clear: there is no justification for industrial action on this question. What is important is that there is meaningful and substantive dialogue. That is what the United Kingdom Government must take forward. I certainly encourage that to take its course.

Margaret McCulloch (Central Scotland) (Lab): I welcome the reference to Scottish Labour's living wage in the cabinet secretary's statement.

Will he clarify how the proposals will affect low-paid workers? Has he carried out his own assessment of how many council workers are likely to opt out of the local pension scheme? If so, what impact will the changes have on pension schemes across the public sector and what are

the implications, when they reach retirement age, for those who opt out?

John Swinney: The opt-out level is a difficult calculation to make, but I think that opting out is a real and substantive danger for many people, given the sums of money that would be involved in additional contributions.

Margaret McCulloch asked what the implications in retirement are. I think we know what the implications are. We probably all know people who have not been in a position in a period of their working life to make adequate pension provision and, therefore, suffer in their retirement.

On the impact on people on low wages, clearly the UK Government has set out a staged approach. The latest proposal that I have seen is for people earning less than £15,000 to face no increase in contribution but those earning between £15,000 and £18,000 to pay 1.5 per cent. I point out that when the United Kingdom Government was setting out its approach to pay constraint, which is similar to the position that we have adopted, the threshold was set at £21,000. There are a substantial number of people earning more than £15,000 but less than £21,000 who would be caught by the requirement to increase contributions. Clearly, the conditions that might give rise to a danger of opt-out are to be avoided.

David Stewart (Highlands and Islands) (Lab): Further to Jamie Hepburn's point, is the cabinet secretary aware that the Public and Commercial Services union has initiated a judicial review of the UK Government's switch from using RPI to CPI in its calculations, which will cost public sector workers an average of 15 per cent of their pension benefits? Does the Scottish Government have a view on that switch and has it made representations on it to Westminster?

John Swinney: I am aware of the judicial review to which David Stewart referred. It is on a matter that is among the concerns that the Scottish Government has about the whole approach that is being taken. I return to my central point: there is a case for pension reform—the Government does not deny that—but what we have to ensure is that we take forward the agenda on the basis of negotiation and consent, which is the right way to proceed on these matters.

Taking Scotland Forward: Rural Affairs and the Environment

The Presiding Officer (Tricia Marwick): The next item of business is a debate on taking Scotland forward: rural affairs and the environment.

15:05

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): It is fitting that today's debate is on the eve of the Royal Highland Show. The Highland is the foremost showcase for the best of rural Scotland. I urge members to pay a visit in the next few days. They will have a great time and will be bowled over by what they see and, of course, what they taste.

Scotland is blessed with a wealth of natural resources: the land that we farm, which gives us a sense of place; the seas that we fish; and the wind, waves and water that give us the power that our society needs today and into the future. Our natural resources are central to our Government's purpose of sustainable economic growth.

As we look to the future and the big issues that face society here in Scotland and globally, we are reminded that Scotland has an abundance of the natural resources that most nations would give anything to possess—resources that can deliver energy security, food security and water security, and that can help us to tackle climate change and to safeguard biodiversity. The key challenge that we face is how to make the most of that natural jackpot not only to maintain but to improve our people's quality of life, at the same time as protecting our precious environments—in short, how we ensure that sustainable development is at the heart of everything that the Government does.

We know that the success of our economy is dependent on the success of our environments. In the face of increasing demands for our natural resources from this country and abroad, we need to get the balance right. That is why we have developed our first land use strategy, to understand what our land can deliver for Scotland and to identify the conflicts between competing uses. Now that we have that framework in place, we will deliver the action plan to ensure that, in the years ahead, what happens on the ground reflects the principles that are reflected in the strategy.

It is not just land that we need to protect. As we are a maritime nation, our seas are also crucially important to our future. The Marine (Scotland) Act 2010—our first marine act—is now in place, and we have much to do to take forward our marine planning regime and to establish marine protected

areas, to ensure that we safeguard our precious and unique marine environments.

If we play our cards right, we can ensure that our natural resources deliver prosperity for our rural communities. Our natural resources and spectacular environment can help rural Scotland to punch above its weight in its contribution to our nation's success. That is the picture that was described in "Our Rural Future", the result of the "Speak Up for Rural Scotland" consultation that we held a few months ago.

One of the key opportunities that was identified in the document illustrates how we can ensure that our rural communities benefit directly from the resources on our doorsteps. Our rural land and seas are set to produce renewable energy that will power our nation in times ahead. Our consultation told us that the opportunities that the renewables revolution presents must not be squandered and that there must be direct and lasting benefit from renewable energy for communities throughout Scotland.

Onshore, we need to ensure that all renewables projects deliver community as well as national benefits. Increasingly, Government funding for renewables is linked to community benefits. Our communities must also enjoy the benefits of our absolutely massive offshore renewables potential. Let us be clear—the windfall from our offshore renewables sector must stay here in Scotland, not bypass our communities on the road to London. We do not want to repeat the missed opportunity of North Sea oil. That is why today the Scottish Government has delivered to the United Kingdom Government our case for control over the Crown estate, asking for it to be devolved to Scotland, where it belongs.

Our communities should not only enjoy the benefits of our renewables potential but have the opportunity for ownership. For example, with help from a Government grant, communities in Westray in Orkney drew up plans to install a wind turbine that will generate almost £4 million for them over its 25-year lifespan. They will use that income to tackle fuel poverty, extend provision at the local learning centre and improve the golf course.

As a Government, we will support community empowerment and confident communities. Of course, we want to do much more than has been happening. Producing clean energy is one way in which communities can tackle climate change, but other ways exist, as our climate challenge fund has shown, so we will maintain that fund for the next five years.

Neil Findlay (Lothian) (Lab): I am very pro-renewables, but does the cabinet secretary accept that the lack of a strategic plan for the siting of wind farms is resulting in a Klondike-like rush by

developers to site wind farms in some locations, which is producing an overconcentration of wind farms in some areas, such as the Harburn area of West Lothian? That overconcentration is causing people who were pro-renewables to become anti-renewables. Will the cabinet secretary comment on that?

Richard Lochhead: It is important to site all renewables projects in the right locations. Many local authorities have plans to ensure that that happens. If Neil Findlay has concerns, he might wish to speak to his local authority. The Scottish Government has given local authorities guidance on the issue.

Renewables are one way of tackling climate change. It is fair to say that, in the previous parliamentary session, climate change took centre stage. We have in place world-leading legislation to support the low-carbon economy of the future and our focus now turns to delivery.

The Minister for Environment and Climate Change and I will work with colleagues across the Government and the Parliament to ensure that all sectors in Scotland make their contribution. The report on proposals and policies to meet our targets up to 2022 demonstrates that we can do that. We still look for higher ambition from the UK and Europe to match our own. The minister has just returned from the environment council meeting, at which he emphasised that point. It is fair to say that Scotland is being recognised across Europe for its breadth and depth of thinking on climate change.

To tackle climate change and save valuable resources—financial resources and precious materials—we as a society must continue our journey towards a zero-waste Scotland. Our ambitious zero-waste policy is making great strides in preventing waste from going to landfill and the methane emissions that that causes. An innovative carbon metric, which classifies waste by emissions impact rather than weight, is a European first.

How we deal with waste is vital, but land use in Scotland—particularly agriculture—is responsible for many of our emissions. Thankfully, our farmers have shown commitment to reducing on-farm emissions. Implementing sustainable farming practices can save money, cut carbon and reduce volatile input costs for businesses. Early action can achieve millions of pounds' worth of benefits to the industry by 2022, and we must continue to support our farmers' efforts.

Farmers' commitment to responsible stewardship of the land provides the raw materials for an industry that is worth £11 billion a year to the Scottish economy. Scottish food and drink's record growth in recent years has been buoyed by

increased recognition of premium Scottish produce at home and abroad—for instance, overseas exports rose by 28 per cent between 2007 and 2010 alone.

We can all agree—as members will find out at the Royal Highland Show this week—that Scotland's larder is second to none. The world cannot get enough of our salmon, our whisky and our venison—and so the list goes on. We all want the Scottish brand to be the number 1 choice here and overseas. I am delighted to tell Parliament today that, to support that, we will deliver an extra £1.1 million of funding to Scotland Food & Drink. That funding will support events such as Scottish food and drink fortnight and cultural highlights such as the Royal National Mod and the Edinburgh book festival, to ensure that they showcase Scottish food and drink. That will all help to promote Scotland as a land of food and drink.

That fully deserved reputation depends in part on Scotland's unspoiled environment and natural resources. Our food and drink sectors depend on the raw materials produced by our primary producers, such as our farmers and crofters, who also care for the environment that provides our food and drink with such a clean and green image. That is why we need the right policies and the right support to be in place for our primary producers. That means that we need to get the best outcome possible from the formal negotiations that start later this year on the common agricultural policy's future.

As I explained to the Rural Affairs, Climate Change and Environment Committee this morning, I will argue for fairness, flexibility and simplification, as our priorities for the future of the CAP. We deserve a fair share of the overall budget and we need the flexibility to address the diverse circumstances faced by Scottish farmers, including those working less favoured area land. We need a simplified CAP, which cuts red tape and delivers a proportionate monitoring and enforcement regime.

Scottish agriculture is distinct and requires distinct solutions. The United Kingdom coalition may want to slash the CAP budget and get rid of the direct payments that our farmers and crofters, particularly in our more remote areas, depend on, but this Government will demand a fair share of the CAP budget, demand food security and make the case for on-going direct support to keep, for instance, our hill farms and more fragile areas afloat. Some reform is needed, but it is clear that Scotland's farmers are not safe in UK hands. That is why this Government—our ministers and this country—needs to be in the room in Brussels when the crunch decisions are taken.

Alex Fergusson (Galloway and West Dumfries) (Con): I am sure that the cabinet secretary will recall that in March, I think, the National Farmers Union Scotland had meetings at the Department for Environment, Food and Rural Affairs and with ministers from Westminster. They came back saying that the doors of the Westminster Government were more open than they had ever experienced them being during devolution. Does he not welcome that and would he not say that that is a good way for Scotland's case to be put forward?

Richard Lochhead: Once the UK Government lets Scotland into the room, I will welcome that.

We will request a meeting with our UK counterparts to agree a greater role for Scotland in European negotiations. We believe that we have a mandate from Scotland to seek a bigger role and that is what we will do.

We will also seek a greater role in fisheries negotiations. Reform is needed if we are to guarantee a sustainable industry, a healthy marine environment and vibrant fishing communities. The Commission will come out with proposals in July and implementation will follow in 2013.

We have some lead-in time and we must use that potential for influence as much as possible to promote Scotland's priorities, but our guiding principle is clear: Scotland needs greater responsibility for fisheries management returned from Brussels to here. We have long argued for a simplified and decentralised fisheries policy and for the return of decision-making powers to Scotland, where they belong.

We are making the case to give us the tools to help us to tackle, for example, the scandalous waste of fish discards in our waters. We are making inroads by working together with the industry, but if we get more of a say, we can do more.

We also need to protect our historic fishing rights. Europe is talking about unrestricted international quota trading, which will hand our historic fishing rights into the hands of multinationals based overseas. That will spell doom for many of Scotland's traditional fishing industries.

It is vital, in relation to both the CAP and the CFP, that Scotland has a strong voice in Europe. That includes Scottish ministers not only attending but participating in European Council of Ministers meetings. The people of Scotland spoke last month and, on this and other issues, the UK Government now has the opportunity to show that it has listened.

The future holds massive opportunities for rural Scotland. We have the resources to power our

economy, feed our people and underpin successful rural businesses. There are challenges, such as high fuel prices and constrained budgets, but we have a marvellous environment that spawns many of the raw materials that can drive our economy forward, and here in Scotland we have many of the raw materials and resources that are becoming increasingly scarce in the rest of the world. If we use those sustainably, empower our communities to secure the benefits and connect our communities to the rest of the world, we can offer rural Scotland and the whole nation a brighter future.

15:18

Sarah Boyack (Lothian) (Lab): First, I welcome Stewart Stevenson to his new role and back to the Government front bench. I look forward to working with him. I also welcome Alex Fergusson to the rural, environment and climate change brief.

How the next five years pan out will be all about how the Scottish Government uses its leadership. For the last couple of weeks, the message from Scottish National Party ministers has been that ministerial doors are open to us to present our ideas for the Government to act on. I very much welcome that offer. The Labour manifesto for the election was full of practical ideas and we will pursue those ideas through the Parliament's committees and in our debates.

On all the big issues—our climate; how we deal with waste; how we address sustainable flood management; how we protect our natural environment and at the same time make the most of our environmental capital; and how we protect our rural communities from the impact of SNP and Tory budget cuts—Labour will be arguing for fairness and environmental justice.

In the previous session, we were critical of the SNP's financial changes to the funding regime for flood investment, and only last week the Scottish Environment Protection Agency's flood map showed that thousands of houses and businesses in my region are still at risk of being flooded—in the Lothians alone, more than 13,000 homes and almost 1,300 business are still at risk, with potential damage estimated at £115 million.

We have also supported the SNP's zero-waste ambitions, but we remain critical of the lack of financial support to bring those ambitions about. Across Scotland, people are deeply concerned about proposals for incinerators, but the SNP Government does not have a coherent policy framework that will enable it to make the right decisions. There are challenges there.

In the previous session, we stopped SNP ministers from privatising our forests—[*Laughter.*]

With respect, the minister's colleague, Roseanna Cunningham, withdrew that proposal. At the time, we congratulated her on that.

The Minister for Environment and Climate Change (Stewart Stevenson): It was not privatisation.

Sarah Boyack: I am afraid that it is a matter of record. The SNP Government wanted to privatise more than 25 per cent of the Scottish Forestry Commission's estate. The minister should look at the proposals from the previous session.

Stewart Stevenson: That is not correct.

Sarah Boyack: It is a matter of public record.

We will scrutinise—

Stewart Stevenson: Will the member take an intervention?

Sarah Boyack: On that specific point, I would be delighted.

Stewart Stevenson: I ask the member to give me a single specific quote where we ever used the word "privatisation".

Sarah Boyack: The Government's proposal, as outlined by Michael Russell, the then Minister for Environment, was to lease out to the private sector, for more than 75 years, at least 25 per cent of the Scottish Forestry Commission estate. We all remember the debate at the time.

Stewart Stevenson: So the Government did not try to privatise the estate.

Sarah Boyack: It did not, because we stopped it. Let us just move on from that pain.

We will also scrutinise the implementation of the Marine (Scotland) Act 2010 and the network of marine protected areas. We need a proper scientific basis for protecting our marine environment. We need a regional approach that is sensitive to fisheries stocks and to local fishing interests and jobs. We look forward to engaging in the reform of the common fisheries policy.

