



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 23 February 2012

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Scottish Parliament

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[The Presiding Officer *opened the meeting at 09:15*]

Rail Services (Consultation)

The Presiding Officer (Tricia Marwick): Good morning. The first item of business today is a debate on motion S4M-2086, in the name of Richard Baker, on concerns about rail proposals. I call Richard Baker to speak to and move the motion. Mr Baker, you have 10 minutes.

09:15

Richard Baker (North East Scotland) (Lab): In our last Labour Party debate, we discussed the impact of Scottish Government policies on bus passengers. Today, we return to two more transport issues that are of crucial importance. In our second debate today, we will focus on support for ferry services, but in this debate, we will discuss the need to provide the rail services that Scotland requires and, specifically, the need to ensure that railway stations that perform a crucial role in their communities are not closed.

We make no apology for returning to transport issues in our debates; after all, an efficient public transport system that serves the travelling public's needs is crucial not only to service provision but to boosting our economy to ensure that we move on from the current position of flatlining economic growth and rising unemployment towards the creation of a stronger and growing economy for Scotland.

Our motion results from proposals in the "Rail 2014—Public Consultation" document for the new ScotRail franchise. We and many others have expressed serious concerns about a huge number of issues in that document because we want better, not worse, rail services in Scotland, and because the need for progress is clear. More needs to be done to make rail services more punctual, faster and more affordable, and to extend their availability to give commuters more options for boarding the train rather than getting in their cars.

We are not saying that there has been no progress in all those areas; that is not the case, and we have welcomed initiatives to extend services, to improve journey times in some areas and to open new stations on the rail network. However, in a number of areas, there has not been enough progress and certain options in the consultation document threaten not to improve rail

service provision in Scotland but to make it far worse.

One aspect of the consultation document that has caused great concern is the proposal to close a number of railway stations.

The Minister for Housing and Transport (Keith Brown): Can Richard Baker point to where in the consultation document it is proposed that stations be closed?

Richard Baker: Yes I can. As the minister is well aware, the proposal is in section 7.

The proposal to close a number of railway stations is just one of our concerns about the consultation document. Although our motion highlights that issue, it is far from being the only aspect of the document that has met with huge opposition. Yesterday, I was fortunate to attend a briefing on the future of rail and ferry services in Scotland, which was held as part of Scottish Trades Union Congress week in Parliament, at which I heard the concerns of a number of the transport unions about the document's proposals. They expressed their opposition to proposals on the future of the sleeper franchise, on the separation of routes in franchise arrangements according to profitability and social provision and, of course, on the closure of stations. Despite what I imagine the minister is pointing to in his intervention, the trade unions are in no way comforted by his statement that they are just proposals. The fact is that the proposals have met with such widespread opposition because they are contained in a document about future rail services and have been put on the table in a consultation process.

However, although we believe that, on a range of issues, the consultation document is fundamentally flawed, we had hoped that our motion might find consensus and help to clarify the Scottish Government's position on at least one subject that is covered in the document. The motion simply acknowledges that there are a range of concerns and that further discussion on the issues is required and, specifically, calls for rejection of the proposals that are set out in section 7 of the document to close 11 stations in and around Glasgow, which have been the subject of local campaigns for their retention and a campaign by Glasgow's *Evening Times*. We hope that now that the consultation has concluded, the minister can confirm today that not only are there no current plans to close any of those stations, but that there is no question of their being closed.

The easiest way to obtain the clarity that we need on the issue is for Scottish National Party members to support our quite reasonable motion, although it is evident from some of the noises off that they will not do so.

My colleague Patricia Ferguson has been particularly active on the issue. In her members' business debate on the subject, the minister refused to reject the proposition outright. He said then that there are no plans to close the stations and has reiterated that in his amendment. Of course, in the previous session of Parliament his predecessor announced that there were "no plans" to cancel the Glasgow airport rail link project, but only a week later the SNP did exactly that.

The minister's attempts to downplay the significance of the proposals—which are clearly there in the consultation document—is undermined by the fact that SNP regional members in Glasgow have been issuing leaflets under the banner of the save our stations campaign. Although the minister may be adamant that there is no threat to the 11 stations, it is evident that he has failed to reassure his own back benchers in Glasgow on that point.

Although there are more than 60 stations in Scotland that are within 1 mile of another station, when further information was requested on which stations are under consideration in the light of section 7 of the consultation document, a list was provided that identified the 11 stations in question. Indeed, the consultation document refers specifically to their costing £208,000 in lease costs. The ambition behind highlighting that part of the consultation document is clearly a cost-saving exercise.

The concerns have been justified and it is extremely important that any threat of closure be lifted from those stations and that the people who rely on them every day, for example to get to work, can be reassured that the stations will continue to be a vital part of the rail network in Glasgow and Scotland. What we want to hear from the minister in the course of the debate is not simply that there are no plans to close any of those stations, but that they will not close and that the proposal that they should close has already been rejected. If he is able to confirm that, I would question why the SNP does not support our motion.

As Patricia Ferguson highlighted in the motion for her debate, all nine stations in Glasgow that featured on the list of 11 have seen an increase in passenger numbers in the past two years; in one instance, passenger numbers have grown by 189 per cent since 2005. There is a clear demand for the services that the stations provide. They provide crucial services not only in Glasgow, but in Paisley and Motherwell. That is why they should be a key feature of the work to grow the local economies in those areas as we seek to grow the wider Scottish economy.

There will only be increasing scepticism about the credibility of plan MacB if, in this area, as with others, the actions of ministers do not match the

rhetoric. We want a rail network not with a reduced number of stations but with increased access to rail services.

As I highlighted at the beginning of my speech, the proposals on the closure of rail stations are but one of a host of issues on which we are at odds with the consultation document. We are deeply concerned that the effect of the proposals on passengers will be higher fares, overcrowding on trains, longer journey times on certain services and an end to cross-border rail services, with many passengers being forced to break their journeys. We are concerned by the proposal on the sleeper franchise, and the separation of franchises between those that are deemed to be profitable and those that are deemed to be provided for social reasons.

There are also proposals in a number of other areas that we believe are unacceptable. Although we will return to many of those issues in the coming months in Parliament, we wish to emphasise today that the consultation process is fatally flawed. It has raised questions that it seeks to answer with proposals that will do nothing but damage the provision of vital rail services.

We need to go beyond the consultation process and have a debate about the opportunities that exist to improve rail services in the years ahead. I commend to the minister—indeed, to all members—the briefing from TRANSform Scotland, which very much reflects our thinking when it says that further consultation is required of the Scottish Government on the future of rail services, including further consultation on specific areas in which there have been inadequate opportunities for passengers and stakeholders to engage in the crucial debate on the future provision of rail services.

The consultation document represents a threat to, not an opportunity for, our rail services. The Scottish Government should come forward with a far superior vision for the future of those crucial services for our society and economy. That should be the focus for building the rail services and the rail network that Scotland needs.

I move,

That the Parliament recognises the concerns expressed in Glasgow that the *Rail 2014 - Public Consultation* calls into question the future of 11 railway stations in and around the city; calls on the Scottish Government to reject any proposals for the closure of these stations; also recognises that this is only one aspect of the *Rail 2014 - Public Consultation*, which has already given rise to questions regarding the quality of the provision of rail services across Scotland in the future, and believes that further debate and dialogue will be required beyond the conclusion of the consultation process, both in the Parliament and with all those for whom the future of rail services is of vital importance.

09:25

The Minister for Housing and Transport (Keith Brown): I am pleased to have a chance to reiterate once again the Government's position. It is important to bear it in mind that the process was a consultation and that there are no plans to close stations in Glasgow or anywhere else in Scotland. We finished the consultation only on Monday this week, so it is only right that we respect the people who responded and take time to consider what they had to say before we come to conclusions.

The consultation rightly raised a number of issues, including how to contract for services and how to pay for them, and how to get the best use out of the rail network. There is no question but that 2014 is a crucial year for a number of reasons, including the fact that there will be a new funding package for Network Rail and a new contract for rail passenger services. We must consider all the options in preparation for 2014. Had we not done so and had that not been evident in the consultation document, I am pretty sure that the Opposition parties would have demanded that we do exactly that.

Richard Baker's motion implies that there has not been full and adequate consultation, although he also seemed to suggest that we rule out certain things rather than consult on them. I assure members that there has been considerable debate across Scotland in the past three months. There were detailed presentations and discussions with regional transport partnerships; presentations were given for stakeholders in each of those regions, to which all members of this Parliament, council leaders, members of the United Kingdom Parliament, business groups, local interest groups and the rail industry were invited. We also held public events at railway stations across the country. Self-evidently, the consultation was not a paper exercise. All the views that were expressed at those events will be taken into account.

It is surprising that Richard Baker, who clearly has an interest in the matter, did not take the opportunity to find out more about the issues that were raised at some of those events. We have made it clear throughout that the consultation process has been about options. Richard Baker continually used the word "proposals", even though it does not appear in the consultation document. He will find that the paragraph from which he quoted does not contain the word "closure" at all. It says:

"We do not intend to reduce the size of the Scottish rail network, or reduce the number of stations".

However, Richard Baker manages to take from that a proposal to close stations. Perhaps he can elaborate.

Elaine Murray (Dumfriesshire) (Lab): I refer the minister to paragraph 7.11, which states:

"We would welcome views on what locations may be more appropriate for stations and which current stations are no longer required."

Is it surprising that people think that some of the stations are under threat?

Keith Brown: It is a distortion of the English language to say that that is a proposal for closure. The word "closure" is not in that paragraph. The first part of the paragraph states:

"We do not intend to reduce the size of the Scottish rail network, or reduce the number of stations".

That is fairly self-explanatory.

Patrick Harvie (Glasgow) (Green): Will the minister give way?

Keith Brown: I will make progress, then I might come back to Mr Harvie.

We have made it clear throughout the consultation period that we are talking about options and not proposals. We have also been clear that one aim of the consultation is to provide information. We all acknowledge that the rail industry is fragmented—the legacy of previous Governments of various hues. It can be difficult to find out information on how the industry operates and what it costs. The consultation was an opportunity to address that gap in knowledge and has, in that regard, been a tremendous success. We have received more than 1,200 written responses. We now need time to review them to help to inform the way forward. Everybody's response is important in that, including the views that we will hear today.

We have no plans to close stations in Glasgow or anywhere else in Scotland.

Patrick Harvie: Will the minister give way on that point?

Keith Brown: No.

Richard Baker talked about a request for information on which stations are under threat, but that was not the nature of that request. People asked for information about the 11 stations that have been mentioned in respect of footfall and their location. It was not a request for information about which stations are under threat. As he has done on several occasions, Richard Baker misrepresented completely the background to what happened. We recognise that footfall and location are only two of several factors in determining a station's importance. Several Opposition members might be interested in Airbles station, which is of particular use for Motherwell FC's ground and for workers at the Department for Work and Pensions pensions centre; and in

Paisley St James station, which is of particular use for St Mirren FC's ground.

Our track record on stations is that we have opened five new stations since 2007: Alloa station in my constituency, which I proposed as leader of Clackmannanshire Council back in 1999; Laurencekirk station, the opening of which has proved to be extremely successful; and Blackridge, Caldercruix and Armadale stations. Seven more stations are due to open as part of the Borders rail project. We have an extremely good track record on opening new stations.

In addition, Dalmarnock station in Glasgow is benefiting from an £11 million refurbishment programme, which is supported by a range of funders. There will be £426 million of investment in rail infrastructure this year—the highest level of investment since devolution. We will also provide substantial support for passenger services; since 2007, we have invested in the provision of 30,000 extra seats a day. The Airdrie to Bathgate link opened last year, and we have a fleet of new trains running in Ayrshire and Inverclyde. It will be interesting to hear from Labour members what Labour's vision for rail in Scotland is.

Richard Baker: Is the minister saying that, as long as he is in office, none of the 11 stations in question will close?

Keith Brown: I do not know on how many occasions we have said that we have no plans to close those stations. However, we must listen to what people have said in the consultation. This is the difference between us and the Labour Party: when we say that we have “no plans” to do something, the Labour Party thinks that there is an agenda, because that is the way in which it operated. We are saying that we will listen to the consultation responses that we have received.

I look forward to hearing members' genuine views, which we will seek to take into consideration, and I look forward to reading all the responses to the consultation. We are making a genuine attempt to improve rail services in Scotland. Our track record—whether on Borders rail, the Airdrie to Bathgate line, the new stations that we have opened or our record levels of investment—speaks for itself. It is in that vein that we intend to continue with our proposals for rail services in Scotland.

The consultation process has been what consultation processes should be: it has been genuine, it has laid out options and it has let people come forward with their own views. It is only right that we take time to consider those views. I hope that members will ask for a copy of the consultation responses so that they can see them. Richard Baker and Elaine Murray might be surprised by some of the proposals on station

closures and the quarters from which they have come. They should come to an informed view, once they have had a chance to look at the consultation responses. That is what we are doing.

Regardless of that, we will continue to invest in rail services. We have seen a substantial increase in patronage, in the number of stations and in the investment that is being put into the infrastructure and passenger services. The Government intends to continue to invest in our rail services, which in the past have been fragmented, to improve them further for everyone.

I move amendment S4M-02086.1, to leave out from “the concerns” to end and insert:

“that *Rail 2014 – Public Consultation* gave members of the public, communities, businesses and organisations an opportunity to set out their aspirations for Scotland's railways; notes that the Scottish Government will give due consideration to all responses to the consultation; acknowledges the repeated assurances of the Scottish Government that there has never been any intention, nor are there any plans, to close railway stations in Glasgow or indeed elsewhere in Scotland, and welcomes the Scottish Government's record of investment and improvement in Scotland's railway by including, for example, the reopening of the Airdrie to Bathgate railway, major improvements to Dalmarnock station, improvements to the Paisley corridor, new class 380 electric trains for Ayrshire and Inverclyde, the ongoing improvements to Waverley steps, additional services on the Highland Main Line, increased accessibility at stations across Scotland, the forthcoming Borders Rail project, the Edinburgh-Glasgow Improvement Programme and the commitment to invest a minimum of £50 million in new sleeper trains.”

09:32

Alex Johnstone (North East Scotland) (Con):

I congratulate Richard Baker on lodging the motion. I know that its subject has been dealt with in a members' business debate, but it is important that we should get the chance to address it in a main debate in the Parliament. Patricia Ferguson's work in bringing the matter to public attention has been welcome.

There was much in the consultation that was easy to oppose. Among the radical suggestions that were made were proposals to cut the sleeper service, the idea that we might be expected to stand for longer on trains and the suggestion that we might increase peak-time ticket prices simply to discourage people from travelling. Some of those suggestions were met with hysteria—I should know, because I led some of it. It is in the nature of a consultation that ideas are proposed that might be beyond the pale. It is up to us as politicians to focus our opposition on such ideas, and I believe that that is exactly what we have done.

Another responsibility that we have when consultations take place, as we have learned from bitter experience, is our duty as Opposition

politicians to read between the lines and to interpret what might emerge from a consultation that is not obvious. I believe that that is what the Labour Party has done, and it is entirely appropriate for it to have taken such action.

It has been suggested by some—not least, the Labour Party—that we should never see a station close. I am not prepared to make that commitment, because I believe that, even during a period of expansion, the management of the rail network may require us to take tough decisions about individual stations. However, the idea that we might wreak havoc with the rail network, particularly in Glasgow, causes me serious concerns.

The reason for that is simple and fairly general: we in Scotland are not good at mass transit systems. Most of our cities lack the support that is necessary to get people into and out of the city centre effectively. We mostly rely on buses or cars. We had the bright idea of having a tram network in Edinburgh, but the concept of bringing trams into Edinburgh has been fraught with cost and practical difficulties. We should hold dear the idea that we have one city in Scotland that thought about transport in advance.

The Glasgow subway system is a precious jewel in Scotland's crown, and we can ill afford not to give it proper investment and support in future. It is unacceptable to consider possible cuts to Glasgow's suburban rail network.

Rationalisation is often used as an excuse for removing services. Scotland's rail services, and those in Glasgow in particular, are seeing significantly increased footfall. Demand for those services has never been greater than in recent times, and they deserve our support.

I mentioned hysteria and my part in creating it, and such tactics are often used by Opposition parties. It is only natural that the Government should claim that it never had any such plan and therefore should not be attacked for the very suggestion that it did. Well, what I want to hear from this debate is very simple. At the end of today, I want to know that we have a clear commitment to the consultation process, a promise that no decisions have been taken already and an undertaking that no station will be closed. I also want a commitment that the rationalisation process will not be used simply to justify closures and a promise that what the minister says today will not change after the local government elections have passed. It is the cynical behaviour of politicians that discredits us in the eyes of—[*Laughter.*] I am glad that members are enjoying this. It is the cynical behaviour of politicians that discredits us in the eyes of the electorate. What the Government says today must stand up in the longer term.

It is essential that we look ahead and see the consultation for what it is, and that we get the Government to give us an undertaking that the consultation is not a Trojan horse for a closure programme that it will deny today but will implement in future.

The Presiding Officer: We now move to the open debate. I remind members that they have a strict four minutes. If members try to go over that, we are likely to cut them off mid-stream.

09:38

James Dornan (Glasgow Cathcart) (SNP): Since I was elected to the Scottish Parliament, I have had the honour of representing my constituents in the parliamentary chamber and in Glasgow City Council. Most of the time that has been a pleasure, but one of the occasional drawbacks is that I have to listen to the same tired debates from the Labour Party in both places. Unfortunately for me, today is one of those days.

It is a real shame but no surprise that the Labour Party has wasted vital debating time on a manufactured, politically motivated and negative motion that has no basis in reality, as Labour members well know. One would have thought that, by this time, the Labour Party would have realised that scaremongering may get it the odd headline but is no substitute for policy. I suspect that Labour members will find that out, with devastating consequences, in May.

It is clear that the motion was not lodged with the future of Scotland's railways in mind, because it is about the future of Labour council colleagues throughout the country, but primarily in Glasgow, who are facing the search for a new career in the near future.

Labour knows, I know and the public know that there are no closures of train stations in Glasgow—there never were and never will be.

Richard Baker: Will the member take an intervention?

James Dornan: I would love to, but I have only four minutes.

Why does the Labour Party not bring something positive to the table? Where are its plans for the railways in Scotland? Does it have any? I thought not. It does not have a policy or a constructive suggestion. It has nothing. Richard Baker's motion talks about "concerns expressed in Glasgow" about

"the future of 11 railway stations".

The minister has told us that those 11 stations have been named because someone asked for the names. I am sure that we are all keen to know who that was and how it came about. It has come

to my attention that, at a public meeting that was arranged by my local Labour member of Parliament, that mystery person asked the question. We all know him: he is the defeated Labour candidate who did not see his own downfall coming when it was staring him in the face.

I am not suggesting for a moment that this is a set-up—heaven forbid—but it has involved a Labour MP arranging a meeting to discuss the consultation, a member of the public asking for stations to be named and, once they were named, Labour running its council election campaign around that. At the very least, it is political opportunism of the worst kind.

As Labour scrabbles around for a bandwagon to jump on—or create—the SNP continues to invest in Scotland's rail services. Our rail network receives a higher public subsidy than any network elsewhere in the United Kingdom. Indeed, the recent budget passed by this Parliament increased expenditure on rail services and on maintaining the current network.

The SNP's record on transport is one to be proud of, especially in Glasgow. That is demonstrated by our additional investment in the Glasgow subway and our commitment to fastlink, which will be an important piece of infrastructure when we host the Commonwealth games. The new Southern general hospital is another huge investment in Glasgow by this Scottish Government. There are countless other examples, which I am sure my colleagues will mention.

We have even put on an extra five trains a day between Glasgow and Dundee. I realise that Labour members do not have much reason to visit Dundee any more, but they have to accept that that is not the behaviour of a Government that does not recognise the importance of railway services.

Labour's petition against the rail 2014 consultation states:

"I am against many of the changes proposed to Scotland's railway network."

It does not specify a single change, and I am sure that I am not the only person who read that and thought of Father Dougal standing outside the cinema in an episode of "Father Ted", chanting, "Down with this sort of thing." It is completely meaningless and shows the campaign for precisely what it is—an electioneering tool for May. Labour knows that there is no threat and wants to be able to claim the credit for changing the minister's mind when he confirms that. That will not work.

Presiding Officer, if you invited me to a party—I await that call—and I said that I had no plan or

intention to turn up, but then did, your response would be, "You told me you weren't coming." No plans and no intentions means not happening—in this case, no station closures.

Benjamin Franklin once said that the definition of insanity is doing the same thing over and over again and expecting different results. Clearly, the Labour Party is so desperate that it is willing to play the politics of the madhouse. It has no ideas, no vision and no policies, so all that it is left with is the politics of negativity, carping from the sidelines and spreading fear in local communities. I have—

The Presiding Officer: You must end now. I call Patricia Ferguson.

09:42

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): Thank you, Presiding Officer.

The motion recognises the real concern felt by many in communities in and around Glasgow about the future of their local train stations. Five stations in my constituency are on the list. Colleagues will recall the members' business debate in my name when I and members from all parties represented in this chamber sought a clear statement from the minister that no station would close as a result of the consultation. I will not rehearse the argument that I made during that debate against the closure of those stations, because it is on the record. I note from the Government's amendment that the mantra of "no plans" has been supplemented by there being no intention to close stations, but I had hoped that the minister would have taken this opportunity to say unequivocally that no stations will close.