In the previous session, we persuaded the SNP Government to retain the Scottish Agricultural Wages Board, which is important to incomes for rural families. We also argued for more transparency about how the rural development programme is implemented, and for animal welfare and biodiversity concerns to be at the heart of land management policies. In this session, we want there to be more practical support for crofting and community ownership.

As the minister has suggested, the reform of the CAP and the rural development programme will require effective leadership, because difficult decisions will have to be taken and we all need to be involved in those conversations.

The Labour Party will continue to support initiatives to promote Scottish food and drink, and I welcome today's announcement. However, the Scottish Government must do much more to support local food procurement. We believe that targets to develop more local supply chains are needed if we are to secure local supply to our schools, hospitals and local services.

As food prices rocket, many are struggling to make ends meet. That is why we need more community gardens and allotments to meet public demand. I would like to know what priority the Scottish Government attaches to its election commitment to enable public sector organisations to provide access to land and support for the development of new opportunities for people to grow their own produce locally. Will legislation be required?

As the Scottish Government faces the next five years, it needs to be radical. We suggested the establishment of a commission on rural Scotland to take evidence from communities across Scotland on action that the Scottish Government needs to take to improve people's lives. We need investment in rural services and jobs to ensure that rural communities do not lose out disproportionately from cuts, whether those cuts come from an SNP or a Tory Government.

Rural development has to be about more than agriculture and forestry, although both those industries are crucial to rural communities; it must also be about economic development, tourism and private and social house building.

We also need progress on superfast broadband. Will the Scottish Government today set a timescale for the roll-out of superfast broadband, which is essential to the success of rural businesses?

In the previous session, ministers asserted that the Scottish Government's climate change targets would blaze a trail for the rest of the country. Can we have a report today on the progress that is being made on meeting those targets? I would like to give the minister the opportunity to reaffirm the Scottish Government's commitments to meeting the 42 per cent target, because very little progress was made in the whole of the previous session.

We have a golden opportunity collectively—across the Parliament—to use the next five years to put in place the necessary radical policies. As we celebrate the Climate Change (Scotland) Act 2009 two years on, we need to celebrate achievement, and we need to get going now. It is the Scottish Government's responsibility to set the right policy framework.

The Labour Party has engaged constructively in the debates and made many suggestions on targets, the land use strategy and the need to

address energy conservation as well as energy and heat generation. We backed a strong public duty backed by green procurement to enable the public sector to take a lead and make the ambitions that were set out in the 2009 act a reality.

In our manifesto, we made a suggestion about infrastructure for electric vehicles, starting in our cities. Will the cabinet secretary lead by example and commit to converting the Scottish Government's fleet to electric and low-carbon vehicles?

We also want to see more action on the energy efficiency programme, which—again—will need leadership. Will the Scottish Government match or even go further than our ambition of having 10,000 public and social sector houses receiving benefits from the feed-in-tariff and the renewable heat incentive by 2015?

The other area in which the Scottish Government could go further is in carbon-efficient use of land. That is why we argued for the introduction of a land use strategy. Will the minister tell us when the action plan for implementing the strategy will be published?

If we are to see the achievement of the Scottish Government's target of planting 100 million trees within the next four years and peatlands restoration, there will need to be a co-ordinated approach. We must seize opportunities for strategic green infrastructure. As the Scottish Wildlife Trust has commented, more needs to be done if we are to achieve habitat restoration and the creation of a national ecological network with a more proactive approach to biodiversity.

We need radical politics and action. For example, the central Scotland green network and the John Muir way have the potential to improve people's quality of life and create new jobs and tourism opportunities. If it is to be successful, work needs to be done through partnership between the Scottish Government and local authorities.

Studies have shown that thousands of jobs could be created as we move to a low-carbon economy, but those jobs must be spread throughout our urban and rural communities, and for that we need the right planning framework, a commitment to green procurement and investment in sustainable infrastructure.

I say to the cabinet secretary that we agree that the next five years represent a fantastic opportunity, but they do so only if the practical policies are in place to deliver on the ambitions. Our radical climate change targets can be met in Scotland only if we make the transition to a green economy and if we use all the powers that the Scottish Parliament has now to put those ambitions in place. Labour will argue that fairness

and environmental justice are the right principles to underpin those ambitions. I give the cabinet secretary our commitment that we will be constructive, add our policies to the agenda and scrutinise the work of the Government during the next five years. The ambitions are right, but they will be achieved only if we work together and get the practical policies in place.

15:28

Alex Fergusson (Galloway and West Dumfries) (Con): I draw members' attention to my entry in the register of members' interests.

I am delighted to participate in the first rural debate of the new parliamentary session but I have to confess that trying to encapsulate my thoughts on the huge remit of the policy portfolio within six minutes is almost impossible. I will achieve it, however, Presiding Officer.

Despite the limit on the time that is available to me, I cannot begin without saying what a pleasure it is to speak from a position that allows me to intervene and occasionally disagree with members, rather than having to listen to contributions with which I was occasionally in profound disagreement, usually with gritted teeth, from the esteemed position of the Presiding Officer's chair. You might get used to that this afternoon, Presiding Officer. Let me put it another way: it is good to be back on these benches, particularly for a rural debate. I look forward to many more of them.

There will need to be many more of them because we are entering a five-year period that will be decidedly serious for rural Scotland. It is half a decade in which much might change. If we get things right, the change will almost certainly be for the better, but the opposite is also true. Therefore, I wish to state from the outset that we on these benches will support the Government fully when we agree that the best interests of rural Scotland will be served. I also serve notice that we will oppose the Government to the best of our ability if we disagree, and there will inevitably be occasions when we disagree.

Like Sarah Boyack, I commend the cabinet secretary for his policy of leaving his door open to Opposition spokespeople, although I express the hope that it will be as open when we do not agree as it will be when we do. In fact, the former is probably more important than the latter.

It is clear that CAP reform is the big issue before us in this session. With some 700 members of the European Parliament all arguing their corners, it is difficult to foresee that the negotiations will have a wholly agreed, detailed outcome. It is surely more likely that there will be an overall policy agreement that contains within it a degree of flexibility.

Personally, I think that that would not be an entirely unhelpful outcome—indeed, perhaps it is one that we should aim for. We must also seek to achieve a fairer share of the available budgets. That applies as much to the UK Government, as the member state that is involved in the negotiations, as it does to the Scottish Government, as it seeks a fair share for Scotland within the UK's overall CAP budget.

The needs for flexibility that I referred to are many and varied, but are perhaps best highlighted by the huge challenge that will be faced post CAP reform, as we move to area-based payments for agricultural support. The Scottish Government rightly says that we need a regime that supports active agriculture, but I argue that we must also ensure that we reward productive agriculture, or at least ensure that we do not disadvantage the most productive areas of the sector as support is redistributed on a non-historic basis.

On its food and drink policy, we are highly supportive of the Government's intentions. I particularly welcome the SNP's manifesto commitment to continue efforts to improve food education in Scotland's schools. I endorse the work of the Royal Highland Education Trust in that regard, whose activities several members have been engaged in over the past few months—indeed, I think that the picture of me milking a full-size plastic cow that appeared in a recent edition of *The Scottish Farmer* is bound to become a collector's item. More seriously, I cannot commend RHET's efforts enough, and I trust that the Government will continue to be supportive of that organisation.

On regulation, there is much to do, and we will support every effort to simplify it and to reduce the endless form filling and bureaucracy that are now such a massive part of every farmer's life. I offer a helpful suggestion to the cabinet secretary: he could do worse than start with the Scotland rural development programme application process, which we spoke about at this morning's meeting of the Rural Affairs, Climate Change and Environment Committee. He and I know that that process is expensive, highly complex and, as I know from my constituency work, a significant deterrent to a large number of smaller producers. The fact that they are put off by the application process means that they cannot benefit from the SRDP, which is particularly disappointing, given that the issue could be addressed quickly and relatively easily.

In addition, I think that the industry would benefit greatly from a clear statement by the Government on its priorities for the three remaining years of the SRDP. The goalposts have moved too often and it is surely time for some clarity. That would benefit all parties involved.

The land use strategy, which was laid in the dying days of the last session of Parliament, is high in aspiration, but there are parts of it that I am not convinced have been thoroughly thought through. For example, I am having great difficulty following how it ties in with the forestry strategy. I think that comparison of map 3 in the land use strategy, which is entitled "Woodland Cover in Scotland", with map 5, which is entitled "Suitability of Land for Woodland", shows that it is not possible to achieve the target of afforesting 25 per cent of Scotland without removing a considerable amount of land from sustainable agricultural production. The RACCE committee will look at that. Afforested areas are decreasing rather than increasing and the Government has serious questions to answer on that policy, as it does on many others. I have not even got started on the subject of sheep tagging—which, incidentally, is not one on which I and the cabinet secretary would disagree strongly.

I want briefly to mention the land reform and agricultural holdings legislation, both of which I understand that the Government seeks to review during the session. Those are pieces of legislation on which we are less likely to agree, but I genuinely hope that the SNP will learn the lessons from the Parliament's first session, when, even though it was in opposition, it did more to stop the supply of agricultural land for rent than any Government or organisation has ever done, simply by raising the prospect of a compulsory right to buy. I hope that that sort of rhetoric is behind us. If it is not, the outcome will be the opposite of what the Government seeks to achieve. If it is, we can all work together in partnership to improve what is not an altogether satisfactory situation.

The Deputy Presiding Officer (John Scott): We move to the open debate. I call David Torrance, who will make his first speech in our Parliament.

15:34

David Torrance (Kirkcaldy) (SNP): It is a privilege and an honour to be in the Parliament representing the people of Kirkcaldy constituency. I thank my predecessor, Marilyn Livingstone, whom I worked with on many issues during her 12 years as an MSP and before that, when we were both members of Fife Council. I thank Marilyn for her long service to the people of Kirkcaldy, and I wish her and her family all the best for the future.

Rural affairs and the environment are important parts of Scotland's future. Under an SNP Government, ambitious aims have been adopted and we lead the world with the targets that we have set for reduction of our carbon footprint. That will benefit generations of Scots in the years to come and it will prove that Scotland can be a

world leader, not only in protecting our own country but in playing our part in helping the world.

The food and drink industry should be congratulated on its success. Sales of Scottish retail brands have increased by 30 per cent since 2007, which has brought in an extra £425 million. Scottish beef sales have increased by 21 per cent and exports of food and drink are up by 15 per cent, all supported by measures that have been taken by the SNP Government. Since 2007, assistance of £34 million has helped 174 Scottish businesses in food processing and marketing. Highlands and Islands Enterprise has invested £2.2 million in helping 67 companies, Scottish Enterprise has helped more than 200 food and drink companies to break into new markets and to develop new products, and the Scottish manufacturing advisory service has supported 74 food and drink businesses. All of that is helping the economic recovery.

Rural areas also play an important part in Scotland's growing tourism industry. Our country, which has some of the most stunning scenery in the world, is becoming more and more popular, and more Scots are spending leisure time at home. We have only to look at the popularity of the mountain biking ranges in Fort William, Aviemore and the Borders, which boast some of the best biking trails in the world. The increase in numbers flocking to our ski centres in the past few years, and the ever-growing numbers who are taking to the hills at weekends, also play a vital part in the economic growth of local economies.

The £50 million that is to be invested under the next generation digital fund aims to accelerate the roll-out of superfast broadband to rural Scotland. That shows that the SNP is committed to supporting rural life, rural communities and the rural economy. The roll-out is important for the next stage of Scotland's development and will ensure that everyone has access to technology and the opportunities that it brings.

I turn to the environment. The Scottish Government's targets for the reduction of greenhouse gases are the most ambitious in the world. We have targets for reductions of 42 per cent by 2020 and 80 per cent by 2050, as we push forward towards a low-carbon economy, which is expected to be worth about £12 billion by 2016. We have set a target for all of Scotland's electricity to come from renewable sources. Some have scorned that as being unachievable or impractical, but as someone who has spent his life in engineering, I believe that it brings great opportunities and potential for the future of manufacturing in Scotland after many years of decline. We have to reach out and grab the chance to be a world leader in the field. It will create thousands of highly skilled and well-paid

manufacturing jobs, accompanied by the thousands of service jobs that the industry will need.

The Crown estate revenues that are already being generated by renewables flow from Scotland to a general fund at the Treasury. If Scotland had control of its assets, it could reinvest to develop new and more efficient installations and it could support Scottish companies to establish themselves in renewables. Similarly, if Scotland's coastal communities are to reap the benefits of offshore renewables potential, the Scottish Parliament must have full control over our sea bed.

Recycling rates have improved considerably over the past four years of the SNP Government. In Fife, rates increased from 38 per cent in 2007 to 47 per cent in 2010. Fife Council is to be congratulated as it is one of the top performing councils in recycling. In my constituency, a pilot scheme in more than 500 flats achieved a 92 per cent recycling rate and has, due to its success, now been rolled out to all flats. That shows that easily accessible recycling points encourage residents to play their part.

Education plays a crucial part in how we meet our targets. In my youth, environmental issues were never discussed at school, but now more than 3,600 schools throughout Scotland are registered with the eco-schools programme, and more than 1,000 of them are flying green flags, which shows that young children and teenagers have become more aware and concerned about our climate and how we affect it.

The Fife diet, with its slogan "Think global, eat local", is another success story that is backed by the Scottish Government's climate change fund. It started off with a few volunteers promoting growing and buying local food and actively working to reduce their communities' carbon footprint by avoiding produce that is flown from the other side of the world. What started out as a small group now has more than 1,000 members.

I have referred to our ambitions many times. Why should the people of Scotland not be ambitious? Why accept a slice of cake when we have the ability and potential to reach out and grab the whole cake for the benefit of the people of Scotland?

15:39

Helen Eadie (Cowdenbeath) (Lab): First, I congratulate David Torrance on his first speech in Parliament. It was a well-constructed speech. I also thank him for his kind words about my friend and colleague Marilyn Livingstone. All members on this side of the chamber would place on record their fond and good wishes to Marilyn for the time

that lies ahead, and we thank her for everything that she has done for the people in the Kirkcaldy constituency.

It is a pleasure to speak in the debate. I wholeheartedly agree with my colleague Sarah Boyack, who spoke about the Labour manifesto, protecting our rural communities and—something that is close to my heart—trees being planted across Scotland. I have made it a real cause in my local area to ask any employer who can do so to plant trees, so I was delighted when Exxon and Shell responded by planting 5,000 trees. Every one of us in this chamber could do likewise: we should not just leave it to the Government; we should take every opportunity that we can to get trees planted.

I wish to take the opportunity today to talk about the European aspect to rural and environmental issues. First, perhaps some members will be surprised to know that the constituency that I am proud and privileged to serve has considerable rural areas. Mines and other industries may have dominated my part of Fife in the past, but agriculture and allied industries now play an important role in employment.

Recently, the journalist and commentator Lesley Riddoch highlighted figures that show that the accessible rural population increased by 10 per cent, or some 57,000 people, between 2001 and 2008. That, she pointed out, came as budgets were tightening. As any farmer will say—including Alex Fergusson—the problem is that it is difficult to feed a bigger flock with less feed. That is why we must make more of the investment that can come from European funding sources to all our rural communities.

I was delighted this week to receive news that a community-led project in Aberdour in my constituency has won funding from the LEADER programme—a European Union-funded scheme that benefits rural areas. As many members will know, LEADER is delivered by partnerships of local organisations known as local action groups. The LEADER programme is popular with many voluntary and community organisations because of its community driven small-scale approach; it will be particularly popular with the children and parents who will benefit from the Humble play park project when it opens. I pay tribute to the community activists who have got the project off the ground and the local authority officials who assisted in driving the European funding model to help serve the community. We can clearly see that European money can be harnessed to great effect on a small scale, but I hope that ministers will also be thinking bigger.

The Forth replacement crossing is a major transnational European route and is of importance not just to Fife but to the entire east coast of Scotland. I have been encouraging ministers to

act, including Stewart Stevenson when he was Minister for Transport, Infrastructure and Climate Change in the previous session of Parliament. I congratulate him on his being returned to a position on the front benches; he is able, and I look forward to working with him in his new post. I have tried to encourage him to apply seriously the Scottish Government's resolve to seek funding from Europe to assist in delivery of that key infrastructure project, but so far I have had no success. I look forward to watching this space—perhaps Richard Lochhead might take up the cudgels with Stewart Stevenson. I am sure that many of those working in agriculture and fishing see the true benefit of the replacement crossing to ensure that their goods are easily available at market.

Members will, no doubt, have followed matters that have been emerging in Greece over recent weeks, and the decision last night not to move a vote of no confidence in the Greek Government. These are troubled times for Europe, but if we are to benefit our rural citizens in Scotland, we must continue to work closely with our European neighbours.

It used to be that providing citizens with electricity and water was a priority, but today high-speed broadband is the new goal. Our cities are largely provided for by the private sector, but active intervention is needed to ensure that Scotland's rural communities get the digital infrastructure that they need to ensure that citizens can play a full part in the global economic world. I hope that ministers will work closely with UK colleagues to ensure that EU programmes to boost broadband infrastructure can be exploited in Scotland.

The European Commission is developing a European digital agenda to avert what it describes as an "unacceptable digital divide". Scotland's rural communities cannot afford to be left behind, so we must all work to ensure that the divide is eliminated. The EU is also working on a new European supergrid for electricity and gas, which the Commission says will help to meet Europe's growing need for energy in smarter ways, by providing secure and stable supplies of energy to help us to achieve Europe's climate change goals.

Scotland's rural communities would benefit from improvements in ensuring that community energy projects have access to the market, which would drive both revenue and employment to rural areas. The green revolution that all parties herald can come to fruition only if power can be bought and sold.

The Deputy Presiding Officer: The member must close, please.

Helen Eadie: Scotland's rural communities are not just in the Highlands and Islands and in the Borders, but exist throughout Scotland. We must strive to ensure that those communities are never an afterthought. Working with the EU and with other nations, we can deliver real improvements for our citizens. Although we may have problems with the common fisheries policy or its agricultural cousin, such co-operation is essential if we are to improve our environment and rural prospects.

15:46

Mark McDonald (North East Scotland) (SNP): I congratulate my colleague David Torrance on his maiden speech. It was a thoughtful contribution and I am sure that there will be more like it. I welcome the cabinet secretary back to his position. The comments that were made across rural Scotland during the election campaign showed that he was the unequivocal choice of rural Scotland for the position, so it is great that he is back. I also welcome Stewart Stevenson to his new role, which sees his return to the ministerial team.

A number of members have commented on the wide range of the portfolio, and it is true that a number of different areas could be covered. I am not going to try to cover everything; I am going to look at a few key areas in which I have a particular interest. The first of those is resilience of rural communities—a point that I touched on in the Rural Affairs, Climate Change and Environment Committee this morning. Rural communities currently have a growing population and several rural local authorities are seeking to increase the housing in their areas through their structure plans. At the same time, some of those communities are suffering loss of services, whether through the loss of a post office or through the closure of a local bank branch or school. I therefore welcome the moratorium on rural school closures that was announced by the Cabinet Secretary for Education and Lifelong Learning.

Rural communities also find themselves struggling because of inequality of service. For example, if someone who lives in a rural community orders something online, they often have to pay a rural premium of £15 or £20 on top of the price of the product to have it delivered, even if they are located just a short distance from an urban area. Such things can cause great difficulties for our rural communities. The challenge is to ensure that we create vibrant communities in our rural areas and to make them not just places where people live but have to go elsewhere to access services. I welcome the cabinet secretary's comments about the focus on

community empowerment and the creation of more confident and vibrant communities.

In a previous speech in the chamber, I mentioned a community in the north-east that is set to benefit from its own renewables scheme. Udney is set to benefit from a community wind turbine to the tune of £4 million to £5 million over a 20-year period. Similar things are happening in other communities throughout rural Scotland, and we should try to encourage such developments to ensure that communities benefit and are empowered.

Another key area to focus on is food and drink. I very much welcome the additional funding that the cabinet secretary has announced today. Within the food and drink sector, we must ensure that retailers are not just selling Scottish products on their shelves but are actively promoting Scottish products as premium products. Beyond that, we should be guaranteeing a fair deal for producers. A commitment was given that an adjudicator would be introduced to look at the "Groceries Supply Code of Practice" and to ensure a fair deal for producers, but the UK Government has not yet honoured that commitment. We must keep the pressure on it to follow through on that commitment to ensure that producers are getting a fair deal. All too often, it is the producers who feel the pinch in terms of the prices that they are paid.

We should not be parochial when it comes to Scottish produce—we should not promote it just to Scottish people through retailers; we should also take up the international opportunities that exist to take Scotland the brand overseas and capture the market. There are a number of fine examples of Scottish companies in the food and drink sector that have captured a large slice of that international market. At a recent Scottish Enterprise briefing that I attended, Dean's of Huntly was mentioned as an example. Dean's has captured a significant contract in the United States, and it has recently been promoted in the Gulf, via Scottish Enterprise. I welcome the efforts that the cabinet secretary made in the previous session to reintroduce the haggis to the United States of America. I hope that he will find success in that regard.

Zero waste and landfill diversion are important not only from an environmental point of view, but from a financial point of view, particularly for local authorities, many of which face the prospect of significant increases in landfill tax burdens if they do not take urgent action to reduce the amount of waste that is sent to landfill. In Aberdeen, we have taken the decision to introduce the co-mingling of garden and food waste, so that people can now recycle their food waste with their garden waste as it is sent to be composted. That has significantly boosted recycling rates in Aberdeen and, crucially,

it has reduced the amount of waste that is sent to landfill and the amount of rubbish that people put in their bins.

The variation in recycling across local authorities needs to be carefully considered—not just the recycling rate, but what can be recycled. There is often variation—even between neighbouring authorities—in what can be recycled by householders. To boost recycling rates, we need to find a way to allow neighbouring authorities to share recycling or to encourage other items to be recycled where there are opportunities to do so. I welcome the progress that was made during the previous session and I look forward to the progress that will be made this session. In particular, I look forward to what the Government will be introducing by way of proposed legislation.

15:52

Jackson Carlaw (West Scotland) (Con): I will confine my remarks to climate change. I begin with a heartfelt vote of thanks to the cabinet secretary and the Scottish Government for allowing climate change to migrate away from transport and infrastructure to rural affairs and the environment—for no other reason than because, in committee, I am now spared the regular excesses of Parliament's resident proponent of the frankly politically daft, who I see is not in his seat in the chamber this afternoon.

I welcome Stewart Stevenson back to Government. I was not one of those who called for his resignation before Christmas, and I am genuinely pleased that he is now back in the Government.

This is the second birthday—I keep being told—of the Climate Change (Scotland) Act 2009. I repeat the concerns that many members of the former Transport, Infrastructure and Climate Change Committee felt over the substantial planning and programme of action—or rather the lack of it—that underpinned the chest-thumping ambitions for carbon reduction targets that were contained within. To paraphrase Mr Asquith, there is no point in our ringing the bells this week only to be wringing our hands in five years' time. I will resist any temptation to revive the debate over sources of national power, but I repeat the concern that I have felt profoundly, which is that the heady ambition of the Parliament to set even headier ambitious targets is not always matched by clear—or even opaque—substantive policy, as opposed to discussion, at which we excel.

We have committed to a target of an 80 per cent reduction in greenhouse gas emissions in 39 years, and a 42 per cent reduction in just nine years. We might have willed ourselves the ability

to set the target, but I am not satisfied that we have yet willed ourselves the means to achieve it. That is not to say that we have no idea of anything that can or will be done to make progress, as the minister, the Government and others have made many suggestions; it is to argue that all that we presently agree on and contemplate will probably leave us far short of the target that we have set.

There is a danger in this. If, by 2016, as this session of Parliament nears its close only four years away from the interim target deadline, our economic recovery has perversely reversed some of the recent downturn in emissions that we have achieved and we seem to be some distance away from the objective, the inclination may well be to panic. That would potentially be a disaster, because we could be seduced by notions of compulsory regulation and penalty, which could hugely prejudice the public good will and tempt us, in a still fiercely competitive marketplace, to impose actions on the framework of our economy that would be counterproductive for our economic and employment wellbeing. I therefore do not mean it lightly when I say that we must do what we can now, by doing that which is most benign as early and as comprehensively as possible in order to make progress.

Over the past four years, I have become persuaded by Mr Gibson's ambition to re-wet the peat bogs, even if it is not an ambition to do so personally. It is a uniquely Scottish option, of which we have not embraced the full potential. Emerging evidence suggests that it could be one of Scotland's big bangs for its buck in terms of carbon emissions reduction if we were to embrace the opportunity fully.

I also welcome the commitment from all sides to the promotion of electric motor vehicles. I have been an advocate of those for several years and I remain excited about not just the opportunity in existing technology but the emerging technology over the next 25 years. We can see how different the motor car of 25 years ago is from that of today, and we can imagine how different it could be again in 25 years. The fact that all mainstream new household car models are appearing in electric form offers us a fantastic opportunity and a much more imaginative one than depressing talk of national speed limits of 50mph. Moreover, Scotland is a huge producer of the batteries that power today's electric vehicles, so it is a win-win situation environmentally and economically.

I remain opposed to draconian methods, but I say in all candour that I fear that at some point during this session of Parliament a lack of material progress towards the 42 per cent target will be impossible to ignore. We have set the targets in law, although I think that none of us is quite sure what will befall us if we fail. However, if we are to

avoid a chorus of siren protest from others month in, month out and year in, year out, we had better agree exactly how and when—and the sooner, the better. I ask ministers from what, by how much and when will we achieve our ambition.

I, too, welcome—as Sarah Boyack and Alex Fergusson did—the minister’s open-door policy. I was somewhat concerned at his response to Mr Fergusson’s intervention earlier in the debate, when he rather suggested that unless he is in the room, Scotland is not in the room, which was a sort of modern-day version of Louis XIV’s refrain “L’état, c’est moi.” I think that there is a distinction between the minister and Scotland. However, if his policy is, as he states, to be as open as possible, then on this issue—which I think all the Parliament shares the ambition to achieve—it is absolutely important and fundamental that in these early years we agree how we are going to do it in a way that will carry the voluntary support of the people of Scotland, and which will avoid the need for us to fall back, as some fear we will, on regulation and penalty.

15:58

Graeme Dey (Angus South) (SNP): At the risk of being parochial, I suggest that in real terms, few parts of this country better encapsulate the traditional strengths, difficulties and benefits of Scottish Government support and the fantastic potential that we possess, than my home constituency of Angus South. Angus has fantastic farming and fishing-related traditions. Despite the challenges that those industries have faced, the Arbroath smokie still enjoys world renown and we continue to play a lead role in food production, not least in the soft fruit sector.

However, the rural parts of Angus and, indeed, Scotland are about more than food production, important though that is. Rural Angus is the scene of many small and medium-sized business success stories. Castleton of Eassie is home to Agrico UK, the Scottish arm of one of the leading seed-potato exporters in Europe, which does business around the globe from its base on the western edge of my constituency. Monikie hosts Denfind Stone, which is expanding its production at the reopened Pitairlie quarry and making its mark on the sandstone cladding and dry-stone dyking scenes. Kirkbuddo is the location of Sturrock’s Joinery, which has carved out a reputation second to none for producing bespoke wood products. In the village of Newtyle, we have the thriving James Pirie and Son—butchers and producers of champion haggis and sausage. Those are just four examples of the kind of success to which I refer. Scottish Government backing is very much at the heart of what is being achieved. Agrico talks positively of the training

support that it has received from Scottish Enterprise, and Denfind Stone’s move to its new on-site headquarters, with the accompanying jobs boost, is being funded by an SRDP grant. The Newtyle post office and shop, which is the butcher’s sister operation, has been able to open a takeaway business, thanks to backing from the post office diversification fund. Between them, the post office and the butcher employ a dozen people, which keeps local folk in employment in their own village.

There are challenges out there for our communities, of course. Another village that I am privileged to represent bears testimony to that. The Letham area boasts a population of around 2,000, but it has no on-site general practitioner provision. In general, local folk have to travel to Forfar, which is five miles or so away, to see a doctor. That is fine if the person is fit and healthy or has ready access to a car, but Letham has an unusually high proportion of elderly residents and a fairly limited bus service. Locals are able to take the bus to a GP appointment, but all too often there will be a £12 to £15 return taxi journey if they do not want to hang around thereafter. A strong community council-led campaign that the local SNP and Conservative councillors and I have backed is pressing NHS Tayside to address that unacceptable situation.

Poor bus services are, of course, an issue for much of rural Scotland. Thank goodness, in that case, for the free bus travel scheme that the Scottish Executive introduced and the previous SNP Government expanded. Those who, during the recent election campaign, wished to deny people access to free bus travel until the age of 65 should be in no doubt about the importance of that scheme to rural Scotland. As the cuts from Westminster bite through national Government in Scotland and down to the local government level and make subsidising unprofitable bus routes more difficult, it is essential that we maximise footfall on rural buses. Bus drivers will say that, if it was not for their use by free bus-pass holders, many routes would be under greater threat, or worse.

There are other difficulties in rural areas, one of which is fuel poverty. Between September and December last year, some of my constituents were hit by a price hike of 50 per cent for fuel oil. The cost of fuel, whether for keeping our homes warm or powering our cars, is in the control of another place, of course, but that should not prevent members from recognising the hardship that Scots face on that front, or from applying pressure to have such matters properly addressed.