It has been suggested—we have heard this again today—that the save our stations campaign is mischief-making. We have also heard again today that the names of the stations were only provided in response to a request. The reality, however, is that when a consultation with a foreword by a cabinet secretary and a minister highlights 11 stations, it is entirely reasonable to ask that they be named. Moreover, when it becomes apparent that those 11 stations are part of a potential group of 60, it is also reasonable to question why they have been singled out, to work hard with concerned local communities to bring their concerns to the attention of the Government and, when we fail to secure an unequivocal statement from the Government that no station will close, to redouble our efforts.

It is no coincidence that since my members' business debate a month ago, when the minister did not take the opportunity to shut down the debate once and for all, my office has been inundated with e-mails, letters and requests for petitions, because people understand that the

phrase “no plans” does not equate to a guarantee that their local station will be safe.

The *Evening Times* first identified the potential problem and is to be congratulated on the way in which it has supported communities in Glasgow on the issue. The *Evening Times* understands Glasgow and the economic, social and environmental problems that the stations’ closure would cause. It is a shame that the Government does not get it, too.

The amendment in the minister’s name talks about the benefits that the Edinburgh to Glasgow improvement programme will bring. Let me tell members what EGIP could mean for train travellers in my constituency. The Anniesland to Glasgow Queen Street service, which runs through my constituency, is a busy route, with journey times of between five and 15 minutes. In recent years several new stations have opened, and passenger numbers have increased year on year.

The plans for EGIP threaten the service. Currently, the service arrives at a high-level platform at Glasgow Queen Street, but the advent of additional trains between Glasgow and Edinburgh would leave simply no room for the Anniesland to Queen Street service. It appears that options are being discussed whereby passengers along the line would be required to travel in the opposite direction, back to Anniesland, where they would change trains and make their way to Queen Street by a more circuitous route. Anyone who has ever travelled on the line knows that that is not a viable option. The journey from Ashfield to Queen Street would take not the five minutes that it currently takes but more than 30 minutes. Few people would consider making such a journey, and my concern is that the overall number of passengers would decrease and threaten the line’s viability.

The logic of the minister’s speech—

The Presiding Officer: I am sorry, but your time is up. I call John Mason.

09:46

John Mason (Glasgow Shettleston) (SNP): This reminds me of Westminster, which is much stricter with time.

I thank the Scottish Government for its many investments in rail, especially those that have benefited the east end of Glasgow. First, I welcome the Airdrie to Bathgate rail link, which has not been given the attention or praise that it deserves. Despite the name that it is often given, the line does much more than connect Airdrie and Bathgate, as many members know. It has opened up six stations in my constituency, with services

every 15 minutes from the east end of Glasgow directly to Bathgate, Edinburgh Park, Haymarket and Waverley.

Secondly, I am delighted to welcome investment in Dalmarnock rail station of some £11 million or £12 million. Dalmarnock is set to become the station for the Commonwealth games, and as a legacy for the area it will be the station for Celtic Park, the indoor sports arena and the area in general.

There have been many other improvements recently, such as a new pedestrian bridge at Shettleston and new access ramps at local stations, which are extremely welcome.

This is a difficult time to embark on major new expenditure; a challenge that we face is to hold on to what we have. It would be disappointing to think that any station might close. The Victorians left us with a tremendous network that is comparable to that of many European cities. Strathclyde partnership for transport—which used to be the Strathclyde Passenger Transport Authority and the Strathclyde Passenger Transport Executive—has sought to protect and develop the network over the years.

Beeching cut back lines and services to such an extent that we now realise that what happened was far too drastic and seriously damaged the overall network. I would be concerned if any station were to close, especially Duke Street, which lies just outside my constituency but is the closest station to Parkhead Forge and the retail park, which are the major shopping centres in my constituency—it is also the closest station to my office.

Not only do we not want stations to close but we want to have a bit of vision and we want new stations to open, even if that happens only in the medium or longer term. Top of my wish list is a station at Parkhead Forge on the main line between Glasgow and Edinburgh via Airdrie and Bathgate, which would not just serve the shopping centre but give direct access to Celtic Park from Glasgow city centre and from Edinburgh. There are problems with the site, because the track that crosses Duke Street has a neutral section, and I am advised that if a train stops in that section it is unable to start again. That makes it more expensive to put a station there. However, it would be useful to have a station at Parkhead Forge.

I also hope for the electrification of the Whifflet line, which serves three stations in my constituency, to allow trains to use the low level at Glasgow Central station. That touches on a point that Patricia Ferguson made about congestion in the two high-level stations. In the long run, if we could get more trains into the low level at Queen Street and at Central, there could be much more

train transport. There are also problems with congestion at Partick and we need to consider turn-back at Charing Cross.

My third main wish would be for crossrail at some stage, which would link the north and the south of the city. A station at Glasgow Cross would be a tremendous boost for the Saltmarket in that area, which has struggled.

We face challenging times. We should protect the system that we have, but we must also have a bit of vision for the longer term and look at how we can expand the network in Glasgow and in Scotland.

09:50

Bob Doris (Glasgow) (SNP): I must say at the outset, for absolute clarity, that, given the process that surrounds consultations, the transport minister could not have been clearer that the Scottish Government has no plans to close any station. I look forward to that being confirmed once the Government has considered the consultation responses. I will be interested to know what various organisations have said about station closures once the responses become publicly available.

People have been concerned about train stations, and the *Evening Times* has played an important role in voicing those concerns—a responsibility that I know the newspaper takes seriously. Glasgow MSPs have a responsibility to address any concerns that are raised, which is why I met the transport minister and gained the reassurances that I believed were important. However, MSPs also have a responsibility to suggest enhancements to our rail network—indeed, we were encouraged to do so.

I therefore thank the Labour Party for so generously donating its debating time to me this morning; I will use it to draw to the minister's attention once more some of the suggestions that I made in response to the rail 2014 consultation.

One issue that I raised concerns service provision on the Maryhill line. I often use the line to go to meetings with constituents, and it has been a significant success. However, the service remains incomplete: it does not run on Sundays except occasionally at Christmas time.

I will provide some examples of why a Sunday rail service is important. In Kelvindale there is a high level of car ownership, and 50 per cent of train tickets that are sold there are season tickets, which highlights the importance of the train for commuting to work. On Sundays, residents still wish to travel, and if they want to go shopping in the city centre, for example, they may well choose to use a car instead of the train for that journey.

They may even skip the city centre altogether and take a car to the out-of-town shopping centres. A Sunday service could therefore have both economic and strong environmental benefits.

At Gilshochill station, which is on the same line, passenger numbers have trebled in the past four years. The Cadder area of Glasgow that the station serves is not well served by alternative public transport links and has a lower level of car ownership. The train is an important service for that community, and extending the service to run on Sundays would meet local social need. Other stations on the line are in a similar position.

I ask the minister to be cautious about any analysis that he may receive of passenger numbers for the four Sundays before Christmas, when First ScotRail occasionally runs trains as part of its franchise commitment, as those services have been subject to cancellations. In 2011, the service ran only on two Sundays before Christmas, and in 2010 it did not run at all.

Uptake of such services depends on commuters being aware of them, and on strong service reliability. There is likely to be significant room for improvement on both counts. Consequently, any data that is received on demand for a Sunday service will be highly unreliable. I therefore ask that consideration be given to my suggestion that services on the Maryhill line be expanded to run on Sundays on a regular basis, and for that to be a potential condition of any future franchise.

I am sure that the minister will want to consider the various suggestions that I made in my submission, including the feasibility of a train station at Robroyston, enhancements on the Newton line and greater connectivity in north Glasgow. I explored the idea of connecting the Maryhill and Springburn lines; the price for that was an eye-watering £40 million to £60 million, but in the medium to long term, we must take a strategic look at developing the rail network.

Finally, it would be worth exploring the idea of a not-for-profit operator. I thank the minister for listening to my suggestions.

09:54

Anne McTaggart (Glasgow) (Lab): I am glad to speak—quickly—in the debate, on an issue that, as we have heard, is of great interest to the people of Glasgow. I thank my colleague Councillor Alistair Watson and Glasgow's *Evening Times* for their save our stations campaign, which highlighted the level of real concern that constituents in Glasgow feel.

Last month, when Patricia Ferguson secured a members' business debate on rail services, I read Transport Scotland's rail 2014 public consultation

document. I noticed that the ministerial foreword says that the Government believes that it

“can achieve a distinctly Scottish railway, attuned to the needs of our country”.

Figures show that the number of people who use the Glasgow stations that are at risk—those listed in the fact sheet—has risen in recent years. That surely illustrates the need to keep stations open in that part of the country. The fact that the number of people who use those stations has increased at a time when train fares have continued to rise suggests how important the stations are. The Government says that it wants to, and believes that it can, achieve a railway that is “attuned to the needs” of the country, and it is clear that the country’s biggest city needs those stations.

Keith Brown: Will the member take an intervention?

Anne McTaggart: I am sorry, but I have only four minutes—unless the Presiding Officer is willing to give extra time.

The Presiding Officer: No.

Anne McTaggart: In relation to the stations in Glasgow that could be affected by closure, we need to consider the impact on our communities. For example, the elderly rely on having train stations close by. Do we ask them to stretch their pensions even more to take a taxi to a station that is further away? Like most other cities, Glasgow has a lower number of car owners than is the average outside the cities, so more people rely on public transport. Those people also stand to lose out if the changes come to fruition.

We have heard that the Government has no plans to close stations, but the people of Glasgow, whom I represent, remain deeply concerned that a number of railway stations are under threat. Is it any wonder that they are sceptical, given the Government’s well-known cancellation of the Glasgow airport rail link project and its extension of the ScotRail franchise without consultation?

The rail 2014 consultation document could have provided us with an opportunity to debate positive changes to the way in which our rail services are delivered. As 2012 is the international year of co-operatives, we could have discussed the potential for a co-operative model for our railways. I am keen to hear from the minister in his closing speech what work the Government will do to pursue that as a viable alternative. Surely money that is generated on our public transport should be ploughed back into improving standards and services and not into shareholders’ pockets.

Instead of discussing such alternatives, we are being asked by concerned constituents to ensure that the Government takes heed and bins the station closure plans. I hope that the Government

will listen to those calls, drop the proposals and support the motion, as those constituents are also its constituents and the Government will ultimately be answerable to them. I also hope that the Government will not blame any closures in the near future on the results of the consultation.

09:58

Humza Yousaf (Glasgow) (SNP): Following the members’ business debate at the end of January, I welcome a second opportunity to put on record my views. Since speaking in that debate, I have attended public meetings about some of the stations that are mentioned in the fact sheet. I attended one last month, along with Johann Lamont. To my surprise, there was barely a fag paper between us, as the saying goes.

All of us would, of course, express our concern should any of the stations that are mentioned in the fact sheet that accompanies the rail 2014 consultation close but, from the outset, the minister has been robust and unequivocal about the fact that there are no plans to close any stations in Glasgow or anywhere else in Scotland. I do not fault colleagues for asking the Scottish Government for reassurances about rail stations or local amenities that they fear for—that is part of the job that we are elected to do. However, as Alex Johnstone said, with an elected position comes a responsibility not to peddle fear and not to scare communities into believing that there is a threat to local services when one does not exist.

All of us in the chamber—including Opposition members—know fine well that no station in Glasgow is truly under threat. We know that the stations that were mentioned were simply on the fact sheet in response to a stakeholder question, whose context James Dornan laid out.

Although they are dwindling in number, some former ministers remain on the Labour benches, and they must remember—although perhaps they choose to forget—how consultations work. Are they seriously suggesting that they would not have bothered to answer the question had it come before them?

As they have offered such vociferous and robust debate, I am sure that all the Labour MSPs who have spoken today have made submissions to the rail 2014 consultation. It will be interesting to read whether they present a vision for Scotland’s rail network. My own submission to the consultation stated that it is vital for our local communities to be connected to public transport hubs and railway stations—especially as increasing numbers of people rely on public transport. The Scottish Government’s transport policies have helped to shift people from their cars on to our railways. Of

course more can and should be done, but we are heading in the right direction.

The consultation is an opportunity to develop a vision of the kind of rail network that we want for our communities. Like John Mason, I have suggested that additional stations could be built in areas where housing developments are expanding. I will continue to work with local councillors, other MSPs and the Scottish Government to help to push the case for a new rail station in the Robroyston area in the north-east of Glasgow, and anywhere else where provision might be needed.

As James Dornan highlighted perfectly, none of us is oblivious to the context within which the debate is raging: we are less than 10 weeks away from local elections. All eyes are on Glasgow. The Labour Party's domination of the city is being challenged, its iron grip is being loosened, and it is trying every tactic in the handbook to hold on desperately to its last bastion of power.

A couple of weeks ago, a councillor—a friend of many of those on the Labour benches—was in tears, claiming that her son's apprenticeship had been threatened for a vote for the ruling Labour administration. Serious allegations have been made. That is no way to run a city.

The people of Glasgow are entitled to an honest debate over the next 10 weeks about local issues, including railway stations. They are entitled to an honest debate—not bluff, not bluster, not smoke and mirrors, and not being scaremongered into a vote. The people of Glasgow deserve better.

The Deputy Presiding Officer (John Scott): We move now to closing speeches.

10:02

Ruth Davidson (Glasgow) (Con): With today's debate, it feels a little as if we have been here before. Like me, a number of the speakers talked on this issue a few weeks ago in Patricia Ferguson's members' business debate. I congratulated Ms Ferguson on securing that debate, and I congratulate Labour on bringing the issue forward again today.

In the previous debate, I said that the overarching need was for clarity, and that is what today's motion searches to find. We have heard a number of speeches today on a great many rail issues around the country that are raised by the Transport Scotland consultation document and the accompanying fact sheet. My colleague Alex Johnstone spoke at length about the sleeper services, as did Richard Baker.

Although it is right that rail changes are discussed in the round, I am pleased that the lion's share of today's debate has been based on the

perceived threat to the 11 stations in Glasgow that are within 1 mile of another station and are on the list. As a Glasgow MSP, I have received a number of representations on this issue, as have others. Glasgow residents have real worries over any doubts about trains on the Maryhill and Paisley canal line.

As they stand, the consultation document and the accompanying fact sheet make it look as though stations throughout Glasgow are under threat simply because they are within 1 mile of another station. There are 14 stations in that category, and I can assure members that Glasgow residents are alarmed by any prospects of closure. That concern is not manufactured; it is real.

More than half a million journeys are made on the Maryhill line every year, and there has been continuous annual traffic growth at all stations. The line serves some of the most deprived areas of Glasgow—areas where other modes of transport are frequently not available.

Bob Doris mentioned my local station—Kelvindale—and said that, despite the high car ownership in the area, the station is well used. It is worth remembering that Kelvindale opened only in 2005, and that it has been a great benefit to local residents. How on earth can it be sensible to close the station now, when passenger numbers are rising year on year, and car ownership is going down?

We can consider another station on a different line. Nitshill is in a deprived area of Glasgow, and it appears that the station could be under threat, as it is one of the stations on the list. The area is poorly served by buses—recently, the 45 route was shortened—and the level of car ownership is low. That may explain why the number of rail passengers has increased by 50 per cent over the past five years. Given that the station not only serves the people of Nitshill but affords access to the Glasgow museums resource centre, which is visited by more than 11,000 people every year, surely what Nitshill needs is investment to provide step-free access to the southbound platform, and certainly not closure.

James Dornan: At a meeting that I had in Kennishead, which has been affected by the threats and scaremongering, once I explained to the people there what the minister had said, they said that they were comfortable with it, and they were surprised about what was happening. Does the member accept that the scaremongering is affecting communities much more than the consultation is?

Ruth Davidson: I have had representations from people who are genuinely worried and are looking for more clarity. That is what I am asking for.

The whole point of a suburban rail line is to have plenty of stations on it. The point is to allow the maximum number of people to use the train services for commuting and leisure. As the representations from my constituents make clear, the consultation has caused consternation and alarm. Now that it is closed, I hope that the minister will give us clarity—not just a Yes, Ministeresque “There are no plans to scrap X, Y or Z” response. When it comes to rail services in Glasgow and GARL, residents know what “no plans” means from the Scottish National Party Government.

10:06

Keith Brown: I am sure that members will agree that the level of interest in the consultation and the number of responses that we have received are such that we should allow adequate time to review those responses before we make any proposals for the way forward.

One of the Opposition parties honestly admitted to “hysteria” in the response to the initial publication of the document. It would be interesting to know whether Ruth Davidson thinks that she was hysterical in her response—it would be interesting to know whether it was just one person in the Tory party, Alex Johnstone, or members across the Opposition parties who were hysterical. Alex Johnstone, who made some salient points, said that we should respect the commitment to the consultation process and asked us to rule out further consideration of some of the responses. It is not possible to do both. We must listen to what people said in the consultation.

Ruth Davidson made a point about a “Yes, Ministeresque”—if that is a word—response in respect of any plans. That may be how the Tories have done things in the past, but that is not how we do things here. This is a genuine consultation process. They should not judge us by their own standards. We have a genuine commitment to the consultation process. We noted, of course, the points that were made about a hysterical response to the consultation. Not for the first time, there was enthusiastic applause from Labour for a Tory speech on railways. How often are we seeing that these days?

It is quite clear that there has been scaremongering, but I do not deny that there is doubtless genuine concern. Whenever there is consultation on an area of major public policy that is of interest to the public, there is bound to be concern, but a number of SNP back benchers have made the point that that concern has been exploited and blown out of all proportion for party-political ends. That is evident from this debate.

Patricia Ferguson: I remind the minister that it is not only Labour, the Tories or others who have campaigned on the issue; his own party has done so, too. In the spirit of his consultation as he has espoused it, how many people who responded to the consultation and said that a station should be closed will it take to make a station close?

Keith Brown: If I get this right, the Labour Party wants to set a benchmark by which we will choose to close a station. We will not do that. We will listen to what the people have to say. *[Interruption.]*

The Deputy Presiding Officer: Order.

Keith Brown: We will take time to consider the consultation responses, and I will be interested in seeing Patricia Ferguson’s and Richard Baker’s responses.

Part of the problem that the Labour Party has is that scaremongering is not an alternative to a vision. That is a simple fact. We have heard nothing about a vision. I cannot say how disappointed I was to hear, for example, Ruth Davidson saying how pleased she was that so much of the debate had been taken up by what she referred to as the “threat” to stations. The Opposition parties have missed an opportunity to talk about the vision for Scotland. That should be contrasted with the contributions by members such as John Mason, Bob Doris and Humza Yousaf, who talked about things that they wanted to see, such as an increased number of stations and improved services.

We have had a massive cut to our budget—£1.3 billion. A third of our capital programme has been decimated by the UK Government. I do not deny that those improvements are, therefore, difficult to put in place. We are putting more money into the railways than the previous Scottish Governments did. That is difficult to do, but it is right that we at least have that vision.

We have some positive things to say with regard to new stations. We will carefully consider the responses that talk about new stations and ways in which we can grow the network. Unfortunately, we have heard little about that from the Labour Party.

There has been a recognition of the growth in passenger numbers. Even the Labour Party must admit that there must be a correlation between the approach that we have taken—the increased investment, the new stations that we have opened, the new lines that we have opened and the investment in Borders rail, which will continue into the future—and increased patronage. The Government has grown the rail network in Scotland and has put a substantial amount of money into it.

As was mentioned earlier, a report that was published a couple of weeks ago said that Scotland's rail is the most heavily subsidised in the UK. That was condemned, but that is a sign of our commitment to the railways—greater commitment than has been shown by previous Governments. Members should not forget that many of the points of concern that were raised by Labour members and others are the result of the railway infrastructure that we have and how the railways are organised, which Labour did nothing to change over 13 years. If it wants a co-operative to come forward for the franchise, why did it not change the legislation to allow that to happen? Labour had 13 years in which to do that, but it did nothing.

It is essential that we continue to work towards a railway that meets the needs of Scotland. We know that there are constraints, such as questions of public finance and the increasing cost of rolling stock. It would have been nice if the Opposition speakers had acknowledged them.

The issue of fares was mentioned. What was not mentioned is the fact that we have kept the increases in Scotland to a much lower level than those in the rest of the UK, including the increases that took place during the time when Labour was in control in the UK. That was not mentioned at all, but it is a measure of our commitment to the railways.

Richard Baker: Does the minister agree that the last increase in Scotland was 6 per cent, as opposed to a 5 per cent increase south of the border?

Keith Brown: No. If Mr Baker goes back and checks his figures, he will find that that was not the case. The increase south of the border was not 5 per cent. Again, as earlier, he has got his figures wrong. Perhaps he would have been better informed if he had gone to some of the consultation events and engaged in the consultation process.

We are going to listen to the 1,100 responses that we have had so far, as well as the points that have been made in today's debate. We should be listening to those views. It is absolutely right that the Government listens to the consultation responses. It is also absolutely right that we set out options, which have continually been referred to as proposals by the Conservative leader and others. They are not proposals. That was made clear. However, there is obviously a political imperative to dress them up in that way.

We will continue to invest in our railways and we will oppose the negative scaremongering that is going on. We will see who has been right all along when the determinations are made.

10:12

Elaine Murray (Dumfriesshire) (Lab): Let us get back to why people are worried and what was said in the consultation document, which started off those worries. This issue was not invented by the Labour Party or the Conservative Party; it was set out in that document. Paragraph 7.8 says:

"from time to time, closures and network modifications need to be considered in the light of changing operational needs and passenger travel patterns."