Access to high-speed—indeed, half-decent—broadband is another issue. A constituent of mine runs a wedding photography business less than

10 miles from our major population centre of Arbroath. She has told me that, because of poor-quality broadband access, she is effectively running her business 24/7, with all the associated costs that that involves, simply in order to download and receive the images that she needs. That is not good enough, so we should surely all welcome the Scottish Government's next generation digital fund and the cabinet secretary's determination, which he outlined at this morning's meeting of the Rural Affairs, Climate Change and Environment Committee, to see greater focus being given to meeting the needs of rural communities.

In recognising the problems that rural communities face, we should acknowledge that there is also much to celebrate and anticipate. This debate is about taking rural Scotland forward. In Angus, we are very much looking to the future, not least on the renewable energy front. Plans for an offshore wind farm to be located 25km off the coast promise to place Angus at the forefront of clean green energy production. As the local member, I very much welcome that. Phase 1 of the Firth of Forth offshore wind zone will stretch from Carnoustie to the boundary with north Angus. That project has the potential to power 850,000 homes. The export cable will come ashore at one of three possible locations around Carnoustie before it continues its journey underground across south Angus to Tealing, where it will link up with the national grid. Planning permission will be applied for next summer, construction should begin in 2015, and it is hoped that the field will become operational in 2017. I hope that Scotland will have control of the Crown estate long before then and will therefore be able to enjoy the full financial benefits of that coastal energy generation. The development is about more than energy production, of course; it also has the potential to bring jobs to Angus. The scheme will require a construction base, which could be at Montrose, although Dundee is also being considered. I know that Seagreen Wind Energy has been actively engaging with Angus Council's economic development department about involving local businesses in the project.

Angus was the scene of the signing of the declaration of independence and the battle of Dunnichen, and it lays claim to being the birthplace of Scotland. We are proud of our position in Scotland's history, but we also look to the future. We aim not only to protect and develop our rural communities, businesses and agricultural sector, but to be very much at the forefront of the rapidly developing renewables revolution.

16:04

Claudia Beamish (South Scotland) (Lab): I do not want to compete with the previous member, but I represent the South Scotland region, which also has vast rural tracts of which many of us are very proud. Because of that, and as I have lived in Clydesdale for 20 years, I want to highlight protection for the arts in rural areas and rural public and community transport.

Beyond Kilmarnock, Dumfries and other towns lie rural hinterlands, market towns, small coastal villages and ex-mining areas, all with their own heritage and future. Our identity, sense of place, dreams and aspirations are all celebrated in the arts, whether that is through creating, performing, participating or absorbing what others express for us to experience. The arts can be a path to regeneration and they can develop tourism and bring visitors to our communities.

In the small town of Sanquhar, A' the Airts, a new community arts centre, has been opened in a renovated building in the High Street after a long struggle. The funding is from a range of partners, including the Scottish Government. This week, also in Sanquhar, the Crawick Artland Trust meets to try to push forward an ambitious arts project at a former opencast mine. It is hoped that the world-renowned artist Charles Jencks will work with other artists to transform it into a land art site of national significance. At a time of economic challenge, the arts are always likely to suffer, not least in rural communities, where there is a sparser population to argue the case. I ask the cabinet secretary to consider with care and imagination how to help to bring forward those and other projects, through working with communities, artists and funding partners.

Across the chamber, there is broad agreement that services in rural Scotland must be protected. It is vital that rural public and community transport is protected and developed, otherwise people without a car, who are often on low incomes, cannot access work, services and facilities, including arts and leisure facilities. What plans does the Scottish Government have to ensure that bus company contracts include times and routes that prevent rural isolation, as highlighted by the previous speaker? That applies not only to people of all ages without a car, but to those who choose public transport for environmental reasons.

The valuable and popular concessionary fare scheme could be widened to include community transport. I ask the Scottish Government to support community transport projects generally, such as the Rural Development Trust in Clydesdale, which converts waste cooking oil from local school kitchens into biodiesel to run minibuses that are driven by volunteers. The buses are used by schools for trips and by

community groups as diverse as the Clydesdale Befriending Group and Liber8, which works with young people who are affected by drugs and alcohol.

As we all know, car use, which is often essential in rural Scotland, is one of the largest sources of CO₂ emissions. Supporting imaginative alternatives can help us to reach our climate change targets. This morning, I joined cyclists in Edinburgh city chambers for a bike breakfast, although somewhat guiltily, as I came on the bus. Cycling must have funding support in rural areas as well as urban ones if we are to meet our target of 10 per cent of journeys being made by bike by 2020. I ask the cabinet secretary to be aware that although potholes on rural roads are dangerous for cars, they are even more dangerous for cyclists.

Support for car clubs must not only be in cities. I am delighted to say that car sharing has come to Dunbar, with a voluntary group called SpareWheels, which was started with the help of Transport Scotland grants through Carplus. Such innovative projects cannot be kick-started or sustained without financial support from Government. We must support communities to work together, as happens in transition communities and through groups such as Sustaining Dunbar, A Greener Hawick or Carbon Neutral Biggar. We must give them the financial support and advice that they need. I hope that the Scottish Government will continue to do that, even at a time of economic austerity.

There is a determination to change lifestyles and reassess our priorities, and I believe that there is consensus across the chamber when it comes to sustainable development. I join the members who have already highlighted those issues, such as Jean Urquhart and Patrick Harvie. I say to the Scottish Government, through the two ministers who are present, please commit to adopting complementary measures to gross domestic product.

The Scottish Labour manifesto committed to adopting a pilot, but I will be honest: we were saying, "What shall we do, and which pilot shall we go for?" It was quite a difficult task, but it is important, and the national performance framework may offer the Scottish Government an opportunity to move forward on that. I understand that the Economy, Energy and Tourism Committee may address the issue, and that the Finance Committee may consider an inquiry, so I urge those committees to help us along the way.

I ask the minister and the cabinet secretary to be bold in supporting that initiative. We cannot allow the range of options to let us hesitate. We must choose from the possible measures that complement and go beyond GDP, and put the

structures in place to measure sustainability, wellbeing and equality, so that here in Scotland we can all move forward together.

16:10

Jim Hume (South Scotland) (LD): I declare a farming interest, and note that I am pleased to have the opportunity to speak as the Liberal Democrat member of the Rural Affairs, Climate Change and Environment Committee, covering issues in which I have always had a keen interest.

Scotland's rural industries make significant contributions to our economy, so it is only appropriate that we have the opportunity to hear how the cabinet secretary plans to manage this crucial portfolio. The Government does not have a monopoly on wisdom, however, so I will work constructively with the cabinet secretary. I will mention a few areas that I feel he should prioritise.

We all know that agriculture is vital to Scotland: it is important for the jobs that it delivers to rural areas and for the international reputation of our high-quality produce. Only recently, we learned that the total income from farming stood at £618 million in 2010, which is a significant sum that underlines the industry's importance. I suggest that one of the Government's priorities should be to increase that figure beyond the 2007 peak of £665 million. There was a drop of £150 million between 2007 and 2009, so I hope that the cabinet secretary will do all that he can to keep that income on the rise.

In speaking about agriculture in Scotland, we cannot overestimate the importance of the common agricultural policy. At the Rural Affairs, Climate Change and Environment Committee's first meeting last week, I was concerned by the convener's apparent willingness to wait and see what Europe proposes in terms of CAP reforms before the committee takes any action. I am far more interested in seeing Scotland play a role in shaping reform proposals rather than reacting at a later stage, so I sincerely hope that the cabinet secretary agrees with me and that, on reflection, the convener shares my view that the CAP should be the priority for the Government and the committee.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): As the former convener of the previous Rural Affairs and Environment Committee, I suggest that Jim Hume looks back at some of the papers that it produced on CAP reform, which is a subject on which a watching brief must be kept.

Jim Hume: Absolutely—I am aware of the former committee, but I am more concerned about some of the remarks from the current committee.

My views are echoed in the recent draft of the Dess report, which highlighted the importance of the CAP to driving forward competitiveness and innovation and to addressing fairer distribution of direct payments, which would of course benefit Scottish farming. The report also recognises the crucial importance of LFA support in Scotland, given that its land mass is 85 per cent LFA.

There is no doubt that the Scottish rural development programme has done some fine work, but it could be better and it should be managed more effectively. I have previously argued that access to the SRDP should be widened by making the process easier for claimants. We need to fast track smaller schemes to reduce expensive adviser costs and cut some of the red tape that I am sure we all want to be rid of. It is time for the Government to grasp the thistle on that.

I am also concerned following the publication of an Audit Scotland report that questioned the eligibility of some schemes that were awarded funding. You can imagine the despair of some groups that acted in good faith but which have had funding withheld due to Audit Scotland concerns about the management of schemes by Scottish Natural Heritage. I have written to the cabinet secretary on those matters and I look forward to some positive movement.

In his party's manifesto, the cabinet secretary said:

"I want to see more people able to live and work in our countryside."

I echo those words, and I was therefore pleased by his enthusiasm at a rural hustings for the home on the farm commitment that was in our manifesto, which would use planning regulations to assist in creating affordable homes, perhaps from disused and underused farm buildings. It would help with the growing problem of a lack of affordable rural housing due to inadequate housing provision. It would also help new entrants and allow land users to retire into their own communities. I look forward to hearing the Government's proposals on those matters.

The Scottish Government committed itself to an ambitious expansion of the forestry estate by planting 100 million trees by 2015. As Alex Fergusson said, it is difficult to see how that target can be achieved without the loss of agricultural land, so we must resolve the clash between existing land users and those who wish to plant on land.

Mike MacKenzie (Highlands and Islands) (SNP): Will the member take an intervention?

Jim Hume: I am sorry, but I am in my last minute.

The Scottish Government must avoid disproportionate burdens on communities. In the Rural Affairs, Climate Change and Environment Committee this morning, I asked the cabinet secretary to review the Forestry Commission's guidelines for planting to ensure that we are not avoiding certain areas of land that could be adequate hosts for thousands of trees. At the moment, there is a refusal to plant on hill tops and peaty soil, which, as we all know, is most of Scotland. The science of whether to plant in peat-based soils needs to be explored. I am interested to hear the cabinet secretary's view on that.

Another issue that puts lives at risk and acts as a barrier for business is poor mobile phone coverage. The Government's manifesto spoke of identifying

"barriers to increased mobile coverage".

We all know that the real barrier is cost. I argue that we should encourage widening the scope of operator partnerships to spread the higher cost of building and maintaining new masts in rural locations.

Many more issues need to be covered in the rural context. I look forward to the cabinet secretary addressing a few of the points that I have raised today.

16:16

Paul Wheelhouse (South Scotland) (SNP): A couple of months ago, I campaigned with the cabinet secretary in the Borders and introduced him to representatives of the local fishing sector, local farmers and local seafood producers. It was obvious that there was considerable mutual respect between the cabinet secretary and those he met, which I think was because the cabinet secretary, like half the Cabinet, represents rural areas. The Government has a high degree of interest in the needs of rural Scotland and a degree of trust has built up between the two.

During the election, we introduced a farming manifesto, which I am delighted will be implemented across South Scotland, because it is full of initiatives that will benefit agriculture and the associated food and drink sector in the region. Those key employment sectors will make a significant contribution to the regional economy.

However, I want to focus on the wider economy of rural Scotland. In Scotland as a whole, average house prices equate to approximately eight times median earnings. In areas such as Ettrick, Roxburgh and Berwickshire they are eight and a half times median earnings, which is slightly more than average, but in East Lothian they are 10 times median earnings. Population growth is high in those areas, as Helen Eadie mentioned.

Scotland's population increased by 2.4 per cent between 1999 and 2009. In Ettrick, Roxburgh and Berwickshire the increase was 3.5 per cent, and in East Lothian the increase was 10.2 per cent. We can see the link between migration and house prices.

Unfortunately, the increase in population is serving mainly to increase commuting traffic, given the low job density in those rural areas, and low gross value added, which indicates that the jobs that exist have relatively low productivity. That means that earnings are low, which contributes to people who live in those areas struggling to get on to the housing ladder, given that they face high heating bills and that the cost of travelling to work is high. There is a vicious cycle.

In areas such as Ettrick, Roxburgh and Berwickshire and East Lothian, a higher or similar percentage of school leavers enter higher education, but a lower proportion of occupations require graduate-level skills, which contributes either to underemployment for graduates who choose to stay in rural areas—they work in jobs that do not necessarily require graduate skills—or to their having to leave the area as part of an exodus to urban Scotland to find graduate-level employment. Therefore, having viable commuter transport options, which are in short supply in many areas of rural Scotland, are vital to enable people with graduate-level skills to access relevant job opportunities.

The health and sustainability of rural communities in the broadest sense will depend not only on the vital work that is being done to support the land-based sectors but on developing other sectors in the supply chains and diversifying the wider economy to generate the kind of jobs that will help to retain our young people and help them to have as good a quality of life as people living in urban Scotland.

Sarah Boyack referred to Scottish and UK Government cuts. I draw her attention to the fact that she failed to reflect on the Labour Party's responsibility for generating the fiscal position that we now face. If rural services are being cut in response to that, the Labour Party should take some of the blame.

To address some of the issues in rural Scotland that I have mentioned in a more general sense, we need to seek a higher level of investment in research and development and innovation in rural areas. Many of our businesses are good businesses, but they are faced with competition from abroad, where there is a greater degree of investment and innovation in product design. To remain competitive, the gap between the level of research and development in rural Scotland and that in urban Scotland needs to close.

Sustainable transport will be a key tool in addressing some of the shortcomings that we face. I welcome the Scottish Government's commitment to invest in the 21st century infrastructure of superfast broadband. That will be vital to enable sectors such as the knowledge sectors and professional services to develop in rural areas and to compete on a level playing field with their counterparts in the cities. Graeme Dey's example of a wedding photography business showed the kind of challenges that service sector companies face.

Cities will always benefit from economies of scale, by virtue of the fact that they have greater concentrations of population, but it would be great to see rural Scotland close the gap and to see vibrant rural economies. Mark McDonald, who is no longer in the chamber, made a good point about the need to ensure the vibrancy of local economic areas.

In this debate, I want Parliament not just to focus on the traditional remit of the rural affairs department and the Rural Affairs, Climate Change and Environment Committee, but to take a wider view of generating the economic opportunities that will provide a sustainable future for all in rural areas, not just those working in land-based sectors.

16:22

Siobhan McMahon (Central Scotland) (Lab): I am glad to have the opportunity to speak in this debate, as it allows me to highlight an urgent, important issue to a great number of constituents in Central Scotland.

In March 2010, North Lanarkshire Council's planning committee refused permission for plans to build a pyrolysis incinerator in the Coatbridge area. However, following an appeal by the applicant, Shore Energy, Government reporters overturned that decision.

For the purposes of clarity, and to provide some background detail, I will briefly outline how the two sides arrived at their decisions. North Lanarkshire Council refused planning permission on four counts: first, that the proposals were contrary to the terms of the development plan and the Glasgow and Clyde area waste plan; secondly, that the construction of the incinerator would lead to increased traffic levels at the Shawhead interchange that would be detrimental to road safety; thirdly, that those increased traffic levels would be detrimental to public health; and finally, that the council believed that it had not been adequately demonstrated that the incinerator would not be detrimental to public health.

In overturning the decision, the Government reporters stated that the incinerator was urgently

needed to work towards zero waste policy targets; that the incinerator would not be detrimental to the health of adults and children living in the area; that only a limited number of homes in the near vicinity “would suffer a large adverse effect”;

and that there was insufficient evidence that the plant would add significantly to traffic congestion.

Local opposition to the incinerator is intense. It has attracted 6,000 objections and has prompted residents to form a campaign group, Monklands residents against pyrolysis plant.

Richard Lyle (Central Scotland) (SNP): Does the member accept that today, both Labour and SNP members of the planning committee of North Lanarkshire Council have agreed to oppose the proposal and to take the matter to law?

Siobhan McMahon: Yes. I have made the point that the issue is not with the council. I am asking for the Government to stand up for the people.

In opting to refuse to grant planning permission, North Lanarkshire Council took the views and feelings of residents into account. Councillors recognised the adverse impact that the plant would have on the quality of life in the area. They listened to, considered and accepted the evidence that pyrolysis—the process of converting waste to energy by incineration—is fraught with difficulty and is of uncertain value in meeting waste reduction targets. The council’s process was fair, open and democratic.

The reporters’ arguments for overturning the decision hinged on what they called the “urgent need” to build additional waste management facilities in the area in order to meet zero waste targets by 2025. The reporters’ report says that the need for additional waste management capacity

“is so urgent that it would run contrary to national policy to delay the determination of this appeal”.

It appears that the need for additional capacity was more important than its nature.

Pyrolysis systems are relatively new, and their safety has not yet been established. Energy from waste is one of the least preferred options in the waste hierarchy, as it undermines efforts to recycle and reuse. Like any process that produces potentially harmful emissions, it is of dubious environmental value. However, in their anxiety to ensure that Scotland meets its zero waste targets, the reporters appear to have overlooked those details.

The reporters claimed that the facility would have no significant impact on health, although Lanarkshire’s inhabitants are 44 per cent more likely than average to be admitted to hospital with chronic obstructive pulmonary disease.

Jim Hume: Siobhan McMahon mentions the 6,000 people who oppose the waste incinerator in North Lanarkshire. Is she aware of the 24,000 objections to the proposed waste incinerator in the green belt at Dovesdale in South Lanarkshire? That proposal was backed by every Labour councillor.

Siobhan McMahon: I am aware of and against that proposal, which I will speak about.

The statistics that I cited will be aggravated by the additional air pollution that results from the pyrolysis process.

Unlike the councillors who rejected the initial application for the Coatbridge facility, the reporters had no democratic mandate. Their decision was taken in defiance of the passionate objections of 6,000 people. It directly contradicts the Scottish Government’s explicit opposition to such plants, as stated by Jim Mather when he informed you, Presiding Officer, in your capacity as a constituency MSP, that the Government does

“not support large-scale, inefficient energy-from-waste facilities.”—[*Official Report*, 10 March 2011; c 34244.]

Despite that, and despite local people’s passionate objections, the Scottish Government declined to intervene and to prevent the appeal process from proceeding, as is its right under the Town and Country Planning (Determination of Appeals by Appointed Persons) (Prescribed Classes) (Scotland) Regulations 1987. The Cabinet Secretary for Infrastructure and Capital Investment, Alex Neil, informed local media that his party

“has opposed this application since day one”.

If that is so, why did the Government not prevent the appeal from progressing when it had the chance?

The Minister for Local Government and Planning, Aileen Campbell, campaigned against a similar incinerator in Dovesdale in South Lanarkshire, which Jim Hume just spoke about. When planning permission for that facility was granted, she expressed “massive disappointment and concern”. Why has she issued no such statement about the waste incinerator in Coatbridge?

Two things are apparent. First, local people’s rights and wishes have been shamefully trampled on. Given the concentration of waste disposal facilities in the area, I am sure that I am not alone in questioning whether North Lanarkshire and South Lanarkshire are being unfairly targeted. Their relative proximity to Glasgow and Edinburgh means that they are considered to be ideal locations for waste incinerators. However, we should not be made Scotland’s dumping ground,

and certainly not at the behest of commercial imperatives.

An application for judicial review of the decision to grant planning permission in Dovesdale has now been submitted to the Court of Session, and—as we have just heard—a similar measure is likely to be taken over the incinerator at Coatbridge. Given the strength of opposition from local and national politicians, not to mention local residents, it is highly unfortunate that public money is being spent in that way.

The Government must urgently review the planning process to ensure that the rights and opinions of those who are affected by such decisions are taken into account. We must also decide whether, as a country, we are serious about our environmental obligations or whether we are prepared to place politics before people and economics before the environment.

16:28

Rob Gibson (Caithness, Sutherland and Ross) (SNP): I will cover four interrelated themes: land reform, the Crown Estate in relation to releasing community assets, biodiversity on an ecosystem scale and food security.

On land, we need a comprehensive review of how we have progressed since devolution and what the next steps to improve and develop our approach are. I heard Donald Dewar, in his lecture on land reform for the 21st century—the John McEwen memorial lecture in 1998—sum up what he called

“the key features of the right solutions”

as follows:

“that they are aimed at the future, not the past; that they remove barriers to opportunity; that they increase diversity; and that they increase local involvement in decision-making.”

Those factors still guide our task in the Parliament for the next five years.

On community assets, we need to ensure local empowerment through new income streams. The “Speak Up for Rural Scotland” consultation and the Government’s response to it pose a lot of choices. We need to crystallise the best options and take action.

It is to be noted that the Westminster Scottish Affairs Committee inquiry into the Crown Estate is in Scotland this week. The committee says that it wants to hear from communities what they want from Crown Estate reform, but it must not rule out this Parliament’s right to decide the structure and role of such a body. The UK Parliament, after all, did nothing to review the Crown Estate’s role until the SNP raised the stakes.

I hope that, across the parties, we want as many communities as possible to benefit from abolishing this stealth tax gatherer. Developers need to be involved and need to support local communities, and those who deliver marine renewables need to include coastal communities in sharing the profits.

A fortnight ago I launched CALL—the Coigach and Assynt living landscape project—with partners including the Assynt Foundation, the Culag Community Woodland Trust and the owners of Tanera Mor island and the neighbouring estate of Eisg Brachaid, along with the John Muir Trust and the Scottish Wildlife Trust. CALL sets out to measure and improve biodiversity and human involvement to make the area far more sustainable in this climate change era.

Twenty years ago, local Wester Ross ecologist Bernard Planterose recognised that reforestation, beyond conservation, embraced wildlife conservation and the various present-day land uses, as well as the future re-inhabitation of the land and expansion of the productive natural resource base. As such, he said, it exhibits ecological, economic and political strands.

Today, we value trees and people, jobs and peatland rewetting, local energy production and biodiversity even more. I am delighted that a measurable project with a 50-year time span has been set up in Coigach and Assynt so as to set an example across the country. It fits the thrust of Scottish Government policy and is a practical way to link the environment and the people who live there and to enable them to plan a brighter future.

In Scotland, we cannot achieve food security at the expense of the food security of other peoples on other continents. We have to look at the carbon footprint of expensive inputs, such as potash, nitrate and soya feed for our animals.

There are no shortcuts to feed the world. Instead, we must support the local farming industries of each country—in our case, we have our deep knowledge and science to back them up. The multinational biotech industry’s much-hyped genetically modified crops have been an expensive failure. Local crops and local markets are the key to success, not free markets as demanded by the World Trade Organization. It is the EU CAP that protects the quality and local production of our food.

In that context, we will have the report about the CAP in October. The Rural Affairs, Climate Change and Environment Committee will give it a high priority when there are some proposals on the table to discuss; it will not be swept under the carpet, as some people erroneously seem to have said. The CAP must continue to support production here in Scotland, which has a proud record of food and drink production and sales. The

UK ambivalence to home production must not prevail.

We want and need to boost the value of Scottish branded produce, which has been so successful under the SNP Government. Labelling and provenance are key demands of consumers, and we can achieve them through the mixed, family-farming base of our Scottish industry. That is why a thorough measure of land reform, growing community assets, improving the biodiversity of huge skelps of the land of this nation and creating food security are all components of a successful and sustainable land use strategy, which we can build in this session of Parliament. I hope that members will join me in ensuring that those things happen.

16:34

Mike MacKenzie (Highlands and Islands) (SNP): I will be as brief as I can. There is no need for me to reiterate some of the points that have been made. I would like to pick out only a few important points.

I am disappointed to see so few members here today, particularly on the Opposition benches, because rural areas are going to become increasingly important as we move through this century. They will change from backwaters into our economic powerhouses.

I represent a region that enjoys an almost pristine environmental quality, thanks mainly to the indigenous population, who have been the custodians of this environment for generations. In our efforts to protect that environment, we must take care not to run roughshod over that home-grown environmental wisdom, because it springs from lifetimes of understanding.

If we are properly to realise our marine opportunities of wave, wind and tide, there is an urgent necessity to transfer the responsibility over and the revenues from our seabed to the Scottish Government. Scotland's people should be the beneficiary of our marine environment and estate, and it should be managed by our Government on our behalf.

The future offers exciting opportunities for rural areas, but we also need to remember the difficulties of the present. Our scenery often masks rural deprivation and poverty. Fuel poverty, in particular, is common in rural areas and is often exacerbated because the full range of fuels is not available. Fuel poverty of another kind is becoming more apparent. Rural Scotland suffers from some of the highest fuel-pump prices in Europe, which is a disgrace in such an oil-rich country. People who have no public transport alternative often have to drive long distances and are crippled by high fuel costs. Despite

assurances of intent from the Liberal Democrats in Westminster, the UK Government has so far refused to act on the issue. I call on all members of the Scottish Parliament to support our policy of establishing a fuel duty regulator and to demand that the UK Government take action.

In the previous session, the Rural Affairs and Environment Committee considered the important problem of rural housing. Much remains to be done. We should take the opportunity of increasing housing allocations in the planning system because that costs nothing, which is important in these difficult times.

I invite any member who wishes to understand more about rural affairs to visit us in the Highlands and Islands region and enjoy some hospitality while doing so.

16:37

Jamie McGrigor (Highlands and Islands) (Con): I refer members to my entry in the register of members' interests.

I am pleased to take part in today's debate. It is right that we debate this issue early in this new session, because rural affairs and the environmental issues that face Scotland are important, especially to my area, the Highlands and Islands, and to farming, fishing and crofting communities.

There have been some good speeches today, including some by the Parliament's new members. That bodes well for the years ahead.

Alex Fergusson and others rightly focused on the CAP reform. I agree with the bottom lines that he set out in relation to our approach.

In its manifesto, the SNP said that it will build on the recommendations of the Brian Pack inquiry. I was surprised that the cabinet secretary did not mention Mr Pack's report. I rather wonder what has happened to it, and I ask the minister to set out in some detail how the recommendations will be implemented.

Mark McDonald: When the member reads the *Official Report* of this morning's Rural Affairs, Climate Change and Environment Committee, he will see that the cabinet secretary referred to the Brian Pack report. It is very much still on the Scottish Government's agenda.

Jamie McGrigor: If it was mentioned, I am delighted. However, I would like some more details, in particular on issues that are of concern in my region, such as the question of how headage payments will be made available to producers in less favoured areas, and how stock numbers can be maintained and boosted in our remote rural and island communities, with all the

connected infrastructure that accompanies the keeping of livestock—that is one of my priorities, and it must be one of the Scottish Government's as well, especially after the worrying declines over the past few years.

Richard Lochhead: Will the member give way?

Jamie McGrigor: I would like to make some progress, minister.

On the subject of stock, I want to mention the electronic identification of sheep. The cabinet secretary will remember the warnings that we heard in the chamber on that subject, and he will doubtless have read the front page of *The Scottish Farmer*. It is not as if we had no warning. The main focus for so many sheep producers in the Highlands and Islands is just a few weeks away when the sales start. What assurance can he give that sheep farmers will not be penalised on cross-compliance if their records are not 100 per cent accurate? Does he agree that the Brussels bureaucrats need to recognise the reality on the ground of recording sheep movements in Scotland. The sheep are not all kept in fields; they are on big mountains. It is unfair on farmers and crofters to have the extra worry about EID when they explained what it would all mean ages ago. I hope that the talks with Brussels that I know the minister is having on the subject are going well.

We all accept that greening will be a major part of the reformed CAP, but I agree with NFU Scotland that the EU must take a proportionate and commonsense approach. In practice, that means agri-environmental schemes being delivered on the farm through simple measures that will allow productivity and farm competitiveness to be maintained.

It might be that the new-found importance of peat as a deliverer of public good in relation to global warming can produce extra benefit for those who farm on peatlands, many of whom are in severely disadvantaged areas. I hope that the minister will comment on that in his summing up.

I agree with the other members who said that food production must be at the heart of our agricultural policy. The importance of food security, which John Scott promoted so effectively during the previous parliamentary session, is becoming increasingly mainstream, and Scotland is well placed to take advantage of that.

If the cabinet secretary still wants to intervene, I would be delighted to give way now.

Richard Lochhead: I thank the member for his belated permission to intervene.

Does the member agree that one of Brian Pack's most excellent recommendations is for headage payments for livestock producers in the more remote, less favoured areas? Is the member

willing to have a word with the Tory UK Government in London about supporting that recommendation as well? So far, it does not appear to be doing so.

Jamie McGrigor: I would be delighted to have a word about that, but I wonder what the cabinet secretary is going to do to bring it about.

The Scottish Conservatives are determined to secure a genuine reform to the common fisheries policy that ensures that conservation and industry work hand in hand, and recognises the conservation measures that Scotland's fishermen have already taken in recent years. They have undergone more pain than any other fleet has. The reduction and elimination of discards are obviously a priority, and the Government must listen to and understand the priorities of the different sectors of the industry, from east to west.

Fish farming, or aquaculture of shellfish and fish, is also of economic importance to my region, particularly in some remote areas, and some excellent work is being done there, as highlighted recently in the Crown Estate aquaculture awards. At the same time, the importance of Scottish angling should not be underestimated. Tensions remain between fish farming and the wild fisheries sector, and I had a short discussion about that issue with the environment minister last week. This week, representatives of the Clyde Fishermen's Association raised their worries about the impact of the chemicals that are used to tackle sea lice on the maerl seaweed beds.