Two paragraphs later, the document mentions stations on the rail network that are located in close proximity to one another and specifically refers to the 11 stations in Glasgow, pointing out that they cost a total of £208,000. In paragraph 7.11, the document talks about reconfiguring the network

"by reviewing the location of stations."

It is impossible to relocate a station without closing the one that is already there.

James Dornan: Will the member give way?

Elaine Murray: Mr Dornan wishes to make an intervention, but he himself expressed concern about the possibility of closures, and was quoted in a newspaper as saying that he was going to write to his constituents to seek their views on the effect of those closures on their communities.

In the debate on 26 January, which Patricia Ferguson secured, the minister stated that he had

"no intentions to close stations"

and that the list of stations in Glasgow

"was asked for by someone at a station in Glasgow during the consultation exercise".

Now Mr Dornan says that it was someone who apparently could not see their own downfall who asked for the list. When John Pentland asked for a list of stations that are within 1 mile of another station, the minister provided him with a list of 60 stations, but the person at the station got a list of the 11 such stations in Glasgow. The minister said:

"That person gave the criteria for what they wanted, which was information on stations close to each other and on the patronage numbers."—[*Official Report*, 26 January 2012; c 5884, 5885.]

The list of the 11 stations in the Glasgow commuter area and, indeed, three others outwith that area that are within 1 mile of another station is in a document entitled "Rail 2014 Consultation – FACT SHEET - 1", which was published on 16 December 2011 and which can be found in a link from the publications and consultations section of the Transport Scotland website. It does not sound like a list handed out to somebody at a station.

Keith Brown: I confirm that that link exists and that it is quite right that we publish the information that we have been asked to provide; it was asked for and that is why we provided it. Given what Anne McTaggart said about the increased patronage, why does Elaine Murray think that the stations concerned are at risk? What is the risk to them?

Elaine Murray: They were mentioned in the minister's document; they were specifically mentioned in the consultation document. That makes people think that they may be at risk.

The fact sheet to which I referred has links to other publications relating to station usage and so on. The fact sheet appears to be an official accompanying document and there is no indication that it was produced in response to somebody in a Glasgow station. Interestingly, the "Rail 2014—Public Consultation" web page also has a link to fact sheet 2, which contains information about cross-border services. I can only surmise that somebody at Gretna Green station asked for that information, but it was not me. Perhaps I am not somebody who did not foresee their "own downfall", to use Mr Dornan's words.

The answer to John Pentland's written question S4W-04884, which was lodged on 9 January and answered on 19 January, indicated that there are some 60 stations in Scotland that are within 1 mile of another station, so why was reference made to the 11 within the Glasgow commuter area in paragraph 7.10 of the consultation document, along with the cost of operation?

I wonder what question that person in the Glasgow station actually asked that caused him or her to be provided with a list of the 11 Glasgow stations and three others outwith the Glasgow area. What could Invershin station in Sutherland, Ardrossan Town station in North Ayrshire and Golf Street station in Angus possibly have in common with each other and 11 Glasgow stations that they do not have in common with the other 44 stations on the list that was provided in answer to John Pentland's question other than that they might have been considered for closure, because they are not even all within the Glasgow area? Eleven of the stations are in Glasgow and three are elsewhere.

I draw members' attention to Transform Scotland's response on Monday to the consultation in which it referred to

"Recent station re-openings at communities such as Laurencekirk and Alloa".

Incidentally, some of the lines that the minister is boasting about were initiated by the Labour-Liberal Scottish Executive and not by the Scottish National Party, but the SNP is taking the credit for

our plans—it is nice to open things that we planned.

Transform Scotland has made the point that separation distance is not a valid tool and that, in fact, there is a good case for a metro-type service in the Glasgow area. Indeed, I think that some of the back-bench members who have spoken in the debate from various sides of the chamber made the case quite well for that. However, I was quite interested by Bob Doris mentioning the stations and enhancements that he would like but not speaking out about the campaign that he and his party's candidates for Glasgow City Council have been running to save their local stations. They, too, must have been rather concerned that their stations might be closed. That is not just scaremongering. The way in which the consultation document was put together has caused concern generally.

James Dornan: When the consultation document first came out and the fear of closures was raised by the member and her colleagues, councillors did what they should do: they contacted the people whom they should have contacted and got the reassurances that they required. They did not have to campaign further to save our stations or anything else, because they knew once the minister had said that there were

"no plans and no intentions to close stations"—[*Official Report*, 26 January 2012; c 5884.]

that no closures were going to happen.

Elaine Murray: That is factually incorrect, because it was the Glasgow *Evening Times* that raised the concerns and started the campaign, not the Labour Party. Clearly, Patricia Ferguson's and Ruth Davidson's constituents still have concerns, because they are still writing to their MSPs expressing their worries. They are not reassured by the Government's claims that it has no intention of closing stations, because closures have not been ruled out. People in Glasgow know that the SNP got rid of GARL after saying that it had no plans to do so. Frankly, they will not trust the Government unless it is a bit more clear.

In my last minute, I will refer to other issues in the consultation about which there is concern. Those include the ownership of stations, the dual-focus franchise and the fact that having profitable and non-profitable services on two different franchises could lead to the introduction of different levels of specification and, possibly, the deterioration of services in rural areas. The cross-border services and the hub approach also cause me a lot of concern. I hope that, in the future, we will get the opportunity not just to debate this but, in a longer debate that I hope the Government might be prepared to bring to the chamber, to go through a number of the proposals in the

consultation. There are a lot of issues in that document that need to be discussed, which are causing concern in local communities.

I, too, believe in the opening of stations. I recently wrote to the Minister for Housing and Transport, requesting new stations for Easttriggs and Thornhill. Sadly, the minister, he say no.

Road Equivalent Tariff (Commercial Vehicles)

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-02087, in the name of Elaine Murray, on the withdrawal of the road equivalent tariff from commercial vehicles. I call Elaine Murray, when she is ready, to speak to and move the motion.

10:21

Elaine Murray (Dumfriesshire) (Lab): I feel a bit like the filling in a sandwich—I apologise if some members find it rather unsavoury.

The Scottish Government introduced a road equivalent tariff pilot in the Western Isles, Coll and Tiree in October 2008. In 2010, the pilot was extended until April this year. The Government also commissioned Halcrow to undertake an evaluation of the pilot, which was published in July last year. Halcrow found that around 30,000 additional visits were made by ferry to the pilot area in each year of the pilot and that three quarters of the accommodation providers had experienced increased levels of occupancy. The decision to continue the RET scheme—indeed, to extend it to other islands over time—will be welcomed by tourism businesses in the islands that are to be included in the scheme. Some are to be included from October this year, Arran is to be included two years later and others have a more distant promise.

Halcrow also concluded that the RET scheme had made a positive impact on haulage businesses by lowering their total costs by around 10 per cent. Although Halcrow could not identify the total savings that were being passed on to the supply chain, in the document that it published in July it deduced that those savings may have offset other cost increases and enabled prices to be kept down. In addition, Halcrow found evidence suggesting that the difference in the price of fuel between the Western Isles and the central belt had reduced subsequent to the introduction of the RET scheme. Indeed, the Western Isles was no longer the most expensive place in Scotland to buy diesel, as it had been when the RET scheme was introduced in 2008.

Transport Scotland's draft ferries plan, which was published in December last year, proposed replacing RET for commercial vehicles with an enhanced version of the discount scheme that had been in operation prior to the introduction of RET. It argued:

"In 93 per cent of cases, the reduction in ferry fares arising through the RET Pilot have been wholly or partially absorbed at some stage in the supply chain".

Basically, it wanted the savings to be passed on in total. Of course, that means that the ferry savings may have helped to offset price rises in other parts of the supply chain—for example, in fuel costs. In October 2008, when the RET pilot was introduced, the average price of a litre of petrol was 117.1p. By March 2011, when the original pilot would have ceased, the price was 139p per litre, reflecting a rise of almost 19 per cent, and by November last year the price had increased by a further 2p per litre. The RET savings may indeed have been partially or even wholly absorbed by increasing fuel prices but, overall, they helped to keep prices lower than they would otherwise have been.

Those of us who represent rural areas know well that the prices of many items, including fuel, are higher in more remote towns and villages than they are in the central belt. We are told that transportation costs contribute to those higher prices. Therefore, it must be perfectly feasible that anything that reduces the cost of transportation will help to reduce prices. The reduction in the difference in fuel prices between the Western Isles and the central belt is very likely to be a case in point.

The draft plan argues that the increase in freight traffic in the first two years of the Western Isles pilot was only 8 per cent—the Government's amendment says that it was 7 per cent—whereas the increase in car traffic was around 30 per cent. However, the figures varied greatly between routes. Freight traffic on the Ullapool to Stornoway route, which accounts for 57 per cent of all commercial traffic, increased by 7 per cent whereas on the Oban-Castlebay-Lochboisdale route it increased by 30 per cent.

The draft plan refers to the fares discount scheme of up to 15 per cent dependent on volume of business—which existed prior to the introduction of RET—and proposes that, for the Western Isles, Coll and Tiree, the maximum discount would be increased to 25 per cent.

Those proposals provoked consternation and even dismay among many businesses on the Western Isles and, indeed, even among their political representatives. The Scottish National Party MP for the Western Isles, Angus MacNeil, is reported in *Hebrides News Today* of 29 November as saying:

"I believe it is a major mistake to remove RET from the haulage industry ... The whole point of RET is to help the economy of the islands, increasing transport costs for the haulage industry at a time of crippling fuel costs is disappointing. As recessions go, the Hebrides have fared reasonably well, this was I am sure helped by RET."

On 6 December, Mr MacNeil declared himself to be

"fully supportive of the hauliers in the Outer Hebrides"

and stated that:

"The removal of RET will ultimately lead to an increase in prices for customers in our islands ... If this is not sorted freight costs and prices will go up which could ultimately impact on jobs."

Donald Joseph Maclean of Barratlantic Ltd joined him in that press release, stating:

"Since RET came into effect four years ago, we have been on the same working level as our mainland competitors and our turnover has increased by 20%, which made us competitive. The removal of RET is unimaginable."

The Minister for Housing and Transport (Keith Brown): I understand the point that Elaine Murray is making about other peoples' points of view, but I am anxious to get to the Labour Party's position. Is the party against RET, as it was in 2007; is it, as it was in 2008, in favour of RET for individuals but not for hauliers; or is its position as it was in 2011: that everybody with a car in the Western Isles should get £400?

Elaine Murray: Our position is stated in the motion. We want a proper socioeconomic impact assessment.

Where and when in 2007 did anybody in the Labour Party say that we were against RET? I have looked for that and cannot find it other than in statements from the SNP saying that we were opposed to RET.

Mr MacNeil has commented many times on how essential it is that RET be retained. Indeed, I understand that his Scottish Parliament colleague Dr Alasdair Allan was originally supportive of the campaigns by his constituents and facilitated a meeting between hauliers and the Minister for Housing and Transport on 7 February. Prior to that, he expressed the view that

"businesses will make ... a robust case for the retention of RET".

The meeting duly took place, although invitations were extended only to a select few and some were offended that they were not allowed to come and make their point. Indeed, the Outer Hebrides transport group, which was recently formed to support the hauliers' case, was disappointed to be offered only a 45-minute meeting with the minister on an issue of such importance to its members after travelling such a long way for the meeting.

I will be fair: the meeting was productive to the extent that the limit for eligibility to receive RET was extended from 5m to 6m, although I do not know whether that is intended to apply to all routes or only the Western Isles routes.

The following day, the Outer Hebrides transport group met Western Isles Council to call for a review of the proposals—something similar to

what we are calling for. The council leader, Angus Campbell, commented that there had been an

“overwhelming response from the local business community condemning the proposals to remove RET on commercials as having a serious economic detriment in terms of job losses across a range of sectors.”

To be fair to the minister and Transport Scotland, there was further movement on 13 February, when Transport Scotland announced a transitional relief scheme under which the Scottish Government would subsidise 50 per cent of the increase in year 1 and cap any increase to a maximum of 50 per cent of the RET fare. A similar formula would be applied in years 2 and 3. That would mean that, for example, if the non-RET fare was twice the RET fare, the haulier would pay 50 per cent the increase in year 1, 75 per cent in year 2 and 87.5 per cent in year 3.

However, increases on some routes would still be significant. As of April this year, under the transitional scheme, the fare for a 17m vehicle on the Ullapool to Stornoway route would increase by £95.48 and on the Oban-Coll-Tiree route by £98.72.

Western Isles Council was not convinced. On 15 February, it unanimously passed the following resolution:

“The Comhairle is of the view that the current proposals by Scottish Government in regard to the withdrawal of RET for commercial vehicles will be detrimental to the economy and community of the Outer Hebrides;

The Comhairle requests that Scottish Government withdraw its proposals as regards the withdrawal of RET for commercial vehicles until the evaluation, referred to in the announcement by Transport Scotland on 13 February 2012, has been completed”.

Given that the motion was passed unanimously, I presume that the council’s half-dozen SNP councillors supported it or at any rate did not turn up to vote against it. After the motion was passed, the OHTG wrote to its MSP, Dr Allan, expressing its satisfaction at the council’s position and asking for his

“clear, and equally unambiguous support in conveying this message to Transport Minister Keith Brown.”

I understand that, on Tuesday, the group received a reply from Dr Allan, advising that he had made its views clear to the transport minister.

I also believe that the OHTG wrote directly to Mr Brown observing that

“the Comhairle requests that Scottish Government re-instate RET for commercial vehicles until the evaluation ... has been completed. It is unusual for a study and evaluation to take place during a time of transitional arrangements, and the Comhairle would suggest that it is in all parties’ interests—Scottish Government, the Comhairle, the Outer Hebrides community and commercial operators—that the study is allowed to evaluate the full operation of RET on the basis of objective evidence.”

Our motion seeks the same—that a moratorium is declared on the RET changes

“until a full and proper socioeconomic study has been carried out”.

As for the Government’s amendment, the OHTG says:

“It is riddled with nonsense”.

That is a bit cruel but I think that, as usual, it is self-congratulatory and complacent.

I move,

That the Parliament notes that the road equivalent tariff (RET) scheme has brought significant benefit to the Outer Hebrides, Coll and Tiree; is of the view that the current proposals to withdraw RET from larger commercial vehicles will be detrimental to the social and economic wellbeing of these islands and communities, and calls on the Scottish Government to enforce a moratorium on the fare increases until a full and proper socioeconomic study has been carried out to assess the impact that increased transportation costs will have on households, local employers and island hauliers.

10:31

The Minister for Housing and Transport (Keith Brown): We welcome this debate on what is, as I think Elaine Murray said, a vital issue for our island and rural communities. I am sure that everyone here recognises the significant benefits of the road equivalent tariff scheme, although I reiterate that it was opposed by the Labour Party—as Elaine Murray will discover when she checks the newspaper cuttings and previous comments from, in particular, Des McNulty.

Elaine Murray: Will the minister give way?

Keith Brown: I want to get started—I will let the member in later on.

Elaine Murray should also look at the comments of a Labour candidate in 2011 who advocated scrapping the entire scheme and giving £400 to everyone in the Western Isles with a car. I have the transcript of the interview, and I am happy to give it to Elaine Murray afterwards. I am simply interested in knowing the Labour Party’s position on this matter. If Labour members wanted RET to be continued for hauliers in the Western Isles—and, I presume, the rest of Scotland—when did they make that representation in the budget process? For example, can they tell us how much they think such a measure would cost? I would be interested to know.

Rhoda Grant (Highlands and Islands) (Lab): The minister asks about the representations that Labour made, but the Government was absolutely silent on the issue during the budget process. Indeed, the budget makes no mention of withdrawing RET from commercial vehicles.

Keith Brown: The amount being spent on this was made clear in not only the budget, but John Swinney's autumn statement. We also subsequently made it clear to hauliers what we were doing. Given that Labour was silent about proposals for additional expenditure on the issue, I do not think that we can treat with much seriousness any proposal that it comes forward with now that would massively increase expenditure. Moreover, the idea that the Labour Party put forward in 2011 of giving £400 to everyone with a car would have cost £70 million. Of course, that measure would not have touched hauliers at all.

The RET pilot has boosted car journeys by up to 31 per cent, hugely benefiting tourism and local businesses.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): I very much welcome the minister's commitment to undertaking a proper study of the economic situation of hauliers and other companies. Will he extend that study to fuel costs, particularly in light of recent evidence that the UK Government's much-trumpeted 5p fuel duty cut might not apply to many hauliers that buy directly from suppliers rather than retailers?

Keith Brown: I find it very interesting that, as seems to have emerged today, that particular rebate will not apply to hauliers. I wonder whether we will hear more about that in the debate.

With regard to increasing fuel costs, which Elaine Murray also referred to, the member should ask herself whether it is right for the Scottish Government to continue to pour money back into the Treasury as a result of the fuel duty escalator, the price of fuel and increases that the Treasury itself has caused.

Rhoda Grant: Will the minister give way?

Keith Brown: No. I have already taken an intervention from the member—and it was not a very good one.

The additional costs to CalMac alone—*[Interruption.]*

The Deputy Presiding Officer: Order!

Keith Brown: The additional petrol cost to CalMac alone is around £14 million. There have been cost increases, and there is no doubt that everyone is having to bear them. When I met the hauliers, I acknowledged the increasing cost of insurance and the fact that fuel prices were higher on the islands. Those are costs over which the Scottish Government has no control and RET was not designed to address them. It was meant to make the cost of travelling by car equivalent to the cost of travelling by ferry.

We made a commitment to continue RET on the current routes and we would be keen to hear what Labour has to say about our proposal that RET should be rolled out throughout the network, because it has not said much about that so far. We are looking to roll it out to the Argyll and Clyde islands, in light of the Western Isles pilot—it was a pilot—the aim of which was to find out the consequences of RET. As has been mentioned, the result was hugely successful from the point of view of individuals and in terms of increasing tourism. It was not as beneficial to individuals on the islands, as the reduced costs to hauliers were not fed through to customers.

We have gone beyond what was originally proposed. We recognise the real benefits that RET can bring and we believe that it is right that all ferry users in Scotland should benefit from the scheme, which is why we announced our intention to roll it out across the ferry network.

In the northern isles, we have said that it is our intention that in future the fare structure should relate to RET. That does not mean that everyone pays RET, but that the cost of travelling by car and by ferry should be equivalent. However, if we were to roll out RET to Shetland for example, that would in many cases result in an increase in costs, which is one reason why we have not done that there.

Although RET for larger commercial vehicles made up around 40 per cent of the cost of the scheme, evidence shows that only 7 per cent of hauliers and businesses were able to pass the full savings on to customers.

Elaine Murray: Does the minister not accept the contention that the reason that the savings could not be passed on in their entirety was because of things such as fuel costs? In fact, RET was helping to keep prices down, which is one of the arguments from businesses throughout the Western Isles.

Keith Brown: I have already acknowledged some of the fixed costs that hauliers have to contend with and that increase the pressures on them. All that I would ask is whether it can be right that we continually feed moneys back to Westminster, which increases fuel duty, for example? We give that back by subsidising those costs. *[Interruption.]* The Labour Party has the opportunity to bring its position to the chamber and I would be interested to hear its views.

We have acknowledged from the outset that the removal of RET from commercial vehicles on the Western Isles, Coll and Tiree routes will have an impact, but those are the only routes in that position. That is why we have come up with the transitional scheme in which, despite what Elaine Murray says, there will be no increases of more

than 50 per cent and most will be substantially less than that.

As with many issues, especially in relation to rail, which we discussed earlier, the Labour Party has talked about commitments. Over the years, it had a chance to do this and it did not. This SNP Government has brought RET forward, often in the face of opposition from the Labour Party.

It would be interesting to hear the Labour Party's position. Does it now support RET? Does it support RET for individuals or for hauliers? Or is its idea, as one of its candidates said in 2011, to give a £400 cheque to every car user in the islands? There was no mention of hauliers.

Rhoda Grant: Will the minister give way?

Keith Brown: The member has had a chance, and Labour will get another one when it sums up to say whether that is its position.

Our clear objective since announcing the roll-out of RET has been to listen to, to discuss and, where we can, to agree with hauliers and businesses on a more flexible approach that will reduce the impact. Hauliers have queries about the Halcrow study, which Elaine Murray mentioned. We said that we will have a further study on that. They have also said that they want the study to be much more broadly based so that it takes into account the economic impact on the entire islands. We have said that we will do that. We will work with them on the remit for that.

We have also extended eligibility for RET to vehicles up to 6m in length. That was not the case previously, and it is a huge benefit to people—

David Stewart (Highlands and Islands) (Lab): Will the minister take an intervention?

Keith Brown: I am sorry, but I still have a fair bit to go and I have already taken two or three interventions.

We want to alleviate the impact of removing RET from hauliers who previously benefited from it. We have announced plans to extend RET—people who were not getting it before are getting it now. That will ensure that smaller commercial vehicles of up to 6m will benefit from RET from spring 2012. There are real benefits to people.

We are also trying to make the scheme more equivalent. In the past, the discount scheme benefited larger hauliers at the expense of smaller ones. We are trying to ensure that that does not happen in future and we are working with the haulage industry to make the scheme worth while.

As has been mentioned, we had a useful and constructive meeting with key hauliers and stakeholders, which has allowed us to discuss further ways to reduce the impact on hauliers and businesses. Following that meeting, I announced

the new transitional rebate scheme. That involves additional funding. It would be interesting to see whether other parties support that additional funding or want to go further, despite the fact they were silent on the matter during the debate.

I move amendment S4M-02087.2, to leave out from “is of the view” to end and insert:

“welcomes the decision to roll RET out to other Clyde and Hebrides routes, including the Sound of Harris and the Sound of Barra; welcomes the investment of £5.3 million next year on the routes to Western Isles, Coll and Tiree; welcomes the increase in journeys to those islands of 30% that has resulted from the RET pilot, particularly in tourist journeys, notes that RET for large commercial vehicles made up around 40% of the cost of RET and that evidence from the pilot study showed that only 7% of hauliers passed the full benefits on to consumers; notes that, following discussions between the Scottish Government and local companies, investment of £2.5 million in a transitional scheme will support all hauliers regardless of the size of their business; welcomes the inclusion of vans of up to six metres in the RET scheme and the Scottish Government's commitment to a six month study of the costs faced by island hauliers, including fuel duty and insurance costs, and the impact on the local economies and households of the Western Isles, Coll and Tiree, and looks forward to the review of ferry services that will put RET at the heart of an equitable system of fare setting.”

10:39

Tavish Scott (Shetland Islands) (LD): I support Elaine Murray's motion, which is sensible and constructive, and I cannot for the life of me see why the minister is against it. When a minister has to start by spending three or four minutes attacking the Opposition, we know that his argument is not particularly good to begin with. Actually, the Scottish Government has a perfectly good story to tell on investing in the islands, so I would have preferred it if the minister had spent time doing that rather than attacking everyone else for reflecting the serious concerns of hauliers and other people in the islands about the current schemes. Those concerns are not just in the islands that Elaine Murray rightly mentioned, but in others as well.

As the minister rightly said, the schemes are important because they are about investments in the islands and in the economies of those diverse parts of Scotland. That is what the Government should concentrate on. I appreciate that this is a Parliament and that, therefore, all the politics have to happen, but Elaine Murray set out some pretty reasonable facts and figures behind her arguments. The minister should have responded to those, rather than talk about things that happened in 2007—believe me, we could all do that.

My amendment simply asks for the constructive approach that is suggested in the Labour motion to be extended to include other ferry routes,

because of the further shipping problems that impact on island communities. I am absolutely not clear about what the minister said but, if I got him right, he might have talked about another study that might look into all those issues. If he set out the proposal in detail in his winding-up speech, rather than just attack everyone else, we would all be genuinely grateful.

It is important to recognise the reality of the policy in relation to the Western Isles. Before 2007, volume hauliers from those islands received a 25 per cent discount to travel to and from the Hebrides. That was Government policy. The new Government added 15 per cent to that discount and called the entire package the road equivalent tariff. That is the reality of what happened. I welcome the fact that the new Government did that, as it was a good thing to do as a further investment in the economies of those islands. Frankly, however, the measure had little to do with road equivalence. The extra 15 per cent helped local hauliers and the wider economy, as the Scottish Government's recently published ferries review paper makes clear, but that Government support was not dissimilar to the support for islands from the previous Government in which Elaine Murray and I served, which also supported shipping services on which the islands depend.

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

Tavish Scott: No—I want to make progress.

The nationalists have moved the policy forward, which is good, despite the fact that they ran the longest trial in political history, between the 2007 and 2011 elections. I see that Mr Neil is gracious enough to smile about that—he was probably responsible for it. I am genuinely puzzled as to why the problems that have emerged were not spotted in that longest possible trial for which Mr Neil's Government was responsible. That is one issue that could have been dealt with.

David Stewart: Will the member take an intervention?

Tavish Scott: I want to finish a couple of points.

I do not normally get telephone calls and representations from people in other constituencies about shipping, although I get plenty from my own, but a Lewis haulier, David Wood, has been in touch with my office overnight. He says that the new prices that he has been quoted are the pre-2007 prices plus 50 per cent. In specific cases, he thinks that his freight bill will rise by 60 per cent. That is why the motion and my amendment are necessary.

I appreciate that the minister is in a difficult bind. He would be well advised to accept the fact that his officials do not know the answers to all the

issues and, frankly, neither do we. That is why Elaine Murray is correct to call for a full socioeconomic study. Local hauliers as well as the Western Isles Council—as I invariably do, I met the convener and vice convener of that council at Edinburgh airport the other day, waiting for planes to our respective islands—make exactly the same point, as has the Outer Hebrides transport group, which Elaine Murray mentioned.

I genuinely do not know what the minister has to fear from the kind of study that is being asked for. It would help evidence-based Government decision making and would therefore be a credible and sensible way in which to proceed. When I was the minister, I used to be constantly advised, “If you're in a policy hole, stop digging.” To me, this looks like a policy hole. The Government and the ministers would be well advised to find a sensible and constructive way forward on which we can strongly agree.

The minister mentioned the £2.5 million transition fund that he announced last Monday and he said that it had been properly assessed. Liam McArthur and I, like everyone in Orkney and Shetland, know that he did not ask the Western Isles to contribute to the fund. I agree with that and I think that he was right not to ask the Western Isles to contribute. However, what is good policy for the goose is certainly good policy for the gander. Shetland's ferry services have been further disrupted this week. That was an entirely predictable disruption that was caused by weather and operational factors.

The Deputy Presiding Officer: You must close now.

Tavish Scott: Last night I asked the minister to meet the local industry and the council to find an immediate solution, and I reiterate that request today.

The Government needs to understand the impact of its changes to RET in the Hebrides and in the wider context, for example in Orkney.

The Deputy Presiding Officer: Close and move your amendment, please, Mr Scott.

Tavish Scott: I am just finishing this point, Mr Scott.

The debate is an opportunity for the minister to be constructive and to listen to local representations. I urge him to do so.

The Deputy Presiding Officer: Could you move your amendment, please?

Tavish Scott: I am happy to do so.

I move amendment S4M-02087.1, to insert at end:

“and that such a moratorium should apply to all fares on

all island routes under the responsibility of Scottish Government tenders to allow a full and independent assessment about how RET or an appropriate fare reduction mechanism can be rolled out on an equitable basis to the benefit of all Scotland's islands."

10:45

Mary Scanlon (Highlands and Islands) (Con): We thank the Labour Party for bringing the issue for debate and I thank Dr Elaine Murray for her constructive contribution; unfortunately, the same cannot be said of the minister's speech.

In July 2011, the Scottish Government's evaluation of the RET pilot stated:

"the Western Isles have been historically characterised by higher levels of declining population and poorer economic performance in comparison to other parts of Scotland ... and also Scotland as a whole."

For that reason, routes serving the Western Isles were identified as the pilot routes. Clear reasons were given for choosing the Western Isles for the pilot, but there is now a distinct lack of clarity on why RET for commercial vehicles has suddenly been withdrawn.

During the pilot, fares for commercial vehicles and passengers fell by up to 54 per cent, and RET helped to increase passenger traffic by more than 17 per cent in the first two years. As Elaine Murray said, an additional 30,000 tourism visits were made in each year of the pilot, and three quarters of tourism providers indicated that they had increased levels of occupancy, higher demand and a longer season.

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): Will the member take an intervention?

Mary Scanlon: No, I am very short of time. I will think about taking one if I get through what I want to say.

The RET pilot allowed small firms to compete more effectively in mainland markets and to increase exports from the Western Isles. The initial response of business to an increase in trade was to make better use of existing staff, who might have been underemployed, but, understandably, long-term investment was deferred until there was certainty that lower fares would be permanent. Retail employment in the Western Isles increased during the pilot period.

Alex Neil: All the increases in tourism and so on to which the member refers were a result of RETs for passengers and cars; the additional visitors did not arrive by lorry. Today we are talking about the RET for haulage vehicles; RET for cars and passengers remains as a permanent feature of services to the Western Isles.

Mary Scanlon: We cannot take out the socioeconomic impact that the large-scale hauliers have in the Western Isles. All the figures that I have given are factual economic statistics. It is not possible to separate out the effect of RET on large hauliers.

Paragraph 11.7.7 of the Government's evaluation report of July 2011 says:

"The predominant perception of both residents and businesses was that RET has been beneficial to island businesses and ... island communities as a whole."

Against that background, it is difficult to understand the response of Keith Brown, when he was questioned by the Infrastructure and Capital Investment Committee, that the subsidy that was paid to hauliers was not passed on to businesses or consumers in 90 per cent of cases. That contrasts with the view of hauliers, whose spokesman said:

"With RET we revised our prices and reduced costs to customers, we will now have to look again at our cost base, ultimately our customers will have to pay."

The SNP Government blames the hauliers for not passing the benefits of reduced ferry costs on to customers and it plans to punish them with increased charges, which, ultimately, people in the Western Isles will have to pay for.

Transport Scotland has stated that the minister was pleased that the Western Isles community clearly understood the budgetary pressures that the Government faced. The question is whether the SNP Government understands the budgetary pressures that the community faces. It is not surprising that Western Isles Council holds the unanimous view that the withdrawal of RET for commercial vehicles will be detrimental to the economy and the community of the Outer Hebrides.

Keith Brown: Will the member give way?

Mary Scanlon: No, I have less than a minute left.

I appreciate that RET was a pilot and that it has been evaluated, but I cannot understand why the Scottish Government is withdrawing it for commercial vehicles without giving the Western Isles community any idea of what will be put in its place, except that the rise in cost will not be any more than 50 per cent. The socioeconomic need that was identified at the onset of the pilot still exists, but no economic assessment of the withdrawal of RET has been carried out. *[Interruption.]* I must finish now to stay within my time.

I hope that the SNP Government will act swiftly, will respect islanders, and will ensure that ferry fares are applied consistently and with certainty for

the future of the economy on the back of a detailed social and economic assessment.

10:50

Dave Thompson (Skye, Lochaber and Badenoch) (SNP): I lived for 10 years on the Isle of Lewis and I travelled extensively to and from and up and down the Western Isles from the Butt of Lewis to Barra and Vatersay. In my time in the islands, from 1973 to 1983, I remember the Lewis branch of the SNP proposing an RET at SNP conferences, and the party adopting it as our policy. I do not remember the Labour Party making any attempt to introduce an RET, although it had many opportunities to do so. Nor do I remember the Labour Party and the Lib Dems making any attempt to introduce an RET when they were in power in the Parliament from 1999 to 2007.

Indeed, when the SNP Government proposed an RET, Labour's Des McNulty said that the RET plans were

"unfair, discriminatory and politically motivated."—[*Official Report*, 10 September 2008; c 10624.]

Earlier, the then Lib Dem transport minister, Nicol Stephen, said:

"It is far from certain that road-equivalent tariffs would benefit communities such as those in the Western Isles, because the longer ferry routes could well be more expensive as a result".—[*Official Report*, 6 May 2004; c 8174.]

So much for Labour and Lib Dem support for RET. Between them, Labour and the Lib Dems did everything that they could to prevent RET from being introduced and now they cry crocodile tears over a system that they never wanted in the first place.

Since the SNP Government introduced RET in 2007, it has proved to be a fantastic success story for Scotland and our island communities. For locals and visitors alike, RET has narrowed the straits between islands and the mainland by lowering the costs of ferry travel.

The figures in the RET final evaluation report tell part of the story. Passenger travel increased by 20 per cent and the number of cars using the ferries rocketed by 31 per cent. We need only to chat to a Leodhasach to see that the success of RET is more than a statistic. It has made life in the islands easier and better. Room occupancy has increased by 24 per cent and there is evidence that the tourism season has been extended. The number of tourism businesses has increased by 10 per cent.

Because of that, in November 2011, I was delighted to hear that the Scottish Government intended to continue with RET in keeping with our manifesto pledge. We will also extend RET to

routes all along the west coast of Scotland. It will apply to cars, passengers, vans and other vehicles under 6m in a time of severe budget constraint. That shows a commitment to our smaller, more rural communities that can often slip off the United Kingdom Government's radar. For commercial vehicles, however, the Government is replacing RET with a new transitional relief scheme that is worth £2.5 million. Keith Brown, the transport minister, has met transport groups and said that he will keep the situation under review.

The Government has promised to preserve RET as a permanent feature of ferry travel to the Western Isles, Coll and Tiree. Its ambitious plan is to extend RET to Harris, Barra, Colonsay, Islay, Gigha, and then to Arran. Following that, it will cover Raasay, Mallaig, Armadale, Kilchoan, Lochaline and the Small Isles, all of which are in my constituency. That will help to secure and develop all those routes and is very welcome. The ferries review is being undertaken at the moment and I have had positive responses from the minister in relation to that.

The Deputy Presiding Officer (Elaine Smith): Could you conclude, please?

Dave Thompson: Labour and the Lib Dems can cry all the crocodile tears that they like, but nothing will change the fact that it was an SNP Government that introduced RET to Scotland's islands and that only an SNP Government will deliver for the whole of Scotland.

The Deputy Presiding Officer: Speeches are of a tight four minutes. I call Rhoda Grant, to be followed by Jean Urquhart.

10:54

Rhoda Grant (Highlands and Islands) (Lab): I rise to support the Labour Party's motion on the removal of RET for commercial vehicles. The policy would be ludicrous during a time of economic stability, but to increase fares by up to 134 per cent at a time of economic downturn is rank stupidity.

The SNP Government has a duty to protect and provide for the people whom it serves, but it is not doing that. Because of the public outcry, it has sought to introduce transitional arrangements that will see no fare rise beyond 50 per cent this year, but a 50 per cent rise this year is indefensible.

The Government hopes to divide and rule. It has extended RET to small commercial vehicles of up to 6m, which it should have done years ago. It was cheaper to take a camper van over to the islands than a small commercial vehicle of the same size. The Government has also continued RET for passengers and tourism traffic, again trying to introduce some division.

The Government has sought to accuse hauliers of not passing RET savings on to islanders, again seeking to cause division. I do not want to waste a lot of time on that, but it shows that the SNP Government is trying to drive wedges and create divisions between communities in an attempt to divert attention from its policies. The claim is refuted by all; every haulier to whom I have spoken is more than willing to open their books to the Government so that it can examine them and see that the claim is untrue. If hauliers in the islands were profiteering, they would not be going out of business.

Divide and rule—that is the SNP Government's hope. What it fails to understand, but what every islander understands, is that the cost will be borne by all the islanders. Nothing can go on or off the islands without the islanders bearing the cost. The policy means that prices will go up in shops, hotels and restaurants. The costs will be borne by the health service and local government as well as by ordinary families.

Divide and rule has not worked, so the SNP Government is trying something else, and it is its usual stance—blaming someone else. We heard Alasdair Allan, in his intervention, trying to make out that hauliers and indeed the Labour Party are looking for lower fares in order to offset fuel prices that are increased elsewhere. We are not asking for lower fares. Nobody is asking for that. We are asking only for RET to continue until the impact can be fully assessed. That claim is something else that the SNP has put into the debate in order to blame someone else and create a diversion from its policies.

The SNP says that the Labour Party never supported RET, but it was in our manifesto to roll out RET to the Argyll islands. That was Labour Party policy, and it was fully costed at that point. The SNP, in a fit of terror, decided to copy us, but it did not cost the policy, so it is stealing from Peter to pay Paul, robbing the Western Isles in order to pay for the roll-out of RET to the Argyll islands. However, those islands are waiting, and some of them will wait for close to five years to get the benefit of RET.

I turn briefly to the Liberal amendment.

The Deputy Presiding Officer: It will have to be very brief, because you need to come to a conclusion.

Rhoda Grant: The Liberal amendment points out that RET on some of the northern isles routes would lead to fare increases. That is hidden gently within the ferries review, under which RET to the northern isles would be phased in. No islander will pay lower prices; in fact, they will face higher prices.

The SNP is breaking another promise as it seeks to rob the most vulnerable in our society.

10:58

Jean Urquhart (Highlands and Islands) (SNP): I begin by coming straight back to Rhoda Grant and reminding her of the wording in her party's manifesto as recently as 2007. There is no mention of RET. The manifesto states:

"We will create a new scheme to give 40% reductions in the cost of ferry travel for foot passengers"—

that is not RET—

"with further discount arrangements"—

they are not mentioned, not declared and not specified—

"for cars and freight."

Rhoda Grant: Will the member take an intervention?

Jean Urquhart: That does not amount to RET.

Rhoda Grant: On a point of order, Presiding Officer.

The Deputy Presiding Officer: I am afraid that I have to ask you to stop for a moment, Ms Urquhart, because there is a point of order.

Rhoda Grant: Presiding Officer, is it not normal courtesy, when a member has referred to another member by name, for them to take an intervention from that member?

The Deputy Presiding Officer: It is entirely for the member who is speaking to decide whether to take interventions.

Jean Urquhart: Thank you, Presiding Officer.

Rhoda Grant said that we have not given the approach long enough, but Tavish Scott talked about a four-year trial.

There is a great deal of confusion about what helps economic development. I am not here to defend the taking away of something. The SNP Government was right to introduce RET. I live near the mainland ferry terminal for the Stornoway to Ullapool ferry and I remember that for 30 years people would tell me, "We'd love to go to the Western Isles, but we've just looked at the tariffs and can't possibly contemplate taking our car over." I know for a fact that that happened every day, so over many years the tariffs must have prevented hundreds of thousands of people from travelling. The industry was seriously restricted because of the cost of ferry travel.

I think that just about every member who has spoken has talked about how the statistics show the success of RET. It has been particularly successful in encouraging people to take their cars

on the ferry; car travel has increased—not haulage. That tells us something about how we should approach the business.

We face a 32 per cent cut in the budget—I hear everyone groan—and everyone has to take part of that cut. We simply cannot wait. This year we will have to contract for new ferries to be built, and the measures in the amendment in the minister's name will have to be paid for. I do not like having to take something away; nobody does, and I am sure that the minister does not want to do it. However, we must consider the evidence that has been gathered.

Let everyone be assured that we always consider economic development throughout Scotland. We know that that is the most important thing to do. Ferry fares are a significant issue in that regard and affect not just hauliers but everyone, but there is evidence that one part of RET has been hugely successful and the other less so, so it is not rocket science to work out where we might continue to offer support.

When RET was introduced our opponents in the Parliament had plenty to say. There was talk of a cynical political bribe—

The Deputy Presiding Officer: You must come to a conclusion.

Jean Urquhart: It was not cynical, and what we are doing is evidence of that. It was easy then to make such comments—it was just another day in the quagmire of Scottish politics, with one-upmanship at its worst. However, today we face a serious matter. The Government will continue to promote economic development in the Western Isles, despite the problems and the cuts that mean that we have had to take the decision that we have taken. I support the amendment in the minister's name.

11:03

Mike MacKenzie (Highlands and Islands) (SNP): I am pleased to be able to speak in this debate, because I have lived on an island for more than 30 years, so I have an appreciation of ferries that is sometimes lost on mainlanders. The ferry that serves the small island on which I live is an overgrown rowing boat, which has an engine that works most of the time. In the old days, the ferryman used to row the boat, but nowadays he is a wee bit smarter; if the boat has to be rowed he makes the passengers row it. I come from a long line of ferrymen and mariners, so I have a special interest in ferries and in islands.

Thinking about the debate brought back memories of when I first heard the term RET, from a relative who worked for CalMac long ago. He was an islander too, and I remember him being

quite excited about RET. I was in my early teens at the time—I am talking about quite a long time ago—and as the years and decades passed, hope of RET being introduced faded and many of us thought that that wonderful concept, which would level the playing field between the islands and the mainland, would never be realised.

I am therefore proud that in the previous session of Parliament the SNP Government introduced the RET pilot for the Western Isles and the Argyll islands of Tiree and Coll, with a promise that if the pilot was successful the Government hoped to roll out RET to other islands. Predictably, the Opposition parties—in particular the Labour Party and the Lib Dems—offered nothing but criticism. I can almost forgive them for that, as it is perhaps what they feel they ought to do, but what I find really hard to forgive is that they busied themselves with blowing on small embers of discontent in the hope of fanning them into a bonfire, and followed an agenda of the most naked political opportunism.

Fortunately, many islanders of good sense were prepared to wait and to place their trust in the SNP in the hope and expectation that we would deliver RET for other islands, given time. I am therefore delighted that there is now a commitment to roll out the scheme to many of the other islands, and that we have repaid that trust.

Unfortunately, we are yet again hindered in our efforts to improve ferry services by the Westminster Government, which is imposing quite draconian cuts to the Scottish budget. RET requires more capacity on some routes and it requires new boats. That is a tall order indeed, when capital budgets are being cut by 32 per cent. It is a tall order when revenue budgets are being cut and it is an especially tall order when much of the existing CalMac fleet is getting to be past its sell-by date.

Neither RET nor the ferries review offers the perfect solution to our islands' needs but, in terms of improving ferries, the SNP Government has already, in a few short years, achieved an awful lot—much more than any of the previous Governments in this Parliament, or those in Westminster for a generation and more.

Predictably—again—the Opposition parties will carp and criticise, but the suggestion that we can do much more in these difficult times is the kind of fantasy politics that will fool not many people, far less Scotland's islanders, who are known for their pragmatism and common sense.