The Deputy Presiding Officer (Elaine Smith): I would be grateful if you could come to a conclusion.

Jamie McGrigor: Right. The Scottish Conservatives will support the Government in trying to find common ground and ways ahead as we all seek to achieve sustainable co-existence in the fisheries area.

16:43

Elaine Murray (Dumfriesshire) (Lab): I am pleased to be summing up for the Labour Party in the first debate on rural affairs, climate change and the environment in the fourth session of Parliament. I, too, congratulate Richard Lochhead on his reappointment as cabinet secretary and Stewart Stevenson on his appointment as minister for such an extensive and important portfolio. I am sure that we will hear how his extensive life experiences contribute to his performance in the role.

The portfolio certainly contains many challenges for the next five years, as many members have ably demonstrated during the debate. The EU's common agricultural policy is due for reform in two

years, and among the many issues that have been raised today is the recent rumour that the EU might be considering the abolition of pillar 2 support, which funds programmes such as the SRDP and rewards farmers, crofters and others for environmentally friendly land management. I believe that that must be resisted, and I would like the minister to reassure us that his team is working closely with the UK Government to resist any such move. In addition, I hope that our ministers, at least, will support the greening of pillar 1 by linking payments to environmental as well as agricultural outcomes.

Similarly, the CFP must be reformed in the same timescale. We have often debated the need for a more regional policy-making process, and how the Scottish fishing industry can become sustainable in the long term and cease to be subject to crisis management. Both this afternoon and at the RACCE committee this morning, the cabinet secretary spoke about returning management from Brussels to Scotland, but my understanding of regional management is that it involves the management of shared seas on a regional basis rather than individual member states or regions managing their own seas.

Sarah Boyack and Jackson Carlaw mentioned that the Climate Change (Scotland) Act 2009 celebrates its second birthday this week. Progress needs to be made with its implementation. According to Friends of the Earth, the Government's report on proposals and policies reveals that only three of the 12 targets can be met through existing policies, so proposals must be transformed into policies with some urgency. I do not often agree with Jackson Carlaw but, on this occasion, I agreed with a lot of what he said about the need for the Government to bring forward the appropriate policies.

Making progress with the zero-waste strategy, which Mark McDonald mentioned, is key to meeting the targets. I think that we are all signed up to that, but it is still unclear how the necessary infrastructure investment will be funded to ensure that the correct solutions are implemented, rather than the easy ones that commercial investors may favour. Siobhan McMahon made an important point about the types of investment that the market makes, such as in large-scale incineration of waste or the use of imported biomass. In future, energy-from-waste solutions should be acceptable only when the waste has no other value. There are other issues that must be taken into consideration apart from diversion from landfill, which has tended to drive developments in the past, such as the waste hierarchy.

One of the main other challenges is encouraging changes in behaviour, which is extremely difficult because people tend to resist

behavioural change, especially if it causes them inconvenience. Encouraging change requires a degree of leadership, as we realise if we look down south at the fankle that the UK Government got itself into recently on waste disposal.

Scotland may not be blessed with reliable weather, as we know, but we are blessed with fantastic landscapes that look good even in the rain and with iconic and varied wildlife. In the past, we have not valued either sufficiently. For example, we have allowed our unique peatlands, which can make such a big contribution to reductions in carbon emissions, to deteriorate. It has been estimated that restoring 60,000ha of degraded blanket bog and phasing out peat extraction during the current parliamentary session would prevent 2.7 million tonnes of CO₂-equivalent emissions annually, in addition to that sequestered in the land itself. I raised that issue with the cabinet secretary this morning, and it must be factored into the spending review discussions. Helen Eadie made an important point about how EU funding can assist many such projects, and I hope that the sources of EU funding that might be available to them will be looked at.

Sadly, Scotland consistently fails to meet its biodiversity targets. The Scottish biodiversity strategy has not succeeded in that regard, so it is right that it is to be revised. Much of that failure is the result of loss of habitat and, although the Government's commitment to a national ecological network and large-scale habitat restoration in the national planning framework is welcome, significant progress needs to be made during this session to reverse that decline.

Biodiversity loss has not happened only through neglect and ignorance; in the past, it has sometimes been the result of deliberate acts. Towards the end of the previous session, we passed the Wildlife and Natural Environment (Scotland) Act 2011, which contains important initiatives to tackle wildlife crime, but there continue to be issues with enforcement, at a time when police budgets are constrained. The previous environment minister was sympathetic to consulting on whether the role of the Scottish Society for the Prevention of Cruelty to Animals could be enhanced with respect to the prosecution of wildlife crime. Perhaps the current minister can advise whether that is still under consideration when he sums up.

The rural environment is, crucially, about people and communities and how they are sustained, as Mark McDonald, Helen Eadie and David Torrance said. As a representative of a predominantly rural constituency for the past 12 years, I am acutely aware of how deficient rural infrastructure is compared with the infrastructure of larger, urban communities.

In the past couple of weeks, several members have highlighted the rural broadband issue. Many users in the town of Dumfries receive broadband speeds that are far lower than 8 megabits per second—including my office, so I am sympathetic—and that is in a town with a population of 35,000 people. In the more remote parts of my constituency, and I am sure that it is not alone, the only broadband access uses technologies that are both expensive and very slow.

Public transport is patchy or non-existent in some areas. We also have problems with the high price of fuel and of oil or liquid gas heating, because gas supplies are not available in many rural areas.

There are also problems with rural housing, employment and training. We need to reverse the drift of younger people to the towns and cities and keep a mixed community in rural areas. We do not want the countryside to be left only to retired people who are wealthy enough to live there and to wind farms, as my colleague Neil Findlay pointed out.

The Deputy Presiding Officer: I would be grateful if the member could come to a conclusion.

Elaine Murray: I will.

That is not a scenario that will take rural Scotland forward. We need policies that will encourage thriving, mixed rural communities throughout Scotland.

16:51

The Minister for Environment and Climate Change (Stewart Stevenson): Let me start by both congratulating those who made their maiden speeches today, excellent as they were, and thanking members for the few kind words that have been sent in my direction. I dare say that there are few enough such opportunities for me to hear kind words, so I will bask in the reflected glory for at least five minutes.

The Scottish Government has as its central purpose supporting sustainable economic growth, and we have a strong mandate to pursue that over five years. We wish to see rural areas empowered to support their communities and to contribute to a better Scotland, and I think that that captures the sense of the debate that we have had today. We will continue to work with the Parliament, listening to ideas from wherever they come and seeking to build consensus for all that we do. The early meetings that both the Cabinet Secretary for Rural Affairs and the Environment and I have had with our opposite numbers in other political parties speak to the reality of what we are doing.

Mike MacKenzie, in a particularly powerful contribution, invited us all round to his place for a wee refreshment. We will be round at the weekend, Mike, don't you worry. In his short speech he referred to the economic powerhouse that rural areas can be. That captured an important point.

We spent a fair bit of time talking about the Climate Change (Scotland) Act 2009, which was par excellence an example of the Parliament working together to common purpose to deliver something that is truly world leading. We will listen to all the voices in the Parliament, as we did as we worked through the 457 amendments, which were in some cases amendments to amendments, to the Climate Change (Scotland) Bill.

The legacy paper that the previous Rural Affairs and Environment Committee left for the new committee makes an important point. It states at paragraph 52 that we should avoid

“focussing too narrowly on the ‘three Fs’ of farming, food, and fishing.”

Those are all important, of course, but at the core of the matter is what life in a rural setting is like and what contributes to enhancing that. It is not simply food, farming and fishing. It is a much wider agenda altogether.

I am afraid that I will be unable in the available time to deal with every point that came up in the debate. Clearly, we will return to many of them in committee. However, I will try to deal with some of them.

Sarah Boyack talked about public food procurement, which is worth about £130 million in the public sector. We have supported small and medium-sized enterprises in particular to make it easier for them to bid for contracts. We absolutely agree that local businesses should work with the local public sector. It is important that that happens. In particular, through the climate challenge fund, we have provided £2.5 million to 39 organisations to support local food and grow-your-own projects. Indeed, I visited one such project at Letham in Fife, where I received a basket of the most wonderful vegetables—my wife almost wanted me to drive back to the south of Scotland to bring some more home. I therefore declare an interest in good-quality local food and its consumption, not just personally but across the board.

We certainly want to connect rural Scotland to everywhere. One reason why, 2000 years ago, the Roman empire was more successful than the Greek one was that the Romans had good communications. In fact, they could send messages from Londinium to Roma in six hours by a system of hilltop signalling. That underpinned 400 years of success for the Romans. Today,

high-speed broadband will be equally important in the success of Scottish rural businesses.

Sarah Boyack referred to flooding. We have spent some six times what the previous Administration did on flooding interventions, so I think that our record is worth looking at. The member also referred to allotments. I am delighted that I was able in my previous ministerial role to visit at least two allotment sites that we supported—in Huntly and Crieff. Electric vehicles were mentioned, too. We have been part of a successful Scottish consortium to secure £30 million for the plugged-in places initiative sponsored by the UK Government. A great deal is happening indeed.

I welcome back Alex Fergusson. In the committee this morning, I nearly referred to him as Presiding Officer, so familiar a face has he been in that position of authority. We will now treat him as an equal and, when he speaks on farming, we will listen carefully to what he has to say. There is considerable sympathy for his view that farm filling is an area in which we should continue to revise and improve—it is important that that happens.

As Alex Fergusson heard in the committee this morning, the long-run picture on the area of Scotland that is afforested is unlikely to be changing much. We wish to increase the size of the area, but we see year-on-year fluctuations because some years are more intensive for harvesting than planting while others are the other way round.

While I remember, it is worth reminding members that it is our target to have broadband all over Scotland by 2020.

David Torrance, in his maiden speech, talked about local food. With great pleasure, I visited the Food Train in Dumfries in my previous role. That is very important indeed.

Helen Eadie touched on the supergrid and the smart grid technologies. They are very important, particularly the smart grid. I was talking at the environment council yesterday to several other European environment ministers about work that is happening on smart grid. We need standards, because the smart grid can deliver right down to individual consumer devices. For example, it could protect heart and lung machines or dialysis machines installed in domestic houses, so that, if there is a power shortage, the deep freeze would be switched off for a few hours but the dialysis machine would not. A lot of work is going on, and we are pleased that the European Union made its first visit on the subsea grid to Scotland, recognising the importance of Scotland in the provision of renewable energy.

Mark McDonald focused on services in rural areas and talked about the Udney community wind

turbines. It is important that anyone, including any community, wishing to establish developments such as wind turbines engages with the communities that will be affected by their presence, gets consent and momentum in favour and does not take consent for granted. I am afraid to say that there have been one or two examples when that has not been done.

Food and drink are vital, as is a fair deal for producers. Mark McDonald talked about exports and mentioned Dean's of Huntly. If I was looking at my constituency, I would of course prefer to talk about BrewDog, which now has a successful export industry.

Many members touched on the report on proposals and policies. We will report on progress on implementing that in the not-too-distant future.

There were a few comments on housing. In 2009, the median house price was £160,000 in remote and rural areas, £173,000 in accessible rural areas and £128,000 in the rest of Scotland. That shows the attractiveness of rural areas for housing—people want to move there.

I have barely scratched the surface of what was covered in the debate. Rural affairs and the environment are a wide-ranging Government portfolio, and the speeches from across the chamber, all of which were worth listening to, reflected that. I will deal quickly with three issues.

The Presiding Officer (Tricia Marwick): Minister, you must wind up.

Stewart Stevenson: We will support communities that want to control their future, we will promote food and drink and we will drive down emissions. That is how we will take Scotland forward, leaving a greener Scotland than the one that we have borrowed from our children and grandchildren.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are no questions to be put as a result of today's business.

There is a Better Way Campaign

The Deputy Presiding Officer (John Scott):

The final item of business today is a members' business debate on motion S4M-00003, in the name of Elaine Smith, on there is a better way. The debate will be concluded without any questions being put.

Motion debated,

That the Parliament supports the STUC There is a Better Way campaign; believes that cuts are neither unavoidable nor inevitable and that they would actually threaten economic recovery across Scotland and impact on areas such as Coatbridge and Chryston; considers that a sensible and sustainable response to the current economic crisis is contained in the People's Charter; understands that public sector cuts are likely to have a disproportionate effect on women, children and disabled people, and would welcome widespread support for the STUC campaign and local campaigns such as those in North Lanarkshire and West Lothian.

17:02

Elaine Smith (Coatbridge and Chryston) (Lab): I thank those members who have stayed behind for the debate and those who have signed the motion. I should point out that I am on the Scottish organising committee of the people's charter. I have spoken quite a bit from the chair in this new session of Parliament but this is my first opportunity to speak in a debate, and I am pleased that it is my own members' business debate on such an important issue.

I lodged the motion immediately after I was sworn in because of the importance to my constituents of the Scottish Trades Union Congress's better way campaign and the people's charter. Their main concerns at the moment are cuts to jobs, benefits and vital public services alongside an increasing cost of living. As the motion suggests, public sector cuts are likely to have a disproportionate effect on women, children and disabled people. That basically means that the most vulnerable people in society are being made to pay the price for the economic crisis, while those at the top who caused it do not suffer at all. Obviously, big business and the better-off do not depend on public services. They can call for cuts because less public spending on welfare and services means more chance of tax cuts to subsidise their own lavish lifestyles.

It is business as usual at the major banking institutions, with bank bonuses expected to run into billions of pounds this year. At the same time, in local government there was resistance to paying the £250 one-off award to those who were deemed to be on low pay because they were earning less than £21,000. Why was that? Because 63 per cent of the workforce came into that category. That shows that low pay is ingrained

in the public sector. It is an absolute myth that public sector workers are underworked and overpaid—the opposite is the truth: they are overworked and underpaid. They are the people who work in our hospitals and community centres and who look after our elderly. It is their jobs that are already being lost, which means a loss of those services.

Councils face an unprecedented squeeze on budgets and extremely difficult decisions. Indeed, the chief executive of North Lanarkshire Council has stated:

“These are the hardest financial pressures I have seen in local government”,

and he has been around for some time. Tonight, I call on councillors up and down the country, from whatever party, to set needs budgets and to show support for the better way campaign. Such budgets would consist of what they would do if the cuts were not being imposed. If the Scottish Government is serious about opposition to the cuts, it should encourage councils to set needs budgets and mobilise our citizens against the cuts.

The cause of the cuts is casino capitalism, not casualty staff, and that brings me to the fact that the health service has been reducing services for some time. In Lanarkshire, elderly people have had their podiatry services withdrawn, and they cannot afford to pay for them privately. This week is national breastfeeding awareness week, but breastfeeding mothers and their babies are losing support services. The most vulnerable are suffering disproportionately as a result of the cuts, which is simply unacceptable.