11:07

David Stewart (Highlands and Islands) (Lab): Four cold winters ago, I was sitting in a draughty room in the Corran halls in Oban, taking evidence

on the future of ferries with other members of the then Transport, Infrastructure and Climate Change Committee. I see that Rob Gibson, who was with me at the time, is also here today. The hall was packed, and everyone had something to say about ferry services. Commuters were worried about buses leaving as the CalMac ferry steamed in to Oban pier, hauliers were worried about the costs and capacity of ferries, and there was general concern about timetabling, availability, frequency and types of vessels.

That meeting followed an overnight NorthLink ferry from Aberdeen to Orkney and Shetland, a videoconference with business and council leaders in the Western Isles and a conference with the CalMac and Western Ferries boards. That all led to a comprehensive report, which was, in fairness, fully accepted bar one point by the then Minister for Transport, Infrastructure and Climate Change, Stewart Stevenson. More recently, in autumn last year, I attended a massive public meeting in Dunoon, along with Mike Russell, at which there were more than 500 people campaigning on concerns about the Gourock to Dunoon ferry service.

There are many lessons to be learned from all that. Ferry services are not just another mode of transport; they play a crucial role in stimulating economic development, attracting inward investment, sustaining indigenous jobs and providing lifeline services. In short, they are a key and vital driver in rural development, which is why I welcome the debate and the opportunity to raise the concerns of hauliers, local residents and the Western Isles Council.

First, however, there is the obvious question: what is RET? As we all know, it has, in its pure form, been around for a while. I note—as the minister may do—that at least one SNP Highland councillor claims to have invented the principle of RET. Perhaps it is like the old concept from our school days: in history lessons we were asked about the Schleswig-Holstein question and told that only two people understand it, and one is mad and the other has forgotten it.

I understand that RET in its pure form works extremely well in Canada, particularly in Newfoundland, but the Scottish Parliament information centre tells me that the key issue is road equivalence. Taking the example of the Stornoway to Ullapool route, one would measure the distance on the sea route, work out the cost of driving that distance, and use published tables from the Automobile Association and the RAC to come up with the ferry fare. One could do exactly the same with commercial transport.

How, then, can the Scottish Government justify the crippling fare increase for hauliers? The admirable Outer Hebrides transport group, which

has—quite rightly—been mentioned several times today, quoted to me an increase of 172 per cent on the Uig to Lochmaddy route before the 50 per cent cap was brought in. Have fuel costs increased by 172 per cent, or have Uig and Lochmaddy all of a sudden moved closer together? I am not sure whether even the resourceful Alex Neil could manage that great feat of geology. That is how RET works. Why does the minister not admit that we do not have a pure RET system, but a system of fare-subsidy control masquerading as a principle of transport economics?

Do not take my word for it; I am sure the minister will not. David Wood, the owner of Woody's Express Parcels, who has been mentioned already, said:

"The rationale for the government plan to withdraw RET for commercial vehicles is based on a false prospectus ... The claim that haulage companies haven't passed on the benefits to customers is a falsehood and must be challenged robustly".

Finally, there are some key questions that I would like the minister to answer in his wind-up. Does the Scottish Government still support the principle of there being a ferries regulator? If so, when will the regulator be in post, and does the minister think that an independent regulator would allow the crippling fare increases for commercial traffic?

11:11

Rob Gibson (Caithness, Sutherland and Ross) (SNP): I want to concentrate on two aspects of the debate, because it is important to understand some of the background and the emphases that are needed.

First, let us look at the costs for hauliers. It has been mentioned that VAT on fuel, vehicle maintenance and saving up for new vehicles are all part of the costs of providing a haulage service. That is the situation everywhere, but here it is exacerbated by the fact that VAT on fuel is outwith the control of this Parliament. Because of the severe budget constraints, the hauliers have to face that charge and it has to be included in their total costs. If we are to come to any clear conclusions, the six-month study of the costs facing the island hauliers that are suggested in Keith Brown's amendment will need to take such things into account. This is a socioeconomic inquiry as well, and the Labour Party's motion should therefore recognise that several routes can be taken in it. The point is that the ferries review must also take into account the socioeconomic conditions of the places that are served. The Government is undertaking the process of socioeconomic comparisons, and I believe that if we support the Government amendment we will

achieve the ends that are stated in that part of the Labour Party's motion.

Elaine Murray: We are asking in our motion for a moratorium on the changes to RET, until that socioeconomic study is completed.

Rob Gibson: Labour failed to attempt to get the money for that from the budget, so Elaine Murray is coming at the matter at the wrong time. She is deluding people on the islands into thinking that they could have such a moratorium now when she did not bother to get on her feet and argue for it then.

Rhoda Grant rose—

Rob Gibson: No, thank you.

We have to consider things with a wider perspective. I have looked at work we did in the Rural Affairs, Climate Change and Environment Committee, which recognised that in countries such as Finland, people—wherever they live—have a right of equal access to services. If we were starting from scratch in an independent Scotland, it would be possible to recognise that people have a right to live in the Western Isles, the northern isles and the northern Highlands and to make transport policies to fit that. The Finnish Government decided in 2010 that everyone would have a basic right to broadband within three years. If we could adopt that approach, we could cut out the arguments about whether one thing or another was controlled from London or here.

Fundamentally, there are attempts to score political points in this debate, by suggesting that we are trying to divide and rule, when the SNP has finally delivered a form of road equivalent tariff that allows many communities to benefit at a time of huge budgetary constraint. In this debate, the Labour Party has not recognised the strength of the Government's commitment to the socioeconomic inquiry—it is not called that—or that a cost moratorium is not possible in this round.

The Deputy Presiding Officer: We come to closing speeches. I remind members who have participated in the debate that they should be in the chamber for closing speeches.

11:15

Tavish Scott: I suspect that Dr Allan's constituents and mine are not too bothered about the mechanism; they are bothered about fare levels, which are the heart of the matter for any of us who care about ensuring that we invest properly in lifeline ferry services and that the islands have a viable economic future. I, therefore, become a little puzzled when I hear from the nationalists all the criticisms of other parties that have proposed different ways of dealing with fare

levels. I am sure that Mr Brown has the same overall objective as I have, which is to tackle fares and keep them moderate in the context of the financial challenges that any Government would be facing. That is what I think he is driving at in his ferries review.

Mr Brown—I am sorry; it was Mr Stevenson, his predecessor—chose to introduce the pilot on the road equivalent tariff. It was perfectly fair to do that, because RET is a mechanism to tackle fare levels, but to attack everyone else who had a different idea about how to achieve the same policy objective is barking politics. Maybe that is the Scotland that we are now in.

Mike MacKenzie: Will the member take an intervention?

Tavish Scott: No. I am dealing with the fares point.

Mr MacKenzie omitted to mention in his speech the fact that most of us across the chamber believe very strongly in investing in the islands and in finding the right way to do that; it is not about just RET. As David Stewart rightly observed, RET is but one mechanism. It works beautifully in some parts of the country, as the minister rightly reflected, but it does not work in all parts of Scotland—never mind in all parts of the world. There is no such thing as a “pure RET”, so instead of having an obsession with one three-letter word, let us concentrate on finding the correct way to deliver the fares structure as—whatever Government is in power—we must.

Keith Brown: Tavish Scott mentioned that there are other ways of tackling the issue. I think that one of his party's preferred approaches is through the 5p fuel derogation scheme. Can he confirm that that would not apply to the very hauliers he professes to be concerned about? Will that change?

Tavish Scott: Mr Brown used the phrase “professes to be concerned about”, so is it his contention that I do not care about the hauliers? The partisan nature of the way in which Keith Brown behaves says it all.

Let me deal with the point. *[Interruption.]* Mr Brown should listen. The fact is that the Chief Secretary to the Treasury is dealing with the issue. That is on the record and it is what is happening. Instead of attacking the UK Government, maybe Mr Brown should stand up and praise the fact that every constituent in my constituency and in Mr Allan's constituency will get a 5p discount on their fuel. He should applaud that instead of attacking it.

Keith Brown: What about the hauliers?

Tavish Scott: The hauliers point is being dealt with by the Chief Secretary to the Treasury. Mr Brown nods and shakes his head—that says it all,

for me. Let us find a diversion, let us blame London and let us do everything else. Mr Gibson had the gall to talk about London. This policy is the Scottish Government's; it is its alone, so it should deal with it and stop blaming someone else all the time.

I will make one other point about investment in the islands' future. When I was Minister for Transport and Telecommunications, we introduced an air discount scheme for all the islands. It was not based on how the people there had voted. When this Government realises that the economic future of our islands is based on those islands being there, not on how they vote, it will have a transport policy worth supporting.

11:18

Jamie McGrigor (Highlands and Islands) (Con): I am pleased to close the debate for the Scottish Conservatives. I welcome the fact that Labour chose to debate the issue.

As we have heard from members, including my friend Mary Scanlon and Rhoda Grant, the removal of larger commercial vehicles from the RET scheme is causing real concern in the Western Isles and on Coll and Tiree, with their fragile economies and their reliance on hauliers to supply the goods that they need.

Like other Highlands members, I have been contacted by numerous concerned constituents on this matter and I first made representations to the Minister for Housing and Transport back in early December. I have since written to the minister a second and, indeed, a third time on behalf of the cross-party group on crofting about crofters' concerns about rises in the cost of transporting stock and feedstuffs. I have also lodged a series of written questions.

I accept that, thanks to the powerful and effective lobbying of many of my constituents, including the Outer Hebrides transport group, which represents more than 70 businesses, the Scottish Government has moved its position to some extent. The rises that hauliers initially faced of up to an eye-watering 175 per cent compared with current RET prices will now—thanks to some extra funding for transitional arrangements—be pegged at a still hugely alarming 50 per cent. Ministers still need to explain why they believed that the first enormous rises of up to 175 per cent were ever going to be acceptable to hauliers or consumers or, indeed, why they believed that they would be sustainable to local economies that have been so affected by the price of haulage. Why did they not anticipate the worry and anger that their plans would cause and take immediate action to prevent that? They need to do more to address the continuing concerns about rises of up to 50 per

cent. Many of my constituents are frightened that those rises will be passed on to them.

As Mary Scanlon rightly said, hauliers are clear that they have been able to reduce costs to customers because of their inclusion in RET. Correspondingly, they are now faced with little alternative but to pass on the costs of increased charges to consumers. Scottish hauliers who make journeys all their lives to Scottish islanders for profits that are not enormous will be gravely insulted by the Scottish Government's insinuation that they are not passing on the benefits.

The Freight Transport Association has warned that the proposals will add

"serious inflationary pressure to communities, damaging their economic well-being and threatening the tourism on which they depend."

As we have heard, in its preliminary analysis of the proposals, Western Isles Council suggested that there would be a loss of around 100 full-time equivalent jobs. That is a massive number in the Western Isles.

Mike MacKenzie: I am sure that the member welcomes, as I do, the extension of the length limit, to include transit vans, for example, so that the absurd practice of local carriers having to have the length of vans chopped down will finally come to an end after years.

Jamie McGrigor: I know quite a lot of hauliers personally, and they are not happy. They are certainly not happy about the Government's insinuation that they are not passing on benefits when, in some cases, they are not making much profit anyway.

In conclusion, as my friend Mary Scanlon said and Western Isles Council argues, the Scottish Government was correct in deciding to conduct a socioeconomic impact study of ferry fares policy, but that should be concluded before hauliers are faced with fare rises that have the potential to be seriously damaging to the economies of the Western Isles, Coll and Tiree.

11:23

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): I think that members universally agree on the importance of the island communities to the economy and wider society of Scotland, and I hope that everybody agrees that we should try to do our best not only for the Western Isles, but for all our island communities.

I hear what Tavish Scott says about the particular situation in the northern isles. As he knows, there is a heavy subsidy for the ferry service to the northern isles, and that subsidy will be continued, as we believe that it is essential.

In talking about ferry services, we are talking not only about increasing tourism, improving standards of living and all the other good things that we are trying to achieve, but, in many cases, about lifeline services. Therefore, we are very committed to the ferry service in Scotland. Indeed, the central theme of the ferries review and the consultation is the need to improve the ferry service—both the number of services to the islands and the quality and the number of ferries that are available. We start from that basis.

RET was introduced in the Western Isles for the reasons that Mary Scanlon outlined. There were very high levels of unemployment, deprivation and poverty there. As a result of policies that have been pursued by London in recent years, other areas have suffered, producing equally difficult statistics on unemployment and deprivation. That is one of the reasons—although not by any means the only reason—why we have already announced our intention to roll out RET for cars and passengers to all the island communities down the west coast of Scotland. I hear what Tavish Scott says about the need to address some of the issues in the northern isles, and I am happy to meet him to discuss them, as is Keith Brown.

I want to nail two myths that have arisen during the debate. First, Rhoda Grant said that some hauliers are facing an increase of 134 per cent in fares. That is simply not true. There is an onus on all members not to exaggerate and create hysteria, bringing about a situation in which people are informed, wrongly, of increases that are far in excess of what is actually happening. Secondly, a lot has been made of the hauliers not agreeing with the Scottish Government when we say that the benefits to the hauliers of RET were not passed on. It is not the Scottish Government that says that; it is the hauliers. Elaine Murray should listen to this and she will be educated. The independent research that was carried out as part of the evaluation of RET—an independent evaluation not by the Scottish Government but by an independent company—involved a detailed survey of 160 hauliers in the Western Isles. It was the hauliers who told us that only 7 per cent were passing on the benefits to the end users in the Western Isles. I accept that, now, the hauliers say that that is not true. However, members can believe me when I say that the information came, in the first place, from the hauliers themselves. That is in a public document, which members can check.

Rhoda Grant: Will the member give way?

Alex Neil: I will, in a minute.

We accept that the hauliers say that that is not the case. That is why the minister has already agreed, with the hauliers, to a study to examine the situation and to evaluate the impact on the

Western Isles economy of RET for hauliers. That is also why we have introduced a transitional arrangement. At the end of the transitional arrangement, we will review the position in the light of the results of the study, which we will carry out with the hauliers. That is a reasonable position for us to take.

Jamie McGrigor: Will the cabinet secretary put the review in place before it increases the charges?

Alex Neil: We have already announced the transitional arrangements, and I see no reason at the moment to change them.

I remind members of the situation that we inherited five years ago. There was a rebate scheme for hauliers in the Western Isles—only in the Western Isles, not on any other island, although some islands could have claimed that they should benefit from it as well. The total value of the subsidy to the Western Isles through the rebate scheme under the previous Executive was £500,000. With this transitional arrangement, we are giving a subsidy of £2.5 million to the hauliers in the Western Isles, which is five times the level of subsidy that we inherited five years ago.

Rhoda Grant: Will the minister give way?

Alex Neil: I will, in a minute.

The independent survey that I mentioned said that, according to the hauliers, ferry fares to the Western Isles accounted for, on average, less than 10 per cent of their total operating costs. Therefore, if the fare is increased by 50 per cent, that represents an overall increase in their operating costs of 4 to 5 per cent. Compare that with the 60 per cent increase in fuel duty that Gordon Brown—Prime Minister and Chancellor of the Exchequer—implemented, and the damage that it has done to the economy, the ferry service and the hauliers in the Western Isles. Compare it also with the increase in VAT in the very first budget of the coalition Government in London, which took VAT from 17.5 to 20 per cent. The VAT increase is on all the goods and services that Mary Scanlon referred to, as well as on the hauliers. VAT is calculated such that, when hauliers pay VAT on their diesel fuel, they pay it also on the fuel duty. Therefore, fuel duty was put up by 60 per cent, then VAT went up by one seventh, from 17.5 to 20 per cent, and then there was VAT on the higher fuel duty on top of that. The Opposition then has the cheek to accuse us of not looking after the Western Isles. We have done far more for the Western Isles than that shower put together.

Mary Scanlon: Will the cabinet secretary give way?

The Deputy Presiding Officer: He is concluding.

Alex Neil: The reality is that if we had not had an SNP Government, there would have been no RET in the Western Isles: Labour and the Tories opposed it. We are not only maintaining it permanently in the Western Isles and extending it to the sounds of Barra and Harris, but extending it to all the islands on the west coast. It is high time that the Opposition parties woke up and smelled the coffee and realised that it is only this Government that has delivered on RET.

11:31

Richard Baker (North East Scotland) (Lab): I do not think that the myths and misrepresentation that characterised the cabinet secretary's speech do justice to this very important debate about the future of our island communities.

Alex Neil: Not true.

Richard Baker: If the cabinet secretary would stop shouting, it would help.

The chamber should surely be as one in its desire to ensure that our island communities and their economies and families receive the support that they need—the cabinet secretary himself said that in his speech. Travel has to be affordable for cars, passengers and tourists and for those transporting goods and products to and from our islands. However, following the outpouring of fury and indignation in the communities affected, we are now having a debate in Parliament on the impact of withdrawing RET for commercial vehicles, which Rhoda Grant highlighted in her speech. Tavish Scott was right to highlight the fact that a number of the affected island communities would be happy to support his amendment.

The Labour Party has a long and proud record of supporting island ferry services and discounts for ferry travel to the islands. A 25 per cent discount for commercial vehicles existed prior to the SNP's new scheme. I am aware that calling that scheme RET is in itself highly debatable, as Dave Stewart pointed out, but the crucial issue is that it provided a further, welcome 15 per cent discount for vital lorry journeys, which has clearly been crucial in dampening the cost of goods and services in the island communities. That is why we supported the retention of the additional discounts last May.

I am aware that Halcrow's analysis that the extra discount was not being passed on to customers is being challenged by the Outer Hebrides transport group and others, as Mary Scanlon said. Island hauliers will happily show invoices to demonstrate the reality of their case and the injustice being visited on islanders by the SNP. The reality of removing that discount is, as Elaine Murray pointed out, that costs for island communities and families will rocket.

The Government is about to usher in and impose an SNP haulage and household tax for the islands. RET will go for commercial vehicles, albeit over a longer timescale. As for the extensions to include 6m vehicles as small commercial vehicles, the reality is that most goods are transported in the 17m vehicles, which are the ones that will bear the SNP's new tax. The concessions are limited; even with the transitional scheme, 17m commercial vehicles travelling between Ullapool and Stornoway will see their fares increase by 50 per cent, from £190 to £286 from April 2012. If the transitional fare was scrapped, the fare would increase by 134 per cent, to £447. The reality is that the transitional fare is scheduled to go. That is not scaremongering; that is the current proposition.

We know that the SNP in the Western Isles is split from top to bottom on this issue. We lodged a helpful motion today that SNP members should have no difficulty in supporting because it entirely reflects the spirit, tone and content of a motion that the SNP supported at a meeting of Western Isles Council a week ago today.

Mark McDonald (North East Scotland) (SNP): Will the member give way?

Richard Baker: No, thank you.

The motion was passed unanimously, with the support of the chairman of the transportation committee, Councillor Donald Manford. Clearly, local members of the SNP and their nationalist MSP are politically impotent and have failed miserably to secure anything resembling "major progress"—the words that Alasdair Allan used to describe an increase of 50 per cent on ferry fares. I hope that Dr Allan goes to the pubs and clubs of Stornoway this weekend and tells his constituents that a 50 per cent increase on lorry fares is "major progress". God willing, we will see him back here next week.

SNP members might want to reflect on an article in last week's *West Highland Free Press*. It was from 35 years ago—the cabinet secretary may recall it—and describes the decision at that time to increase ferry fares by 7.5 per cent. The decision was described by the then Western Isles MP, Donald Stewart, as "absolutely appalling". We can only imagine what Mr Stewart would think of the decision of his political successors to increase fares by 50 per cent.

Mark McDonald: Will the member give way?

The Presiding Officer (Tricia Marwick): The member is not going to take an intervention. Sit down, Mr McDonald.

Richard Baker: It is not just members on the Labour benches who believe that islanders will bear the brunt of the massive increases. The

minister will have read the letter that was sent to him by Angus Campbell, the leader of Western Isles Council, in which Mr Campbell says that the council has commissioned a

“preliminary assessment of Government’s proposals to help us understand the potential impacts. The results of this preliminary analysis suggest that the impacts, in terms of jobs, will be”—

as Jamie McGrigor said—

“a loss to the local economy of”

around 100 full-time equivalent jobs. Mr Campbell goes on to say:

“As you will appreciate this would be a significant and highly damaging impact for a fragile, peripheral economy such as the Outer Hebrides. You will be aware from the meeting that the commercial sector strenuously denies that the benefits of RET were not passed on to local consumers.”

That is why, in our motion, we are backing the council’s position that there should be a moratorium on the changes to allow for more detailed evaluation of their socioeconomic impact. SNP councillors supported that position and many people will be bemused that the Scottish Government is ignoring the serious concerns that exist. Those concerns are so great that the Outer Hebrides transport group has campaigned hard on the issue and has secured, in only five weeks, the support of more than 100 businesses, countless individuals and the local authority. The SNP will seek to dismiss the concerns that we have expressed today, but it should listen to those voices, as they come from those who will be directly affected by this ruinous and flawed policy—a policy that was recently denounced as “economically illiterate” by the business economist Professor Neil Kay of the University of Strathclyde.

The SNP may dismiss our concerns, but surely it should listen to the concerns of lifelong nationalist and Lewisman Iain Don Maciver, who had been selected as an SNP candidate for the forthcoming elections in May. Mr Maciver is also the port manager for CalMac at Stornoway harbour and a man who, we may safely say, will have forgotten more about ferry fares and the importance of economical ferry links than the minister or Dr Allan will ever know. Announcing his resignation from the SNP and his decision not to stand as an SNP candidate, Mr Maciver said:

“This is not a decision that I have arrived at easily, especially as it means that I have to give up my SNP membership, but given the abandonment of RET for Commercial vehicles, which is going to have such a detrimental impact on the islands I see no other choice for me.”

Dr Allan: Does the member intend to continue quoting that statement, in which Mr Maciver talks about the utter hypocrisy of Labour’s position on the issue?

Richard Baker: I note that Dr Allan agrees with Mr Maciver’s analysis in the quote that I have just given. Or is Dr Allan going to support the Government today and stand in absolute contradiction to those words from Iain Don Maciver?

We believe that the case is clear: scrapping additional support for commercial vehicles will damage the welfare and economies of our island communities at a time when they can afford it least. Today, SNP MSPs, particularly those who represent the communities that are most affected, have a choice. They can vote to proceed with tax increases that will directly affect our island communities, or they can back Labour’s motion, step away from that damaging decision and give our island communities, their families and their important local economies the support that they need.

Scottish Executive Question Time

General Questions

11:39

Living Wage (Discussions)

1. Margaret Burgess (Cunninghame South)

(SNP): To ask the Scottish Government what recent discussions it has had with local authorities to progress the implementation of a Scottish living wage of £7.20 per hour. (S4O-00697)

The Minister for Local Government and Planning (Derek Mackay): I have had several discussions recently with local authorities that have included the Scottish living wage. I welcome the fact that a number of local authorities have already introduced the living wage or are committed to doing so.

The Government will continue to encourage all public sector employers to introduce the Scottish living wage. However, it is a matter for local authorities as independent corporate bodies to set their own rates of pay and to determine whether to implement the living wage.

Margaret Burgess: North Ayrshire Council, which is in my area, has implemented the Scottish living wage. One of the reasons that it did so was to allow it to be in a position to encourage large employers in the area to embrace the concept.

Does the minister agree that it is right that councils should lead by example on the matter? Will he tell us which other councils are fully signed up to the Scottish living wage?

Derek Mackay: I entirely agree with Margaret Burgess. It is welcome that many councils have moved towards implementing the living wage.

I can announce to the Parliament that seven councils have already introduced the living wage; six have agreed to implement it in their budgets for 2012-13; two have indicated their intention to introduce it; and four councils, although they do not state the living wage as a policy, are de facto delivering it. That means that, for the first time, the majority of councils are implementing the living wage.

John Park (Mid Scotland and Fife) (Lab): The Scottish Government has continuing discussions with local government on the concordat, the local government settlement and the council tax freeze. Will it continue to discuss the living wage with local authorities as the settlement negotiations progress over the next year?

Derek Mackay: Yes. I reassure John Park that, in the individual local authority visits that I have undertaken, I raised the living wage and re-emphasised the Government's position on rolling it out across all parts of the public sector. Also, at a recent meeting with Convention of Scottish Local Authorities leaders, we explained our position on the living wage. We will continue to do so and to work in partnership with local government to ensure that all 32 local authorities sign up to the policy.

John Mason (Glasgow Shettleston) (SNP):

Will the minister confirm whether the proposed sustainable procurement bill will consider the inclusion of the living wage in contracts?

Derek Mackay: I am aware of continuing debate in the Parliament about procurement and the living wage. One matter that will have to be addressed is the European position. We are questioning a court ruling, and the Cabinet Secretary for Infrastructure and Capital Investment wrote to the European Commissioner for Internal Market and Services in early December seeking clarification of the European Commission's view on conditions such as the living wage in procurement.

We will consider the matter as part of the procurement bill, but we will have to be mindful of the position that the Commission outlines. We certainly intend to consider social benefit clauses in any procurement bill that the Parliament considers.

Delivery Charges and Road Fuel Taxes

2. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government what action it can take to mitigate the economic impact of high delivery charges and road fuel taxes on sparsely populated areas. (S4O-00698)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): People in rural communities are faced with high prices for fuel and online deliveries. The Scottish Government fully supports Citizens Advice Scotland's call for online retailers to sign the pledge to display costs clearly prior to sale, ensure that charges are based on costs incurred and offer Royal Mail delivery wherever possible. I have written to the Department for Business, Innovation and Skills to ask for the United Kingdom Government's support on the issue. The Scottish Government continues to lobby the UK Government on the scale and scope of the fuel derogation.

The Presiding Officer (Tricia Marwick): Question 3—Mike MacKenzie.

Mike MacKenzie (Highlands and Islands) (SNP): To ask the Scottish Executive what advice

it can give to local authorities in the Highlands and Islands—

The Presiding Officer: My apologies—could you please sit down, Mr MacKenzie?

Mr Gibson, you may ask your supplementary question.

Rob Gibson: That is twice in two days. Thank you, Presiding Officer.

There are compound examples of surcharges in delivery north of Inverness in my constituency. Indeed, the area has been excluded from any concession under the fuel rebate that London has talked about for islands. Will the Scottish Government seek an Office of Fair Trading inquiry into the matter and consider plans for a Scottish postal service based on universal service obligations for letters and parcels?

Fergus Ewing: I am well aware of these matters and have campaigned with Mr Gibson on them for more decades than both of us really care to remember. The OFT has launched a call for evidence into the challenges faced by people in remote areas, including the issue of delivery charges, and I encourage people to submit evidence to that inquiry.

As for the creation of a Scottish postal service, that is, I am sad to say, not an option, as postal services are reserved. Nevertheless, we have consistently emphasised to the UK Government the importance of retaining the universal service obligations and that Scottish consumers must not be put at a disadvantage.

The Presiding Officer: Mike MacKenzie may ask question 3 now.

Sustainable Economic Growth (Highlands and Islands)

3. Mike MacKenzie (Highlands and Islands) (SNP): To ask the Scottish Government what advice it can give to local authorities in the Highlands and Islands region to assist them in achieving sustainable economic growth. (S4O-00699)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): “The Government Economic Strategy”, which was published in September 2011, sets out the priorities for accelerating the recovery, promoting jobs and supporting sustainable economic growth. At its heart is a commitment to work with partners across the public sector, including those in the Highlands and Islands, to ensure that all communities across Scotland have the opportunity to flourish.

Mike MacKenzie: Is the cabinet secretary aware that Argyll and Bute has the highest

unemployment rate and the lowest rate of growth in the Highlands and Islands region? What advice can he give Argyll and Bute Council to help it to tackle the problem?

John Swinney: I say to Mr MacKenzie and Argyll and Bute Council that certain parts of the country clearly face more acute economic challenges than other parts and, through the local authority funding settlement, the Government has provided effective support to assist local authorities in being players in local economic development. Some months ago, Mr Neil decided to locate a tax increment financing project in the Oban area, which is in Argyll and Bute, and with the investment in the University of the Highlands and Islands project there is clear support for a number of educational institutions in the Argyll and Bute area. In addition, the Government continues to deploy European structural funds to support developments in the Highlands and Islands. Indeed, just this week, Mr Neil announced an additional £5.3 million through that mechanism to boost economic growth and create jobs in the Highlands and Islands.

The Presiding Officer: I call Jamie McGrigor.

Jamie McGrigor (Highlands and Islands) (Con): Oh. Actually, I pressed my button for a supplementary to the previous question but you did not notice—

The Presiding Officer: That is quite all right. Just sit down, Mr McGrigor.

Firefighters' Pensions (Discussions)

4. Jenny Marra (North East Scotland) (Lab): To ask the Scottish Executive what recent discussions it has had with firefighters regarding their pensions. (S4O-00700)

The Cabinet Secretary for Justice (Kenny MacAskill): I am in regular contact with the Fire Brigades Union as we consider the impact of public sector pension announcements by Westminster and the serious effect that they may have on the pay and families of courageous and dedicated firefighters throughout Scotland.

Jenny Marra: Will the cabinet secretary reassure Scottish firefighters that the heads of agreement in the pension negotiations will not be picked up from the Department for Communities and Local Government in Westminster but will be set and negotiated here in Scotland, given that the power to do so is already devolved to the Scottish Government?

Kenny MacAskill: We are in regular discussions with the FBU. However, the difficulty is that the United Kingdom Government's position seems to be a moveable feast. We have made it quite clear that this is nothing but a blatant cash

grab. Under duress—I refer to the financial actions threatened by Westminster—we have had to do various things, but we are working with the FBU to protect its members and their families from the outrageous actions of the coalition Government south of the border.

The Presiding Officer: Question 5, in the name of Bill Walker, has been withdrawn.

Housing Association Board and Committee Members (Payments)

6. John Pentland (Motherwell and Wishaw) (Lab): To ask the Scottish Executive whether permitting or promoting payment to housing association board and committee members were intended consequences of the repeal of schedule 7 to the Housing (Scotland) Act 2001. (S4O-00702)

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): Schedule 7 to the 2001 act was repealed by the Housing (Scotland) Act 2010 and replaced, at section 36 of the 2010 act, by a duty on the new Scottish Housing Regulator to consult on and then issue a code of conduct on the governance and financial accountability of registered social landlords.

The intention was to replace a prescriptive and detailed set of rules with a code that was more proportionate and which would give individual RSLs reasonable discretion to decide their own governance arrangements. In that spirit, section 36 of the 2010 act neither promotes nor prohibits payments to members of RSL boards but provides for the regulator, in consultation with interested parties, to determine what provision the code should make in that regard.

John Pentland: If that was the intention, neither the Scottish Parliament information centre nor the housing associations to which I have spoken are aware of it. Where is that indicated? The Scottish Housing Regulator seems to think that it must bring in payments because it cannot go against what it sees as the will of Parliament. I do not think that MSPs were aware that that would be a consequence. Should not such a fundamental change be discussed by Parliament to clarify whether it is our will?

Alex Neil: As the minister who piloted the legislation through Parliament, I made it clear at every stage and in the accompanying documentation that there was no requirement on—it was not mandatory for—the new regulator to impose any particular conditions or payments on RSLs and their board members.

I am happy to debate the issue in Parliament—it might be up to the member to secure a members' business debate on it.

Kincardine Bridge (Refurbishment)

7. John Park (Mid Scotland and Fife) (Lab): To ask the Scottish Executive when the planned refurbishment of the Kincardine bridge will commence and what measures it will put in place to minimise the impact of the works on the local community. (S4O-00703)

The Minister for Housing and Transport (Keith Brown): The scheme is in the current trunk road programme and will be taken forward at the earliest possible opportunity when funding allows. When Transport Scotland is in a position to confirm a start date, discussions will continue with the local authority to ensure that any impacts are managed and mitigated wherever possible.

John Park: I know that the minister was involved in my members' business debate on the issue in 2008 and has a constituency interest.

There is a concern that there will be major road congestion in Kincardine and the west Fife villages because cars and other vehicles have to pass through Kincardine to get to Clackmannanshire bridge. I ask the minister to request that Transport Scotland consider the option of keeping the bridge open while it is being refurbished.

Keith Brown: I am afraid that I cannot confirm that the bridge will be kept open. It will be shut simply because there will be a large gap that cannot be bridged by any vehicle. The gap is inevitable, as it is necessary for the works.

I understand the member's point on the impact on the village of Kincardine, not least because of the Higgins' Neuk roundabout, which will have great pressure on it from one side but very little countervailing pressure from the other. That is why I reiterate that there will be proper consultation with the local authority. If the member wants further information on that, I am happy to give it to him.

Bus Services (Regulation)

8. Paul Martin (Glasgow Provan) (Lab): To ask the Scottish Executive what plans it has to regulate bus services. (S4O-00704)

The Minister for Housing and Transport (Keith Brown): There is currently regulation in the bus industry. We want affordable, innovative, good-quality bus services and a competitive marketplace that delivers such services, with appropriate but not burdensome regulation.

Paul Martin: FirstBus wrote to me last week to advise me that there would be significant increases in fares and a reduction in bus services in Glasgow. Does the minister agree that now is the time for full regulation of buses to ensure that, instead of profits being put before services, our communities are served by bus services?

Keith Brown: The member can correct me if I am wrong, but I am fairly sure that when the company wrote to him it did not ask for further regulation in the bus industry.

We provide substantial investment and support for the bus industry—around £0.25 billion—through concessionary travel and the bus service operators grant. We will continue to do that, despite requests from Opposition members to reduce the concessionary travel scheme.

Scottish Government Information Technology Projects (Audit)

9. Chic Brodie (South Scotland) (SNP): To ask the Scottish Government whether it will ask the Auditor General for Scotland to audit Scottish Government information technology projects where costs are in excess of £20 million. (S4O-00705)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I understand that the Auditor General has asked Audit Scotland to look at proposals for examining the outsourcing of information technology contracts and how well they are performing.

Chic Brodie: The cabinet secretary will be aware of a recent report by the Auditor General on an IT contract signed with a large United Kingdom provider in 2004 that has resulted in a significant overrun in expenditure. Will the cabinet secretary now confirm with procurement Scotland that all public IT contracts are not limited to large providers but are open to smaller and indigenous Scots IT providers?

John Swinney: The Government goes to considerable lengths to ensure wide availability of, and accessibility to, public service contracts for small and medium-sized enterprises in Scotland. That is principally, although not exclusively, undertaken through the public contracts Scotland website, through which we advertise all public sector contracts for work to be undertaken on behalf of public bodies. That website is used principally by small and medium-sized enterprises, but all companies can register their interest on it free of charge. The website provides companies with an opportunity to ensure that they have the greatest accessibility to those contracts.

To date, three quarters of all firms that win contracts from across the public sector that are advertised on public contracts Scotland are SMEs. The Government is determined to increase that level of activity. We are also trying to strengthen the capability of public contracts Scotland by rolling out a standard pre-qualification questionnaire, which will further ease the burden on small and medium-sized companies and

increase their ability to tender for public sector activity. Many of the issues will be developed as part of the sustainable procurement bill, which will be taken forward during the current parliamentary session.

Bus Travel (Promotion)

10. Iain Gray (East Lothian) (Lab): To ask the Scottish Executive what it is doing to promote buses as a method of travel. (S4O-00706)

The Minister for Housing and Transport (Keith Brown): The Scottish Government is investing nearly £250 million per year in promoting the use of bus.

Iain Gray: That sounds a laudable answer, but the minister did not say that the bus service operators grant will be cut by 20 per cent in the coming year. As predicted in the Parliament, we are now seeing the effect of that locally. As a direct result, one major bus operator in my constituency, Lothian Buses, has already announced fare rises of up to 9 per cent. The other main local operator, First Scotland East, has announced its intention to increase fares on similar terms. Its managing director has said:

"It is inevitable that the reduction in funding will lead to increased fares and service reductions."

From the minister's answer to my colleague Paul Martin, I understand that he does not wish to pursue regulation of bus services—at least, not any more. However, can he explain how forcing up fares is meant to promote buses as a method of travel?

Keith Brown: I repeat the point that the bus service operators grant equates to about £50 million of support. Similar support has been completely taken away in many parts of England in the past couple of years because of budget pressures, but we have maintained that support of £50 million. We have also maintained the level of the concessionary travel scheme, despite the suggestions that I mentioned from Opposition parties that we should reduce it. Therefore, there is substantial support.

Setting fares is a matter for individual bus operators. The bus service operators grant cannot account for a 9 per cent increase in fares, given the proportion of bus service operators' income that it provides. There is an issue in Lothian, because we are trying to stop encouraging increased fuel use. The previous Administration's approach encouraged fuel use, but we are trying to provide the bus service operators grant in a way that helps to reduce fuel use, which is important. However, there is a transitional period in which Lothian Buses, for example, will have to make that change. We have therefore announced a £3 million support package for that.

We will of course continue to discuss with bus operators the pressures that are on them. They have a reasonable point, but they have been told and have accepted that we must move to provide further support for operators in rural areas, where there are pressures from fuel duty costs, which are imposed from elsewhere. We are doing what we can to support the bus industry, but it would be good if Westminster did the same thing.

Roderick Campbell (North East Fife) (SNP): What steps can the Scottish Government take to encourage the continued development of low-emission green buses?

Keith Brown: This Friday is the closing date for bids for our second Scottish green bus fund. The green buses that are purchased with the support of that £2 million fund will add to the 48 green buses that were purchased through the first Scottish green bus fund. We intend to run further rounds of the fund in future. In addition, the low-carbon vehicle incentive in the bus service operators grant, which I have just mentioned, further encourages operators to invest in green buses through a payment rate that is double the rate for standard diesel buses.

First Minister's Question Time

11:59

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00480)

The First Minister (Alex Salmond): Meetings to take forward the Government's programme for Scotland.

Johann Lamont: Last week's unemployment figures revealed that more jobs are being lost in Scotland than in any other part of the United Kingdom. This week, we have been presented with more grim forecasts for the construction and retail sectors in Scotland. The First Minister needs to realise that this is about real people and real jobs. The First Minister's plan MacB—the one that he boasted about to all who would listen—has clearly failed. Why have one in three of all the jobs that have been lost in the UK in the past three months been Scottish jobs?

The First Minister: The unemployment problem in Scotland and, indeed, across these islands is extremely serious; of that there is no doubt.

Johann Lamont should, in fairness, remember that the employment rate—the percentage of people who are employed in the economy—is significantly higher in Scotland than it is in any other country in these islands and that the inactivity rate, which relates to people who are not in the labour market, is much lower. Those are good things about the job market.

However, the recession and the slow recovery are impacting on the lives of families in Scotland and across these islands. Therefore, should not we turn our attention to what can be done about that through the UK budget that is coming up, by increasing capital spending, which has been demonstrated to be a rapid and effective way of getting people back to work, and by increasing the funding to small and medium-sized businesses, which are the great drivers of employment in the economy, and in relation to which we now know that Merlin as an operation has refused to deliver the full goods that were promised? Let us turn our attention to what can be done. That is what the Scottish Government is doing, and I suggest that all members should act constructively and do the same.

Johann Lamont: As ever, the First Minister focuses on other people's responsibilities and not his own. Never mind the budget at UK level—his own budget for jobs and growth could be done under the Trade Descriptions Act.

Last week, the number of young people who are unemployed broke the 100,000 mark. That is unacceptable. What was the First Minister's response? He had nothing to say. Perhaps he was much too busy falling out with his old pal Donald Trump, falling in with Twitter fan Rupert Murdoch and arguing with the Prime Minister about who knows best how to run a referendum. All the while, more and more young people are being shut out of the job market, with long-term consequences that we should all fear.

To coin a phrase, when will the very man who launched a consultation document in a castle put people before prestige?

The First Minister: The position on youth unemployment is extremely serious. That is why this Government has appointed a Minister for Youth Employment. It is why we are bringing forward initiatives such as the provision of 125,000 modern apprenticeships over the next five years, which is some 60 per cent higher than the level of modern apprenticeships that we inherited. Of course, every modern apprentice in Scotland has a job. That is a critically important feature of our modern apprenticeship system. Above all, it is why we are offering to every 16 to 19-year-old in Scotland who is not in education, training, a job or a modern apprenticeship a guarantee that they will have a training or education opportunity. To me, that is very substantive action to tackle the issue that is before us.

Just a couple of weeks ago, we had a forum for youth employment in Scotland, which united the unions, the employers, a variety of people in the voluntary sector and, indeed, the other political parties. People united to drive against the evil of youth unemployment and the prospect of seeing a lost generation of the kind that was seen in the 1980s. Everyone at that substantial forum signed up to that joint effort. All that I ask Johann Lamont to think about is whether she can bring the good wishes and good will that were expressed on a cross-party basis in that forum into this chamber, and demonstrate to Scotland that every party and every MSP are committed to fighting the evil of youth unemployment.

Johann Lamont: Of course we support all those across the country who want something to be done. We want the First Minister to get on and do those things that need to be done, because what he is doing is not working.

The First Minister talks about his new Minister for Youth Employment. That is one job for one woman, but what about the other 399 women who are losing their job every day under the SNP Government? Although the First Minister talks about it, and despite the promise that was made by the First Minister at the election to protect public service workers, almost 24,000 people who

were delivering public services lost their jobs last year. The First Minister chose to pass on 89 per cent of the cuts to local government, so it was inevitable that women would bear the brunt of those cuts. Female unemployment is at its highest since records began. Why has the First Minister broken his promise to protect those public sector jobs?

The First Minister: I have two or three things to say about Labour's approach to such matters. If I remember correctly, Labour demanded in this chamber the appointment of a minister for youth employment. What is the point of demanding something and then deriding it once the initiative has been taken? Labour voted against having 25,000 modern apprenticeships a year in Scottish society. Two weeks ago, Labour also voted against the increase in capital spending in the budget that John Swinney presented to members.

Labour is calling for action. Of course, it has its five-point plan for growth, four of which are issues for the United Kingdom Government. Four out of five of Labour's points in its plan for growth are issues for the UK Government. How on earth can Johann Lamont say that we should not be calling on the UK Government to do things when that is what Labour's plan is?

On the extraordinarily serious issue of women's employment in the workforce, we should remember that female employment in Scotland is higher than it is elsewhere in these islands. Let me tell Johann Lamont what we are doing to ensure that women in our workforce are given their equal and proper status. In 2008-09, 2,857 young women went into modern apprenticeships; that was 27 per cent of the total of modern apprenticeships. Two years later, in 2010-11, in a much larger group, 9,656 young women went into modern apprenticeships, which was almost 45 per cent of modern apprenticeships. I would like to see that figure even higher.