Against that background, and due to vicious attacks on pensions, the Public and Commercial Services Union has voted to strike on 30 June. No one wants to strike, but these hard-working, invaluable employees clearly feel that they have no other option. It is an absolute scandal that millionaire Cabinet members are attacking modestly paid teachers and civil servants for standing up to attacks on their old-age provision.

We can add to that the Scottish Government's desire for a pay freeze across the public sector. At the same time, it wants control over corporation tax so that it can bring it down. So, the poor pay and the rich get handouts. That really does not seem like “be part of better” as far as the vast majority of workers are concerned.

We all know that the deficit is not the fault of the public services or of public sector workers, and they should not be paying for it. The Scottish Government must stand up for our public services and find ways to challenge the cuts.

The STUC better way campaign and the people's charter provide a real alternative by

promoting growth through investment in new jobs and public infrastructure, including housing, and by calling for tax justice.

Growth is not just about creating a bigger cake. It is how the cake is divided that is important—otherwise, the fat cats just take more.

Gavin Brown (Lothian) (Con): How many of the policies within the people's charter are Labour Party policy, either north or south of the border?

Elaine Smith: A number of the policies should be everybody's policies, no matter the party, because they would get us out of this situation and they would stop public sector workers and public services being blamed for something that is the fault of bankers and people at the top.

Most of the big unions support the people's charter. Roz Foyer of Unite sums it up very well in an article for the *Scottish Left Review* in which she says:

“It has the power to unite the left across party boundaries behind a positive agenda that is set out in terms all can understand and it neatly encapsulates ‘The Better Way’.”

The charter provides a sensible and sustainable response to the current economic situation through six key aims and proposals. They are: a fair and balanced economy in which leading banks are run democratically and under public ownership, along with proper, progressive taxation; more and better jobs to increase spending power and to provide greater economic stimulus; decent homes for all to tackle the housing shortage and to help growth; protection for our public services and the saving of public money by bringing key services such as energy and transport back into public ownership and ending corporate profiteering in health and education; fairness and justice in society through measures such as free childcare and youth facilities and delivering equality for all; and, lastly, building a better future for all. That last section highlights the folly of spending billions of pounds on war and replacing weapons of mass destruction while people are losing their jobs, their homes and vital services.

The charter will shortly be submitted to the Scottish Parliament's Public Petitions Committee, with a focus on its Scottish dimensions.

In 1945 the Labour Government mounted a crusade against injustice, even though it was operating in times of deficit. It created the national health service, undertook a massive rebuilding programme and established the welfare state. The people's charter, if we adopt it, could provide a similar level of stimulus while solving major social problems.

Recent research by the Institute for Fiscal Studies revealed that pensioners and the

unemployed suffer from the highest levels of inflation, as they have to concentrate their spending on food and heating. Meanwhile, supermarkets have declared massive profit levels and, as we know, the gas and electricity companies raise prices quickly at the merest hint of higher costs. The editorial in the *Morning Star* last week put it well:

"The supermarkets and energy companies don't operate a free market so much as a free-for-all, using their power in the marketplace to enrich themselves and beggar the rest."

Before Labour took power in 1945, Quintin Hogg, a Tory MP, warned Parliament:

"if you do not give the people social reform, they are going to give you social revolution."—[*Official Report, House of Commons*, 17 February 1943; Vol 386, c 1818.]

The people have given the Scottish Government a mandate based on an expectation that it will provide protection from the Tory cuts. If that is not forthcoming, they will no doubt take to the streets in vast numbers to show their anger at the cuts. By supporting the people's charter and the STUC's better way campaign, we give a clear signal that MSPs and the Scottish Government are on the right side: the side of the workers.

17:10

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Presiding Officer, I apologise to you and others in the chamber, because I may have to leave early to attend a constituency commitment.

I congratulate Elaine Smith on securing the debate, and I am sure that all speakers in the debate will do so. She secured a similar debate previously, and I congratulate her on her tenacity in bringing the issue back to the chamber.

However, there is a key difference between the two debates, which I welcome. In the previous debate, a few of us remarked that no Conservative or Liberal Democrat members were taking part; and in this debate, no Liberal Democrat member is taking part. Perhaps the party's reduced numbers in the Parliament goes some way towards explaining the situation—although there were no Liberal Democrats at the previous debate, when the party had more MSPs. However, I am glad to see that Gavin Brown is here to participate and perhaps try to defend the United Kingdom Government's record, although I believe that it is fairly indefensible. I look forward to hearing what he has to say.

The debate is about an important issue, so it is right to debate it again. I support the STUC better way campaign. In my constituency, the PCS in Cumbernauld will have a conference this Friday in support of the campaign. Unfortunately, I cannot attend the conference, but I am glad that such local events are being held. I am sure that there

will be similar events in other members' constituencies.

Like Elaine Smith, I support the people's charter. I should declare an interest in that I, too, am a member of the Scottish steering group of the people's charter. I believe that I have Elaine Smith to thank for that. I use the word "thank" advisedly, given the increased commitments in my diary.

Gavin Brown: I have a question for the member that is similar to the one that I asked Elaine Smith. How many of the policies in the people's charter, which he has just claimed to support, are Scottish National Party policies?

Jamie Hepburn: A primary example is the policy to end investment in nuclear weapons. Another example could be that my party last year debated the issue of the Afghan war and we believe that we should withdraw from Afghanistan this year. I know that the people's charter also has that position. So, those are two examples for Mr Brown.

My starting point in this debate is the same as my starting point in the previous debate: is the UK Government's agenda necessary? My conclusion in the previous debate was that it is not and, in the interim, I have not seen much evidence to make me change my opinion. The fiscal deficit that we face is a problem, but I believe that the UK Government's approach is wrong because it is too fast and the cuts are too deep. The UK Government's direction of travel is not inspired by the necessity of dealing with the fiscal deficit; in fact, it is an ideological approach in which we see unreconstructed Thatcherites trying to roll back the state. It is an attack on the state, and they are questioning what it is for.

Putting that to one side, is the approach correct? I believe that it is wrong. In the previous debate on the issue, I quoted Paul Krugman, and I will use the same quote again. He pointed out that

"there is no evidence that short-run fiscal austerity in the face of a depressed economy reassures investors. On the contrary: Greece has agreed to harsh austerity, only to find its risk spreads growing ever wider".

So, the UK Government's approach will not necessarily deal with the problem that it says it wants to deal with. Elaine Smith's comments about the approach in 1945, when there was, proportionally, an even bigger deficit than there is now, were well advised.

I reassure Gavin Brown that I accept that there is a need to deal with the deficit. The STUC has said that it accepts that need. However, the current approach is wrong. I believe that there is a better way.

17:14

Neil Findlay (Lothian) (Lab): I must declare an interest. I have been involved with the subject of the debate and in the there is a better way campaign for some months in my home area of West Lothian.

There are two reasons for my involvement in the campaign: I am sickened by the cuts agenda and the consequences for our people and society, and I believe that there is an alternative to the mad, careless and callous rush to acceptance of neo-liberal orthodoxy. The cuts that we are witnessing are as unprecedented as they are unnecessary. Many economists around the globe categorically reject the argument that the cuts were needed to soothe market conditions, and the evidence clearly shows that there was no prospect of the UK's credit rating being downgraded. The internationally recognised economist and professor of economics and political science at the University of California, Berkeley, Barry Eichengreen, was right when he said that the current breed of cuts-obsessed politicians are

"simply intent on cutting ... for ideological reasons".

Clegg's and Cameron's Cabinet of millionaires does not have a clue about what it is like to live on less than the living wage or to have to choose between spending money on food or kids' clothes. It makes me want to puke when I hear Osborne and his Bullingdon club chums lecturing us about the big society. We know that volunteers in projects in Blackburn, Addiewell, Pilton, Mayfield and Leith are working themselves to the bone to protect people from the worst of Osborne's cuts.

Those who caused the crisis in the first place are conveniently forgotten in all of this. The bankers and speculators are not punished, and they continue to cash their fat bonus cheques. The cuts are punishing those who had nothing to do with the crash. It was not public sector workers who speculated on derivatives or caused the crash through irresponsible lending; it was the city geniuses, who we apparently cannot live without and are, as we all know, about to embark on the money-making merry-go-round once again.

My support for the there is a better way campaign was not born simply of a principled objection to the cuts; it also comes from a belief that there is an alternative and better way to deal with the deficit and to build and create a better society. We should be tackling the massive levels of tax avoidance and evasion. Even Mr Gavin Brown's party has estimated that it brings losses of £40 billion a year. If that party says that there are losses of £40 billion, we can be guaranteed that the figure is many times more than that. If we tackled tax avoidance and evasion, we could maintain and even expand our public services while we reduced the deficit. I say to Mr Brown

that, instead of appointing a notorious tax avoider—Philip Green—to advise the Government on how best to slash public spending, perhaps the Government should be collecting the £285 million that he and his wife owe the public purse. He is just one example.

Gavin Brown: I entirely agree that the Government must clamp down on tax avoidance and evasion, and it is doing so. However, if collecting £40 billion is as easy as the member suggests, why on earth did that not happen between 1997 and 2010?

Neil Findlay: I absolutely accept that that should have happened, but let us see Mr Brown lobbying in his party for that to happen now, and calling for Mr Green to be removed from his Government advisory position.

Tackling tax avoidance and evasion is not part of the Con-Dem agenda, and it does not seem to be part of the Scottish National Party's agenda, either. Rather than shouting about cuts to corporation tax, the First Minister should be arguing with Osborne and Cameron to tackle the tax evaders. Furthermore, how about the First Minister pushing a progressive taxation agenda? Imagine the type of society that we could have if the country's wealth was shared around a bit more equitably.

We should be investing in our people and our society. That is not only morally correct; it makes economic sense. As my colleague Elaine Smith said, with around six times the deficit equivalent after the second world war, we created the welfare state and the NHS, nationalised key industries and created full employment. We invested in our people then, and we should do it again now. We should, for instance, be pushing for a living wage across the public sector and for all subcontracted workers in that sector, and we should stimulate the construction industry with the anticipated borrowing powers.

The Deputy Presiding Officer: The member should close, please.

Neil Findlay: I had more to say, but I will finish.

I hope that the Parliament will engage with the STUC and trade unions with a view to seeing which areas of the there is a better way campaign we can progress in the Parliament with the powers that we already have.

I ask the minister to address those points in summing up, and I thank Elaine Smith for bringing this debate to the Parliament.

17:19

Gavin Brown (Lothian) (Con): I, too, congratulate Elaine Smith on securing the debate.

I will focus on what I guess is the central thrust of the motion. It has been mentioned by every speaker so far, and will no doubt be mentioned by most speakers who follow: that is, that they have signed up to the people's charter, they believe in it and they believe that it ought to happen. I put questions deliberately to Elaine Smith and Jamie Hepburn, who gave two examples of where he believes in the charter. However, it contains dozens of policies. Every speaker so far has said that they have signed up to it, but if they believe so strongly in it, why have their parties not signed up to it?

Neil Findlay: Will the member give way?

Gavin Brown: The member gave way to me, so I will happily give way to him.

Neil Findlay: I am sure that those members will be arguing within their political parties for the people's charter and for some of the policies in it to go into their campaigns. I doubt whether we can say that about Mr Brown.

Gavin Brown: The point is that Mr Findlay was happy to criticise the Conservative and Liberal Democrat parties because they have not signed up to the people's charter, but his party has not signed up to it either.

I will give some examples. The charter believes that control over interest rates should be taken away from the Bank of England and given back to the Government, but it was a Labour Government that gave control to the Bank of England in the first place.

The charter states that all

"leading companies of the banking, insurance and mortgage industries"

should be taken into "public ownership" and

"run for the benefit of all."

That is not the policy of any party, and I can just about guarantee that it will not be in the next Labour manifesto for Westminster or Holyrood.

The charter also states that there should be a local income tax, yet in the previous session of Parliament, the Labour Party along with the Conservative Party fought tooth and nail against a local income tax. However, the charter says that it should happen and members are happy to say that they have signed up to it.

Elaine Smith: Does the member think that we should take banks into public ownership only when they have toxic debt and that we should hand them back when they are making profits so that the fat cats at the top can once again benefit?

Gavin Brown: My point is that the member is claiming to push something forward and criticises other parties for not doing so, but it is as clear as

day that her party does not support the charter at all.

The charter states that

"energy, transport, water, post and telecommunications"

should be brought

"back into public ownership".

Again, that is not the policy of the Labour Party or any other party.

Jamie Hepburn: Gavin Brown talks a lot about what other parties are doing, but he has not yet addressed what his party is doing. Incidentally, I did not criticise the Conservatives for not signing up to the people's charter; I criticised them for the measures that they are taking. When will the member get on to his Government's record? For example, it has cut posts in Her Majesty's Revenue and Customs, when retaining those posts might result in an increased tax take, which is something the member says he supports.

Gavin Brown: Mr Hepburn might be aware from reading the press in the past couple of weeks that, in relation to tax evasion and avoidance, in just the past year in which the coalition has been in government, the amount that is being recovered from high-net-worth individuals has doubled. That is pretty good progress, but there is much more to do.

The starting point for the debate must be the eye-watering size of the deficit and public debt and the sheer amount of money that has to go in paying interest before we spend a penny on public services. Right now, that is the best part of £50 billion a year. Within three years, the figure that is spent on debt interest alone, before we can spend any money on health, education or anything else, will go to £70 billion a year. That is why we have to get the deficit under control and why the Government is right to take the actions that it has taken to reduce the debt and debt interest, so that we can spend money on things that do public good rather than simply on interest.

17:23

John Finnie (Highlands and Islands) (SNP): I congratulate Elaine Smith on her motion. I, too, support the STUC in its there is a better way campaign. I want to pose the question, "Better than what?" It is certainly better than the £1.3 billion of cuts from the UK Government, which will affect every citizen in Scotland and will disproportionately affect the weak and vulnerable. It is better than the on-going attack against the weak and vulnerable in Scotland, which members will know about if they speak to any citizens advice bureau. I am sure that we have all had dealings on disability living allowance and the appointment shambles that goes with it, as well as the curtailing

of payments and the distress that it causes not only to individuals, but to their families and friends.

The proposed way is better than spending obscene sums of money on weapons of mass destruction which—as we know from recent events—threaten the communities in which they are based because of safety issues. It is certainly better than waging wars—illegal or otherwise—and the confusing position in which that puts the UK in terms of explaining our position on war to our Syrian and Yemeni brothers and sisters. I believe that there is a better way.

Economists argue in many different ways. I am not an economist, but it is economists who prompt phrases such as, “There’s no such thing as society”. Economists no doubt fed the Conservative manifesto that talked about making

“Britain the most family-friendly country in Europe.”

The Conservatives are a long way short of that.