It ill behoves a party that had a low number of modern apprenticeships and a minute percentage of women entering the programme to criticise a party that has increased modern apprenticeships by 60 per cent, and the number of young women who are taking that life opportunity by fully 20 per cent. Let us see whether Johann Lamont has the grace to welcome that substantial improvement in female participation in the workforce.

Johann Lamont: It is breathtaking complacency on the part of the First Minister, in the face of unemployment figures that must make his blood run cold, to find figures and suggest that everything is okay. On the very day that those shocking unemployment figures were released, the First Minister was in London giving a lecture about separation. Rather than lecturing people in England, perhaps he could take advice from the

Labour Government in Wales and those in other parts of the UK where the figures have got better not worse. In Scotland, unemployment is heading towards the 0.25 million mark on the First Minister's watch. Instead of focusing all his energies on running a referendum campaign, when will the First Minister get on with the job of running the country and addressing people's real concerns?

The First Minister: I asked whether Johann Lamont would have the grace to acknowledge the huge improvement in the number of young women who are entering the workforce. Perhaps that was not a question that should have been asked, because the answer was pretty obvious.

Johann Lamont mentioned Wales, but I am not certain that that is the best route for her to take. Unemployment in Wales is currently at 9 per cent, which is high compared with the 8.6 per cent in Scotland. In the past year, the rate in Wales has gone up by 0.7 per cent compared with 0.6 per cent in Scotland. The unemployment situation in Wales and Scotland is serious, but it is slightly worse in Wales than it is in Scotland. That is why the First Minister of Wales and I have called jointly for the action from the UK Government that we realise is necessary to address the employment crisis.

One of the keys to addressing the issue is to do exactly what this Government did two years ago by bringing forward capital investment. The Conservative Party has adopted the Labour Party's capital budget—the one left to it by Alistair Darling—which has deeper and tougher cuts than those of Margaret Thatcher. However, last week there was a chink of light. In my discussion with the Prime Minister, I said, "Isn't capital investment the way to drive forward the economy, not in two or three years' time, but at this particular moment?" He asked us to submit a list of shovel-ready capital projects for his consideration, and that is exactly what we will do. When that list of new school buildings, hospitals and roads, and a new repair budget, is submitted, I hope that the initiative will at least have the support of the Labour Party in order to try to break the stranglehold of Westminster Government on the capital budget of Scotland.

Prime Minister (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when he will next meet the Prime Minister. (S4F-00470)

The First Minister (Alex Salmond): I have no immediate plans to meet the Prime Minister, having met him last week.

Ruth Davidson: Last Thursday, the Deputy First Minister was caught out on a radio

programme when she suggested that the Organisation for Economic Co-operation and Development endorsed a claim that an independent Scotland would be the sixth-richest country by gross domestic product in the group, and the First Minister has himself cited that figure in this chamber. Will he confirm that the statistics are not in fact endorsed by the OECD and are not official?

The First Minister: They are Government statistics that we have placed in the Scottish Parliament library. The OECD rankings are for the countries in the organisation, and yes, an independent Scotland, in terms of gross domestic product per head, would be sixth in the rankings. That seems to support Ruth Davidson's comments on "Brian Taylor's Big Debate" last May that an independent Scotland would be big enough and rich enough to be an independent country.

Before Ruth Davidson starts to talk about other people being caught out on radio, we should examine the record of her remarkable interview on "Newsnight Scotland". Faced with the difficulty of trying to reconcile Lord Forsyth and David Cameron's views on Scotland and the constitution, she produced the remarkable formulation that she agreed with them both simultaneously.

Ruth Davidson: The Prime Minister agrees with me—first we settle separation, then we discuss devolution.

On the issue that I actually raised with the First Minister, last Friday afternoon his adviser was scrabbling hastily around this Parliament's press tower, handing out a 12-line document supporting the claims about the OECD. The document shows that the estimates of Scotland's GDP came from the experimental Scottish national accounts project, or SNAP. The figures on which the First Minister relies are on the Scottish Government website, under the heading, "Data Being Developed", with the cautionary warnings that they "are not deemed fit for general use"

and

"do not yet meet the rigorous quality standards of National Statistics",

and that they "are not 'official'" and—this is my personal favourite—should not

"be the subject of media releases."

The First Minister needs to stop presenting his assertions as fact and stop manipulating the data to suit his narrow purpose. Did he authorise the release of information based on those figures to the media? If he is prepared to be so slippery on this issue, how can anybody have any faith in anything he ever says?

The First Minister: Yes, I did and yes, I will gladly republish the information through the Scottish Parliament information centre. The calculation is simple—take the GDP of Scotland and then take the bit that is excluded from the United Kingdom Government figures, which is our geographic share of oil and gas production from the North Sea. Members might ask why we should put in oil and gas production for the North Sea. The answer is because that miraculously appears in the United Kingdom Government's figures; it is excluded only from the Scottish figures allocated by the UK Government.

If Ruth Davidson cares to read Alex Kemp's magnificent book, "The Official History of North Sea Oil and Gas", she will find that back in the 1960s a UK chancellor decided to create another country in these islands, called the offshore continental shelf, as a device so that the oil and gas industry could be extracted from the figures for Scotland. We know from the leaks that have come out that at the time successive Governments were being told that an independent Scotland would be richer than Switzerland, while Labour and Tory politicians were telling us that we would be poorer than Bangladesh. Ruth Davidson is on very shaky ground when she tries to defend the exclusion of the oil and gas industry from Scottish statistics.

Before we move off that remarkable interview on "Newsnight Scotland", Ruth Davidson has just said that we will talk about devolution after settling independence. What has happened to the "line in the sand", by which she beat Murdo Fraser in the Tory leadership contest? Now that she has been safely elected in that narrow section of the community that is called the Conservative Party, will she follow the policy of Murdo Fraser, whom she beat, or of Lord Forsyth, whom she phones up?

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): The First Minister might be aware that Peri-dent, a company that manufactures oral care products, which is located at Tweedbank, in my constituency, closed its doors to manufacturing on Friday, transferring production to Malaysia—as usual because of cheaper production costs. There was a loss of 130 jobs.

The intention to relocate was made public in June last year. What has been done since then in preparation for the redundancies that I regret to say have now become a fact?

The First Minister: I share Christine Grahame's concern about developments in respect of Peri-dent and their impact on the employees who are affected and their families and on the Borders.

I can tell Christine Grahame what we have been doing and I confirm that we will continue to do everything possible to support those employees. The local partnership action for continuing employment scheme has been involved in providing support to affected employees since Peri-dent announced in June last year its intention to move operations to Malaysia. PACE support has been provided at various times during the past months and has included two special events for employees, which were held on 22 November and, more recently, on 31 January. I assure Christine Grahame that the local team will continue to provide support to employees, to minimise the time that individuals are affected by redundancy and are out of work.

John Scott (Ayr) (Con): The First Minister will be aware of NHS Ayrshire and Arran's extraordinary mishandling of a freedom of information request and of Kevin Dunion's condemnatory report on the poor management and governance that might have put patient safety at risk.

I welcome the Cabinet Secretary for Health, Wellbeing and Cities Strategy's announcement yesterday of an inquiry by Healthcare Improvement Scotland into the board's practices and procedures. Can the First Minister assure me that the lessons that should have been learned after more than 20 deaths and 50 critical incidents, and after the creation of action plans, which might or might not have been implemented, will be learned, and that patient safety in my constituency will not be put at further risk by the intransigence and ineptitude of senior managers at NHS Ayrshire and Arran?

The First Minister: I should perhaps declare an interest. Rab Wilson, who made the freedom of information request, is a personal friend—and, incidentally, a very estimable character indeed. He was involved in the critical incident in September 2006.

I welcome the way in which John Scott introduced the subject and I support his welcome for the health secretary's actions. The straight answer to his question is yes. The detailed answer is that the health secretary has instructed NHS Ayrshire and Arran urgently to review its FOI policy and report back to her within the next week, to ensure that it is fully compliant with the legislation. She has also asked Healthcare Improvement Scotland to carry out an urgent audit of relevant clinical governance procedures in NHS Ayrshire and Arran and to consider national lessons that can be learned.

I hope that that satisfies the member that the action that the health secretary is taking is appropriate to what are serious circumstances.

Cabinet (Meeting)

3. Willie Rennie (Mid Scotland and Fife) (LD):

To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00484)

The First Minister (Alex Salmond): Issues of importance to the people of Scotland.

Willie Rennie: On the subject of NHS Ayrshire and Arran, and the response to John Scott's question, I am now rather confused about the issue. It is clear that the First Minister knew about that emerging circumstance, but yesterday the Cabinet Secretary for Health, Wellbeing and Cities Strategy instructed an immediate report into the problems in NHS Ayrshire and Arran. Why has it taken three months since the PricewaterhouseCoopers report was published in November for the health secretary to act?

The First Minister: The actions that the health secretary has taken are extremely timeous. The double action of looking not only at the freedom of information policy but at the heart of what the FOI request was about is very important, hence the request for Healthcare Improvement Scotland to carry out that urgent audit.

I think that most fair-minded people would say that the twin action of not only getting NHS Ayrshire and Arran to abide by its statutory FOI responsibilities, but getting to the heart of the failures in the systems that are perhaps evident and getting the audit done, is a pretty comprehensive and proper response to those serious circumstances.

Willie Rennie: Why has it taken three months for us to find out about that serious problem? Earlier this month, I asked the First Minister about extending freedom of information laws, and he refused. This case shows the value of freedom of information.

Kevin Dunion was very critical in his last report. He said that the case was perhaps

"the most serious catalogue of failings"

that he had ever dealt with.

Yesterday, the First Minister's personal friend did a great service. He is a persistent individual who stood up. When can we expect to see in the Parliament a comprehensive report on freedom of information that covers all health boards in Scotland, not just NHS Ayrshire and Arran? Will patients throughout Scotland have to rely on Rab Wilson, or will the Scottish Government do its job?

The First Minister: The report came out this week, and the health secretary has taken the appropriate serious response.

Health boards are covered by freedom of information. It is not about the issue—which Willie Rennie recently pursued—of extending FOI, but about enforcing FOI on a body that is already covered by freedom of information legislation. Although that aspect is important and is being pursued by the health secretary, I am sure that Willie Rennie will agree—and the constituency member will certainly agree—that addressing the underlying issue of health and safety and the procedures that are in place is the key to improvement as well.

The twin action of ensuring that FOI legislation is enforced on a body that is covered by it and looking at the underlying issue of the safety procedures is an appropriate action for the health secretary to take.

Scotland to Heathrow Routes (Competition)

4. Kevin Stewart (Aberdeen Central) (SNP):

To ask the First Minister, given the economic impact, what action the Scottish Government is taking to ensure that competition remains on routes from Scotland to Heathrow airport. (S4F-00477)

The First Minister (Alex Salmond): Together with our agencies, the Scottish Government is committed to working with airlines and the operators of Scotland's airports to improve our international connectivity. The primary focus is on business, inward investment and inbound tourism.

There is no shortage of interest from airlines wanting to develop connectivity at present. That is exemplified by Emirates offering a double-daily service from Glasgow to Dubai from this coming June, Jet2's continued expansion at Glasgow and the growth of Lufthansa and Azerbaijan in Aberdeen. In addition, we expect the current owner—and, it is hoped, the future owner—of Edinburgh airport to compete strongly to attract new airlines that meet the demand and potential demand.

Kevin Stewart: I am sure that the First Minister shares my disappointment that earlier this week Ryanair announced its decision to cut back its services from Edinburgh.

What progress is being made in urging the United Kingdom Government to devolve the power of air passenger duty so that Scottish airports—and the important links between Aberdeen and London—can remain competitive?

The First Minister: I regret Ryanair's decision, but it provides an example of the difficulties for both the airline and the airport. As Edinburgh airport pointed out, it would have been impossible to grant some exemption or special deal to Ryanair from air passenger duty without doing that for every other carrier in Edinburgh airport.

A key solution should therefore surely be to replicate in Scotland what the United Kingdom Government is currently offering to Northern Ireland, which is the devolution of air passenger duty so that we can ensure that our airports are competitive in order to expand Scotland's international connectivity. After all, if I remember correctly, that was a recommendation of the Calman commission, which has somehow disappeared from the bill that is going through the Houses of Parliament in Westminster.

In case anybody in the chamber thinks that that proposal does not have support outside the chamber, I will quote a letter from Derek Provan, Aberdeen airport's managing director. He says:

"APD remains a significant barrier to growth ... I therefore welcome the continuing efforts of the Scottish Government to devolve APD to Scotland so that decisions affecting the future of our industry can be made here in Scotland—in the best interests of Scotland's airports."

So say all of us.

Construction Sector

5. Elaine Murray (Dumfriesshire) (Lab): To ask the First Minister what action the Scottish Government is taking to improve confidence in the construction sector. (S4F-00473)

The First Minister (Alex Salmond): In the face of a United Kingdom Conservative-Liberal Government cut to our capital budget of more than 30 per cent—a cut that was first put in place by Alistair Darling, whose cuts were to be deeper and tougher than those of Margaret Thatcher, according to that former chancellor—the Scottish Government is maximising capital spending to support infrastructure investment and jobs. We are at the most difficult time switching £750 million from resource to capital over the spending review period and taking forward a new programme of non-profit-distributing investment that is worth £2.5 billion. As a result, capital spending will grow over the spending review period. Of course, with capital borrowing powers, we could do a great deal more.

Elaine Murray: That was the same old record. It is clear that, unlike the Scottish construction sector, the First Minister's confidence level is not at -28. Is he complacent about the fact that two thirds of the industry expect public sector construction activity to reduce in the next year and that only one tenth expect an increase? Is he complacent about the fact that 30,000 jobs have been lost in the sector in the past year? Is he complacent about the fact that the annual rate of new house building in Scotland is at its lowest level since records began? Does he not think that it is time to consider whether reducing the affordable housing supply budget by 30 per cent in the current year is the correct policy when the construction sector is so depressed, or does he

believe that the Chinese will build Scotland's houses, as well as our bridges?

The First Minister: Is Elaine Murray totally unaware of what has happened to the public sector capital budget across these islands? Normally, when we talk about the squeeze on the revenue budget in Scotland, Labour can say that that has gone too far, too fast and that it would go at a slower pace. Of course, in relation to the dramatic cut of 30 per cent in the capital budget, the plans that the Labour Party left would have gone even faster.

There is nothing in the slightest complacent about this Government's approach to capital spending. It is high time that Labour accepted responsibility for laying plans that saw the greatest reduction in public capital investment in the past generation.

Incidentally, every time we challenge Treasury ministers on the subject, their first answer is that they have improved the position that Alistair Darling left them. If I put his phone number in the Scottish Parliament information centre, maybe Elaine Murray can give him a ring and ask him what on earth he was playing at in relation to the construction sector.

As for what the Government has done, if Elaine Murray casts her mind back two years to when the Government was able to accelerate capital investment and if she looks at the figures for that year, she will find that the construction sector in Scotland outperformed that in the rest of the UK. That proves that public capital investment can have a substantive effect on the economy. Is it therefore too much to ask Elaine Murray to respond to the challenge of agreement that Johann Lamont ducked, which is to join in the chamber in submitting to the Tory-Liberal regime the list of capital projects on which spending could be made in the economy now to benefit Scotland, the Scottish construction sector and Scottish workers?

Rangers Football Club (Administration)

6. Murdo Fraser (Mid Scotland and Fife) (Con): I should declare an interest as a debenture holder at Rangers.

To ask the First Minister what impact Rangers Football Club going into administration will have on the economy. (S4F-00478)

The First Minister (Alex Salmond): I think that some people would have recognised Murdo Fraser's tie as a declaration of interest as well.

This is a very serious issue and, now that Rangers are in administration, it is clearly a hugely difficult time—especially for the 331 employees at the club. Duff & Phelps, the administrators, have

stated that they hope that the club can emerge from administration as soon as possible, in which case the economic impact will be lessened. I very much hope that a way forward can be found that allows Rangers to meet its obligations to the taxpayer, to continue in business and to save jobs. However, because of the revelations of the past few days, it should be said that the task facing the administrators is very difficult indeed.

Murdo Fraser: I thank the First Minister for his helpful response. I am sure that he would agree that a person would not need to be a supporter of the club to appreciate that there would be a serious impact—on Scottish football and the Scottish economy—if the financial situation at Rangers were to deteriorate further.

After all the media revelations of the past few days about the financial history of Mr Craig Whyte's dealings with Rangers, would the First Minister encourage the Scottish Football Association to review urgently its rules on who are fit and proper persons to hold controlling interests in our football clubs?

The First Minister: As I said in my first answer to Murdo Fraser, the situation for the club is very serious. The series of revelations over the past few days has been very concerning indeed. We should therefore all support the Scottish Football Association's inquiry into the potential breach of a number of articles of association under its current rules. That is an independent inquiry, as Murdo Fraser will know, and it deserves support and encouragement from all of us—regardless of how difficult some of the facts that may emerge may be.

As Murdo Fraser will know, the Scottish Government cannot offer financial support to any football club. However, members in the chamber will be aware that the Government has given unprecedented support to Scottish football. That support has largely been channelled through the SFA, and is illustrated by the £25 million that we have pledged to a national football academy, and by the Scottish Government's £1 million sponsorship of this year's Scottish communities league cup. The Minister for Commonwealth Games and Sport has been in contact with the administrators to iterate the importance of Rangers to Scottish football. Furthermore, as would happen for any other company, the partnership action for continuing employment—PACE—action team is at its disposal if and when redundancies are announced.

Chic Brodie (South Scotland) (SNP): To ask the Scottish Government to secure in football a demand economy by encouraging football authorities and local councils to establish community-based sports co-operatives such as those developed in Germany, Holland and Spain,

which have resulted in international football and sport success.

The First Minister: People's eyes have understandably been caught by the immediate crisis that is engulfing Rangers, and by the revelations of the past few days. However, there is a lot in what Chic Brodie says about considering models of ownership and fan participation that have been successfully developed elsewhere. I ask people to consider the strong support—stronger than ever before—that the Scottish Government is providing for football as a whole, as our national game. I am especially proud of the £4 million that has been put into the youth action plan over the next four years. Such actions will guard the future of our game.

It is perfectly correct and proper for members to consider ownership models for football clubs—models that have been successful in other countries. Some clubs in Scotland are considering them seriously. In the long term, many fans may be attracted to them.

12:33

Meeting suspended.

14:15

On resuming—

Scottish Executive Question Time

Health, Wellbeing and Cities Strategy

Naloxone

1. John Finnie (Highlands and Islands)

(SNP): To ask the Scottish Government what information it holds on how many lives have been saved by the use of naloxone in the last year. (S4O-00707)

The Minister for Public Health (Michael Matheson): Prior to the launch of Scotland's national naloxone programme in June 2011, the numbers of naloxone kits that had been issued and lives saved as a result were not collected. As a Government, we have commissioned the national health service Information Services Division to collect data on all the kits issued as a result of Scotland's take-home naloxone programme. There are plans to publish the information in June, and it will cover the period from April 2011 to March 2012.

All individuals who are offered training and a naloxone kit are asked whether the kit is their first and, if it is not, they are asked how their previous kit was used. However, not all individuals are prepared to provide that information. The impact of the programme will be measured using a baseline, and the reach of the programme will be measured by asking services to complete a data sheet each time naloxone is supplied. That will give us information on how many naloxone kits, on average, are being supplied to individuals.

John Finnie: I thank the minister for his reply. Has consideration been given to extending the range of people who are trained in the use of naloxone—in particular, police officers?

Michael Matheson: The intention is that the programme reach as widely and appropriately as possible, to both specialist and non-specialist health staff. Naloxone training and awareness sessions have already been delivered to prison staff, homelessness services, carers organisations, family and community groups, and staff in Social Care and Social Work Improvement Scotland. We have also had awareness sessions delivered through police forces and at the Scottish Police College at Tulliallan. The Scottish Crime and Drug Enforcement Agency is a member of the Scottish naloxone advisory group and of the national forum for drug-related deaths, and we continue to have dialogue on what further

measures we can take to ensure that the police are aware of the role that naloxone can play.

Eating Disorders Awareness Week

2. Dennis Robertson (Aberdeenshire West)

(SNP): This feels like a bit of déjà vu.

To ask the Scottish Government what steps it has taken to support eating disorders awareness week, which began on 20 February. (S4O-00708)

The Minister for Public Health (Michael Matheson): I thank the member for his question. I was delighted to participate in his members' business debate yesterday, which assisted us in placing greater focus on some of the issues of concern in eating disorders awareness week. I also had the pleasure on Tuesday of attending, at the City Art Centre in Edinburgh, the launch of a photographic exhibition demonstrating some of the experiences that young people have had while recovering from eating disorders. The "Re-capture" exhibition will be moved to a variety of locations in Scotland to try to ensure that the issue is as widely recognised as possible, and it will be here in Parliament next week. We are also considering whether we can assist in making the exhibition part of Scotland's mental health arts and film festival later this year.

Dennis Robertson: I thank the minister for his response. What further steps can the Government take to raise among general practitioners and medical students awareness of eating disorders, including through training programmes, and to ensure that the matter is higher on their agendas?