When a statement is made, we need to ask who is saying it and on behalf of whose interests, what evidence they have, and—most important—what it means for those without a voice. Those who are most affected are, as always, the public sector workers: the very workers who, as we have heard, provide the services that are most vital to our communities. In my view, they should be our most valued workers.

Is the economy threatened? It is not if you are an international speculator with offshore accounts, given the outsourcing that is going on. That is certainly the case with a firm in Inverness at present, much to the distress of many people in the area.

The economy is certainly not threatened if you are an arms dealer, given the unseemly sight of the UK Prime Minister peddling arms at the same time as people were fighting for their democratic rights. It is not threatened if you are a banker, with the greed that has brought about this situation.

I hear what has been said about the people’s charter, and I consider it to be an aspirational document. As with a number of other manifestos, I do not subscribe to it 100 per cent, but where would we be without aspirations? I will pick up on some of the points that the charter makes. It states that we should

“Take the leading banking, insurance and mortgage industries fully into democratic public ownership run for the benefit of all.”

Given the investment that there has been in the banks, many people might imagine that that would be happening at present. However, that is not the case—certainly not for any small business that is looking for a loan.

The charter goes on to state that we should

“Tightly regulate the City markets to facilitate lending and to stop speculation and takeovers against the public interest.”

That is the interest that we in this chamber must serve: the public interest. The charter also states that we should

“Restructure the tax system so big business and the wealthy pay more and ordinary people pay less.”

That is what most folk would call fair and progressive, but George Osborne called his emergency budget fair and progressive, and it was widely reported as such.

An awful lot could be said. We heard earlier today from the Cabinet Secretary for Finance and Sustainable Growth about the attack on public sector workers’ pensions, which he rightly described as a “real and immediate concern”. He also said—which I thought was very significant—that it is not the “correct course”. That is another way of saying that there is a better way: I believe that there is a better way.

17:27

Drew Smith (Glasgow) (Lab): I congratulate Elaine Smith, as others have done, on bringing this debate to the chamber. I will focus my remarks on the “better way” elements of the motion.

I draw members’ attention to my past service on the general council of the STUC, which came to an end in April 2010. In my final few months serving on that body, attention was focused almost exclusively on the banking collapse, the bail-out and the potential consequences for ordinary working people in Scotland and for our public services.

It was clear to us then that we were all threatened with a political backlash against public spending and an incoming Tory Government intent on using the global financial crisis as an excuse for ideological attacks on working people. We believed that, rather than learning the lessons of regulatory failure and seeking to correct market excess and corporate greed, the Tories would instead seek to further reduce regulation and tax at the top by punishing those in the middle and at the bottom. We knew that the deficit, which we considered to be manageable and necessary to sustain the economy and return us to growth, would be misrepresented and used as an excuse to attack investment in public services and public spending in general.

Both of those fears have proved to be correct, which is why the STUC embarked on a campaign to educate workers and the public about the economic facts and the assault that we knew would come. The “there is a better way” campaign has been the biggest mobilisation of trade unions,

civic Scotland and community activism since devolution. It has involved the voluntary sector, churches, local community groups and affiliates on local trade union councils and it has been extraordinarily successful.

The campaign is explicitly not just an anti-cuts campaign. It pre-dates the Government's cuts agenda and is not a response to the actions of others. It is a proactive articulation of the long-held view of the STUC and others that consensus around financial deregulation, diminishment of manufacturing and so-called labour flexibility in a market-knows-best economy was never going to be a sustainable route to a prosperous or equal society.

The campaign highlights four priorities: living wages, fair taxation, public services and jobs. It was launched with a rally in this city last October and I was a steward on the march. I know that the Labour shadow secretary of state, Ann McKechin; my leader in this place, Iain Gray; and many members from the two main parties in the chamber were also present. As I said, that was the launch of a movement and the proclamation of an idea, not an end and not the culmination of a campaign. Since then, the STUC and its affiliates have been continuing to rebuild their campaigning capacity, with many better way conferences and training events taking place in workplaces and communities around Scotland.

I pay particular tribute to the Public and Commercial Services union Scotland for its Wick wants work campaign. Two weeks ago, I joined my colleague Neil Findlay at a meeting of the West Lothian TUC to discuss its campaign and I commend it for what it has already achieved. A major mobilisation of Scottish workers also took place with the march for the alternative in London. Again, I was able to be present and the rally was addressed by the leader of my party, Ed Miliband.

As an MSP I will continue to pursue the issues and causes that have brought me into this place. There is an alternative economic vision, which the Scottish Government and the UK Government should be listening to. In relation to the cuts that are being imposed, I hope that the minister will say something in closing about the different impacts that they will have in many communities and on many low-paid workers and vulnerable people.

I know that Government back benchers were on the march last October. I hope that they will remember, in the five years ahead, why they were there. Hundreds of placards were produced bearing the slogan "fair taxes". They were not brandished in support of slashing corporation tax. Indeed, a speaker from the Irish Congress of Trades Unions explicitly warned against the approach that is still being espoused by the Scottish National Party, despite the death of the

Celtic tiger dream and the bending of their arc of prosperity.

Focus on those issues will now be in the context of looming industrial action, which the Tory Government is provoking with its announcement of final positions in advance of negotiations with the unions. At the congress of my own union, the GMB, at which, but for my election to the Parliament, I would have been a delegate, Vince Cable threatened basic rights and freedoms, which are recognised internationally, for workers to organise and represent themselves collectively in defence of their interests and conditions, their industries and, in many cases, their public services.

My party fought the election on a manifesto that contained many elements of both the better way priorities and the people's charter, which Elaine Smith outlined earlier, and I look forward to pursuing my involvement and activism in these issues in this, our Scottish Parliament.

17:32

John Wilson (Central Scotland) (SNP): As other speakers have done, I congratulate Elaine Smith on securing this worthwhile debate. As per my entry in the register of interests, I declare my membership of the trade union Unite and the fact that I have been a trade union member for more than 30 years.

I come to the debate with a sense of déjà vu, as we debated the issue in the chamber in March 2011—I am not the only one who might think that it was that long ago. Some new faces have contributed to the debate today.

Elaine Smith: Does the member agree that this is such an important issue that we should continue to debate it until we get the people's charter implemented and the STUC campaign fully supported?

John Wilson: It is such an important debate that this is my first speech in the chamber since the election. It is a very important issue and I have signed up to the better way campaign.

If we are talking about protecting the interests of the vulnerable and the low paid, we need to look at what has happened to the lowest paid in local government in the past decade, particularly those low-paid women workers who are still being denied their right to equal pay in local authorities.

It was interesting that Elaine Smith quoted Gavin Whitefield, the chief executive of North Lanarkshire Council, in relation to the financial squeeze that the council faces—the very same council that has used every legal argument to deny the settlement of equal pay claims in that authority, to the extent that Unison announced just

last week that it is proposing to take legal action against the council to secure the equal pay settlement that many low-paid women workers should have been entitled to 10 years ago, rather than today.

We are looking at the issues that local authorities face and the cuts that are now upon them, but they have not always been undercut regimes. Equal pay is one issue that highlights where local authorities have failed to deliver for low-paid and vulnerable women workers. At the same time as North Lanarkshire Council was holding back on making equal pay settlements, in 2003 and 2004, senior officers in the local authority were awarding themselves pay rises of 13 and 14 per cent. We must address the issue in the context of the debate about what is happening to vulnerable workers and what we are trying to achieve now.

I support the STUC's campaign, because I think that there is a better way.

Helen Eadie (Cowdenbeath) (Lab): I agree with the member that there are concerns, if what he is saying is accurate, but is there not an element of hypocrisy if we take into account the fact that the Scottish National Party Government is presiding over a situation in Scotland in which consultants in the health service are being paid £3,500 a week just for their salary—not including accommodation, which is free, travel expenses and agency fees on top of that? Does the Government not need to get a grip on that situation?

John Wilson: I fully support Helen Eadie in that demand. I have raised on the record the issue of what local authorities and other public sector bodies pay for consultants in Scotland. Local authorities and health boards should employ people to deliver services. The issue relates to the cuts agenda. If the Scottish Government were to take away the consultants, it would be accused of cutting back services in the health service.

I return to my initial point that it is vital to protect those who most need protection: the lowest paid and those facing the worst cuts to their terms and conditions. We need a realignment of political and trade union ideas to ensure that the most vulnerable, those in poverty and the disadvantaged are given the help and support not that they need, but that they deserve.

It is interesting that the Labour Party is now demanding a living wage of £7.15. The Labour Party introduced the minimum wage at Westminster in 1999. It had ample opportunity to ensure that the national minimum wage became a living wage; instead, it held back. The Scottish Government has led the way on protecting jobs in Scotland. The briefing that we received from PCS

today indicates that the Scottish Government has guaranteed to protect jobs until 2012. That guarantee will be subject to further negotiation, but let us move away from Westminster, get independence and lead the way on protecting all vital services.

17:38

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I welcome a second debate on this important subject. In March, my predecessor, Jim Mather, responded to a debate that was led by Elaine Smith. She is certainly persistent in her campaign, and I admire her for that. If I may be so bold, I say that she has demonstrated tonight that even Presiding Officers can still be passionate about their politics. There is nothing wrong with that.

Over the years, all of us as elected representatives have campaigned on many issues where we have felt that a reduction in public expenditure has been leading to hardship for people in this country. I am sure that all of us have done that in many different ways. That is the essence of the sentiments that are expressed in the motion.

In its campaign, the STUC focuses on jobs, services, tax and a living wage. I will try to cover each of those points in turn. The Scottish Government is committed to securing jobs, investment and economic growth. Last week, we saw the seventh consecutive reported fall in unemployment in Scotland—a decline of 10,000 during the three months to April 2011. More good news is in my notes, but I will not read it out, because it is nothing to be complacent about. What I said is true and is to be welcomed: for someone who is one of the 10,000, the situation is welcome. It is an improvement for 10,000 living human beings. However, none of us in any party is complacent about the challenges that we face or the misery of anyone who faces a P45, redundancy and the impact of expenditure reductions.

Our aim is to protect public jobs and services. We have therefore acted to constrain pay, by producing the one-year policy of no compulsory redundancies for staff who are under our control. That is the right policy, although we have been criticised for it, as the First Minister pointed out at this morning's national economic forum meeting, which I compèred—if that is the right word. We have been criticised for not going far enough—it has been said that we should make compulsory redundancies and that we should put people through the fear and worry of thinking, "Will we be next for the cut?" Instead, we have said that a policy of no compulsory redundancies should apply.

Such a policy has many economic benefits, as well as the human benefit for those who are involved. The economic benefit is that, because people do not worry as much about whether they will be in a job, they do not constrain their spending. We all know that, when people worry about whether they—or even their friends—will have a job, that makes them think twice about spending, particularly on large purchases. That damages the whole economy.

Helen Eadie: Does the minister realise what is happening in the area that I represent in Fife? The reality is that Fife Council, which is SNP and Liberal Democrat controlled, is making compulsory redundancies.

Fergus Ewing: I bow to Helen Eadie's local knowledge of Fife and I am happy to consider such matters with her further. Announcements have been made recently about successes in bringing jobs to Fife, which I am sure she welcomes, as do we. We have given a lead with our policy of no compulsory redundancies. I hope that that lead will be followed throughout the public sector.

In 2011-12, for staff groups that are under our control, we have targeted resources to protect family incomes for the lowest paid by introducing a living wage of £7.15 an hour and a minimum increase of £250 for people who are paid less than £21,000 a year, to which Elaine Smith referred. That policy is right and I hope that other members will agree—including Mr Brown, who has fought his corner doggedly tonight, particularly given that he is alone on his benches, as his Westminster colleague is all the time.

Neil Findlay: Will the minister consider taking the case for a living wage in local government to his Cabinet colleagues? A living wage could be achieved in local government if the Government pursued it. He might say that the issue is for local government, but the council tax freeze was such an issue and it was imposed by central Government. Why not impose a living wage on local government?

Fergus Ewing: I say with respect that I do not need to take the policy of a living wage to the Cabinet, because the Cabinet produced the policy of a living wage for employees who are under the Government's control—I was at the Cabinet session at which the decision on that policy was taken. I urge Mr Findlay to make his views known to the Convention of Scottish Local Authorities, as I am sure he will. We have given a lead in respect of public sector workers for whom we are directly responsible.

We have gone further than that. In the context of jobs, services, tax and a living wage, it is reasonable to make the point that we have said

that a pay freeze should apply—*[Interruption.]* I hope that that noise is not from my phone; I do not think that it is.

A pay freeze is justified. In hard times, surely many people—perhaps most people—accept that it is better for all of us to remain in employment than to live in fear of redundancy. That must be a principle. Certainly, from speaking to constituents, I know that, although it is tough and nobody likes it, it is by and large accepted for the greater good of us all.

Elaine Smith *rose—*

Fergus Ewing: I will go on to make the second point. In exchange for that restraint, we have undertaken that we will do various things. One of those is to extend the council tax freeze that we carried out in our first term of government into our second term. That is in the form of a social contract. We are asking people—rightly including members of the Scottish Parliament and ministers—to accept restraint in their own wages but, in exchange for that, we say that there is one bill that will not go up substantially. We heard about electricity and gas bills going up last week, but there is one bill—the council tax bill, which we are responsible for—that we will freeze.

Neil Findlay *rose—*

Fergus Ewing: I am sorry. Was there another intervention? I am happy to take one if I have time, Presiding Officer.

The Deputy Presiding Officer: If you want, but this is the final intervention, because we are already over time.

Neil Findlay: The Scottish Government is not responsible for the council tax bill. The councils are responsible for the council tax bill, but the Scottish Government has decided to impose a freeze on them whether they like it or not. I repeat the point: if Mr Ewing is willing to impose a freeze on council tax, is he willing to pursue a living wage in local government? Mr Ewing needs to answer that point, because the principle is the same as it is for the council tax freeze.

Fergus Ewing: That was a double-barrelled intervention. We did not impose the council tax freeze. We indicated that there would be a council tax freeze provided that local authorities were willing to act in partnership with us, and they were.

It is only reasonable to point out that, as far as I understand, the party that Mr Findlay represented at the election fought the election on a policy of a council tax freeze. I do not really like to make partisan comments, but the debate has had an element of partisanship here and there. It seems reasonable that the Labour Party should either stick to its council tax freeze policy or jettison it and should not be for and against it at the same

time, which is what we have seen in debates over the past few weeks.

Meeting closed at 17:48.

The Scottish Government will do its very best, despite the budget reductions that we have received from the Westminster Parliament, to use taxpayers' money as best we can to avoid wasting it. Every pound that we waste and, indeed, every £1 million that is wasted by the Government, means that there is less to use for the real priorities in this country. That is why it is so important that we work together to protect, as far as we can, those who elected us to this place, through the provision of services in health, education and all other areas. That is what the Scottish Government will do.

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