Michael Matheson: That was touched on in yesterday's members' business debate. We have NHS Scotland's eating disorders education and training initiative, but I am more than happy to consider whether we can take further action to encourage medical and associated healthcare professionals to participate in it. Such education and training would increase their awareness and understanding of eating disorders, and ensure that when someone made their first point of contact with the services the disorder was identified as early as possible and they were referred to the care setting that would be most appropriate for the support and assistance that they require. I am more than happy to keep the member informed of our progress on that.

Nanette Milne (North East Scotland) (Con):

To follow on from that and from Dennis Robertson's experience of the available service, I note from paragraphs 94 to 97 inclusive in the summary of the then Health Committee's "5th Report, 2005 (Session 2): Eating Disorders Inquiry" that there are specific recommendations to Government and the Royal College of General Practitioners on GP training. Will the minister

either advise me of progress on that or push such training forward?

Michael Matheson: I am aware of the report to which Nanette Milne refers. Her former colleague David Davidson was instrumental in consideration of the matter in a previous session of Parliament. Given the nature of the recommendations in the report, if it would be helpful I would be more than happy to write to the member detailing what progress has been made on each of the areas that are the responsibility of the Scottish Government.

Deaf and Hard-of-hearing People (Scottish Borders) (Support)

3. John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Executive how it is supporting deaf and hard-of-hearing people in the Scottish Borders. (S4O-00709)

The Minister for Public Health (Michael Matheson): The Scottish Government works with a number of organisations to raise awareness of issues that affect the deaf community, to ensure that the views of deaf people are heard, to reduce barriers to inclusion for deaf people and to bring about an improvement in service planning and delivery.

On 5 March 2011, the Scottish Government formally recognised British Sign Language as a language and since 2004 has provided funding and other support for BSL work throughout Scotland.

John Lamont: A number of my constituents who are deaf and hard of hearing have contacted me about the difficulties that they have experienced when they need to contact emergency services and their general practitioners. Many local health services rely on text phones to solve that problem. Such phones cost in excess of £100, so residents often prefer to use text messaging on their mobile phones. However, none of the emergency services and few health centres offer that facility. Is the minister aware of such initiatives? What can be done to encourage use of text messaging from health services to deaf and hard-of-hearing people?

Michael Matheson: I recognise the issue. It is extremely important that, within the national health service in Scotland overall, we look at how we can continue to enable the public to contact the NHS in ways that are most appropriate to them and which reduce potential barriers that they may face because of disabilities. We are in the process of developing a national strategy covering a range of electronic contacts with individuals in the NHS, which would address the very issue that the member has raised. As part of that national strategy, we are looking at the various modes and

methods that people could use to access the NHS in Scotland. Contact has already been made with BSL group users and an official will be inviting the Borders deaf and hard of hearing network to provide its views as we develop the strategy.

Jim Eadie (Edinburgh Southern) (SNP): I welcome the support that the Scottish Government provides to deaf and hard-of-hearing people.

Has the minister considered the motion in my name on lip reading, which has attracted cross-party support? Will the Scottish Government continue to work with local authorities and the audiology services advisory group to improve the provision of lip-reading tutors in order that that essential skill can be offered to all people with a hearing loss? Will he meet me and the Scottish Council on Deafness to discuss its proposal that lip-reading classes be funded as part of rehabilitation support for people who have hearing loss?

Michael Matheson: I would be more than happy to meet Jim Eadie and the organisation to which he referred.

Jim Eadie may be aware that the Scottish Government has recently created a working group to look at lip-reading provision and the availability of lip-reading tutors. We have also been considering re-establishing the lip-reading tutor training course in Scotland and we have provided some £100,000 in the current financial year to take forward that work. Members of that group include Action on Hearing Loss, the Scottish Council on Deafness, and Hearing Link.

We recognise that there are concerns. I am aware of the member's motion and would be more than happy to meet him and the organisation that he mentioned to consider what further measures could be taken forward to address their concerns.

Neurological Health Services (Clinical Standards)

4. Paul Wheelhouse (South Scotland) (SNP): To ask the Scottish Government how it will hold to account national health service boards that are not meeting clinical standards in neurological health services so that there is a consistent service across Scotland, including in rural areas. (S4O-00710)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): It is a priority for the Scottish Government to ensure that the neurological standards are implemented, because they offer the best mechanism for achieving safe, effective and person-centred care. We have provided boards with £1.2 million to develop local neurological service improvement groups as the main vehicles for implementing the standards.

Boards have already completed an assessment of their progress on the generic standards and are now conducting a peer-review evaluation, including an evaluation of the agreed multiple sclerosis standard, to gauge their progress. The findings from the peer review will be published in June and will be used by boards to inform their local neurological service improvement plans.

In addition, Healthcare Improvement Scotland and the Scottish Government have written jointly to all boards to request an outline of their plans for continuing their neurological service improvement work once the Healthcare Improvement Scotland improvement programme comes to an end in March. Of course, we hold all boards to account through the normal performance-management arrangements.

Paul Wheelhouse: I thank the cabinet secretary for her helpful answer. I understand that the prevalence of multiple sclerosis in the Borders is higher than the national average but that, at present, there is no specialist neurological consultant provision for patients with the condition in the NHS Borders area. I respect the autonomy of NHS boards to make clinical decisions, but will the cabinet secretary clarify the Scottish Government's expectations on the availability of dedicated specialist consultant provision in rural areas such as the Borders?

Nicola Sturgeon: Paul Wheelhouse raises an important point about the prevalence of multiple sclerosis, which is higher in Scotland than it is in many other parts of the world. Within Scotland, there are areas of particularly high prevalence; as Paul Wheelhouse pointed out, that is the case in the Borders.

It is for local health boards to determine their staffing arrangements to ensure that they meet the needs of the populations that they serve. However, the standards to which I referred in my earlier answer state that NHS boards should provide patients who have MS with access to a multidisciplinary team that specialises in management of MS. As I said, we expect boards to implement those standards and to ensure that they deliver the required standard of care. That area of work is extremely important for the Government, and I know that members are extremely interested in it. I am happy to keep Paul Wheelhouse and other members apprised of developments in their areas.

NHS Dumfries and Galloway (Backlog Maintenance Risk Profile)

5. Elaine Murray (Dumfriesshire) (Lab): To ask the Scottish Executive what its position is on the backlog maintenance risk profile of NHS Dumfries and Galloway, as reported in "State of the NHSScotland Estate 2011". (S4O-00711)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): The "State of the NHSScotland Estate 2011" report is the first survey of the NHS Scotland estate since 2000 and the most comprehensive ever undertaken. The report gives a snapshot of the position at the time when the data for the report were collated, as well as a clear foundation on which to build and to measure progress.

My officials are working with NHS Dumfries and Galloway and other boards to consider how the issues that were identified by the state of the estate report are addressed. In Elaine Murray's area, that includes support for reprovision of the Dumfries and Galloway royal infirmary which, when combined with planned maintenance and disposals, will reduce the backlog of £58.6 million, as identified in the report, to £10.7 million.

Elaine Murray: The cabinet secretary will be aware that more than 50 per cent of the backlog maintenance in NHS Dumfries and Galloway is in the "high risk" and "significant risk" categories and that NHS Dumfries and Galloway has the highest backlog maintenance cost per square metre of any board in Scotland. I am aware of the plans for the new Dumfries and Galloway royal infirmary, but it is anticipated that the new hospital will not be completed before 2016-17. Is the cabinet secretary confident that the current facilities will remain fit for purpose until the new hospital is in operation? I seek her reassurance that the statistics pose no threat to community facilities in the region, such as cottage hospitals.

Nicola Sturgeon: It is the responsibility of every health board in Scotland to ensure good quality services for the patients whom they exist to serve, and to ensure patient safety. I expect that of NHS Dumfries and Galloway, just as I expect it of every health board. I am well aware of the contents of the state of the estate report and I do not underestimate the challenges that are presented in it.

I should point out that throughout the period of the last Administration we did not know what the state of the estate was, because "State of the NHSScotland Estate 2011" is the first report on the matter that has been produced since 2000.

I am determined that we will work with health boards to ensure that they carry out the requisite maintenance. Despite the significant capital budget cuts that we have experienced, over the spending review period we will invest £2 billion in health service capital. I have made it clear to boards that they must focus on the areas of the estate that most require maintenance. The maintenance of the estate is an area of great priority, and my officials and I will work closely with

boards to ensure that the requisite work is carried out.

Jackie Baillie (Dumbarton) (Lab): I welcome the survey that the cabinet secretary mentioned. The backlog of maintenance in Dumfries and Galloway is £58 million, but NHS Greater Glasgow and Clyde's backlog is £175 million, which includes the £27 million of work that is required at the Vale of Leven hospital, the £18 million that is required at the Royal Alexandra hospital and the £17 million that needs to be spent at Inverclyde royal hospital. What steps is the cabinet secretary taking to address the backlog? What is the likely timescale for dealing with the backlog in NHS Greater Glasgow and Clyde and, in reference to the original question, in NHS Dumfries and Galloway?

Nicola Sturgeon: I am sure that Jackie Baillie will be popular with the colleague who will ask specifically about NHS Greater Glasgow and Clyde later.

As I said in response to Elaine Murray, I do not underestimate the challenges that the report has highlighted, but Jackie Baillie should reflect on the fact that the backlog has not accumulated over the four—nearly five—years of this Government. Of course, we did not know what the state of the estate was under the previous Government, because it did not bother to do a survey and tell us. We now have the information, and members of the Parliament and the public will be able to hold us to account.

Jackie Baillie mentioned NHS Greater Glasgow and Clyde, which gives me the opportunity to mention the £840 million new Southern general hospital, which is under construction using public funds. As I said, the report presents challenges but, through its actions and its plans, this Government is determined to meet those challenges. I think that that makes a rather refreshing change from what we saw under the previous Administration.

The Deputy Presiding Officer (John Scott): Question 6 has been withdrawn for what I hope are understandable reasons.

Cancer Prevention (Lifestyle and Environmental Risks)

7. Alison Johnstone (Lothian) (Green): To ask the Scottish Government whether it considers that it has appropriately balanced its efforts to prevent cancer between lifestyle and environmental risks. (S4O-00713)

The Minister for Public Health (Michael Matheson): Trends and scientific evidence suggest that lifestyle factors such as smoking, poor diet, low physical activity, obesity and excess alcohol consumption can all increase a person's

risk of getting cancer. To tackle those issues, we have implemented a framework for action on changing Scotland's relationship with alcohol, together with a comprehensive package of measures to prevent smoking uptake and to help smokers to quit, as well as taking action on healthy eating and increased physical activity.

In considering environmental factors that can increase the risk of cancer, we have implemented air-quality standards and have highlighted the importance of avoiding overexposure to the sun. In addition, we work with other bodies to ensure that food and chemical regulations are appropriately implemented and that toxins and carcinogens are monitored.

Alison Johnstone: I thank the minister for the actions that are being taken.

In 2009, the expert President's cancer panel published serious concerns that

"the true burden of environmentally induced cancer has been grossly underestimated."

In 2010, a peer-reviewed paper in the *British Journal of Cancer* found that four key lifestyle factors—tobacco, diet, being overweight and alcohol consumption, which the minister mentioned—accounted for approximately one third of cancers. That leaves a very large proportion of cancers being accounted for by other risk factors, including environmental risks.

Will the minister commit to placing a greater focus on primary prevention of cancer and recognise that a large proportion of cancers cannot be blamed on individuals' choice of what they eat and whether they smoke, but on other factors, including exposure to carcinogens in the land, air and water of Scotland?

Michael Matheson: I assure the member that we consider all the necessary appropriate scientific data in relation to risk factors in development of cancers. We believe that the balance that we have struck appropriately addresses the scientific evidence to date.

The Government is advised by organisations such as Health Protection Scotland, the Health Protection Agency and the Health and Safety Executive. If we should be taking particular measures on any environmental factors that they bring to our attention and that have a good scientific basis for policy, we will give those measures careful consideration.

Neurological Health Services (Clinical Standards) (Monitoring)

8. Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): To ask the Scottish Government how it will monitor progress by NHS boards in meeting the clinical standards for neurological

health services after the implementation programme ends in March 2012. (S4O-00714)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): As I said in response to Paul Wheelhouse, we are determined to ensure that the neurological standards are implemented. Healthcare Improvement Scotland is actively supporting boards in implementing the standards and has been closely monitoring their progress. Of course, from April 2012, it will be for NHS boards to decide how to implement the standards to reflect local priorities. I expect NHS boards to continue their improvement work to ensure that people who are living with neurological conditions receive the care and support that they need and deserve.

Malcolm Chisholm: I thank the cabinet secretary for that answer and for her detailed answer to Paul Wheelhouse. We all recognise the recent progress that has been made with the implementation programme, but the cabinet secretary will know about the concerns of several organisations that work in neurological health about what will happen in the future. She referred to a peer review that is being conducted, but will peer reviews be conducted subsequently? I suppose that that relates to a more general issue about the role of Healthcare Improvement Scotland, which has done great improvement work in neurological standards. Will it have a continuing scrutiny role in their implementation?

Nicola Sturgeon: I thank Malcolm Chisholm for a valid and legitimate question. As part of the peer-review evaluation, Healthcare Improvement Scotland will be looking for boards to evidence their linkages to planning services in their three-year plans. Following publication of the peer review report in June, Healthcare Improvement Scotland expects boards to put in place action plans to ensure the sustainability of improvements and to ensure that they continue well beyond the end of the programme. I assure Malcolm Chisholm that, although the implementation programme will end in March, there will be no let up in ensuring that health boards continue to deliver improvements. As I said in response to Paul Wheelhouse, through the normal performance-management processes, we will ensure that those improvements continue, and I am more than happy to keep interested members up to date and to hear from them at any time if they have any concerns about their NHS areas.

NHS Ayrshire and Arran (Meetings)

9. Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): To ask the Scottish Government when the Cabinet Secretary for Health, Wellbeing and Cities Strategy last met

NHS Ayrshire and Arran and what matters were discussed. (S4O-00715)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): Ministers and Government officials regularly meet representatives of all NHS boards and discuss issues of importance to local people. I spoke to the chair of NHS Ayrshire and Arran by telephone yesterday.

Adam Ingram: I will follow up on that telephone conversation.

Could the cabinet secretary comment on the Healthcare Improvement Scotland investigation of NHS Ayrshire and Arran's handling of critical incidents and significant adverse events following this week's scathing report by the Scottish Information Commissioner? Will she agree to meet me and my constituent, Rab Wilson, whose courage and persistence over many years in bringing such issues to light has finally been vindicated?

Nicola Sturgeon: I thank Adam Ingram for his question and for the close and diligent interest that he takes in all matters relating to NHS Ayrshire and Arran. I should also mention the close interest in this issue that is being taken by the Deputy Presiding Officer. I would be very happy to meet Adam Ingram and his constituent Rab Wilson, and I am more than happy to ensure that my office sets up that meeting as quickly as possible.

Patient safety is of paramount importance for me, for the Government and for the NHS and we are seeing real improvements in patient safety as a result of the patient safety programme. I take the Scottish Information Commissioner's report very seriously for two reasons, the first of which is the indication that the health board did not comply with freedom of information legislation. All boards must comply with the law and I have asked NHS Ayrshire and Arran to assure me that its FOI policies are compliant and to do so within a week.

The second reason for concern is the question whether the matter signifies deficiencies in NHS Ayrshire and Arran's clinical governance procedures. The board has assured me that the requisite improvements have been made since 2009; it should be said that the report refers, in the main, to matters that occurred before that date. However, I have asked Healthcare Improvement Scotland to audit the relevant clinical governance procedures, and to ensure that I am advised if it believes that there are any national lessons that need to be learned from the experience in NHS Ayrshire and Arran.

I assure Parliament that I treat the matter with the utmost seriousness. All boards are expected to put patient safety at the top of their agendas, and I

believe that they do so. It will not be tolerated if any board does not do that.

Jackson Carlaw (West Scotland) (Con): I note what the cabinet secretary said about patient safety. The matters that were touched on by Mr Ingram, and earlier by Mr Scott at First Minister's question time, are clearly of the utmost seriousness.

The cabinet secretary will know that there have been recent changes in key members of the board of NHS Ayrshire and Arran. Does she—and should the population that is served by the board—continue to have confidence in it generally at the present time? If she is not prepared to say that she has confidence in it, will she say that she will act on any information that she receives as a result of the inquiries that she has instructed, to ensure that that confidence can be restored?

Nicola Sturgeon: I will act on any findings or recommendations from the inquiry.

Yes—I do have confidence in NHS Ayrshire and Arran. It has a new chief executive and a new chairperson and I am confident that they understand the seriousness of the issue and are actively working to ensure that deficiencies that existed in the past—they have acknowledged those deficiencies—are rectified. The actions that I announced yesterday will help to ensure that that is the case, and to assure me that it is the case. I assure Jackson Carlaw that I have confidence in the board, and that I will always act to ensure that deficiencies in patient safety are treated with the utmost seriousness.

Graeme Pearson (South Scotland) (Lab): The cabinet secretary might remember that I wrote to her on 1 February expressing concerns about the lack of representation from East Ayrshire Council on the board of NHS Ayrshire and Arran, and I recorded that the council representative had been absent through disqualification since December last year. Does she agree that events at the board show the need for effective governance, and that East Ayrshire Council would do well to reconsider its current situation, whereby it has no representation on the board of that important body?

Nicola Sturgeon: I recall Graeme Pearson's letter, and I know that I replied to it. I do not have the text of my reply in front of me, so I apologise in advance if I get any of the details wrong, but my recollection is—Graeme Pearson's question indicates that it is correct—that East Ayrshire Council took the decision not to fill its place on NHS Ayrshire and Arran until after the local authority elections in May. It is not for me to tell a local authority what to do in that regard but—withstanding the position in respect of the local authority member—I hope that Graeme Pearson

and all members are assured that the board of NHS Ayrshire and Arran, the Government and I take these matters seriously and that action is being taken to ensure that deficiencies that existed in the past are being fully rectified.

Individual Patient Treatment Request Process (Review)

10. Ken Macintosh (Eastwood) (Lab): To ask the Scottish Executive what action it is taking to review the effectiveness of the national health service individual patient treatment request process. (S4O-00716)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): National health service boards are expected to maintain an overview of the effectiveness of their local arrangements for the introduction of new medicines, including board management of individual patient treatment requests. Boards were reminded of their responsibilities in that regard in additional guidance that was published on 13 February. It clarifies that NHS board clinicians, as a matter of good practice, should use peer support to sense-check their individual patient treatment applications, and that panels should include a practising medical consultant who has, or who has access to, specialist knowledge of the relevant clinical area. The guidance reflects recommendations that emanated from a clinically led short-life working group to consider the safe and effective use of new medicines.

In addition, the Government will monitor progress in implementing the chief executive letter guidance on the introduction of new medicines, which took effect on 1 April last year.

Ken Macintosh: I am encouraged to hear that guidance has been recirculated.

The cabinet secretary will be aware of my interest in two cases: one relates to constituents with paroxysmal nocturnal haemoglobinuria and the other to patients with melanoma. In both cases, there are drug treatments that are available only through the IPTR process. For people with PNH, the problem appears to be inconsistency between and within hospitals. In relation to people with melanoma, ipilimumab is not available to any patient in Scotland.

Will the minister insist that all health boards publish their IPTR processes, so that patients can have confidence in a transparent process and can believe that the process is not just robust, but fair?

Nicola Sturgeon: I am grateful to Ken Macintosh for organising the meeting with the PNH alliance; I am actively considering the issues that the group raised.

Ken Macintosh is right to highlight the issue of transparency. The purpose of the short-life working group and all our work in the area is to increase the transparency of decision making. For example, the short-life working group considered how decisions that are taken by area drug and therapeutics committees can be open to greater scrutiny, so that there is more transparency. The same logic applies in respect of individual patient treatment requests, although such requests always raise great issues to do with patient confidentiality, so there are slight differences in that regard.

I am committed to improving as much as possible our systems that deal with access to new drugs. The issues are incredibly difficult, as I know that members who deal with constituents in such situations recognise. It is right that there is independence in the process and that it is not subject to political interference. My job is to ensure that there is confidence in the systems that are in place. We have done a power of work to improve the systems, but I am always open to suggestions on how we can improve them even further.

Dr Richard Simpson (Mid Scotland and Fife (Lab)): The cabinet secretary is aware that we very much welcomed the new system that was brought in to be Scotland's answer to dealing with the issues—I realise how difficult they are.

The new system has not yet passed the critical test of public acceptability—I think that the jury remains out. Will the cabinet secretary say, first, whether patients are represented on the panels? Patient representation is part of getting public confidence in the system. Secondly, will the data on applications and decisions be compiled nationally—as well as dealt with locally, as she announced following the short-life working group's work—with the appropriate anonymity, to enable Healthcare Improvement Scotland to minimise postcode effects, which still seem to be relatively prevalent?

Nicola Sturgeon: We are gathering national data, which I think will be useful in ensuring that there is equity across the country. Decisions come down to local decision making—that is inevitable—but I want to be assured, as does everyone, that systems are working as equitably as possible.

Richard Simpson asked about patient representation on panels. We are talking about very sensitive issues, and there is an issue to do with the extent to which panels that consider individual patient treatment requests can be opened up. However, I am always happy to consider how processes can be improved.

Richard Simpson made an interesting point—and one on which I reflect a lot—when he rightly questioned whether the new system has passed

the test of public acceptability. I am not sure that we will necessarily ever get to a stage at which such decisions will not to some extent be difficult and controversial. Public questions might always be raised about how systems could be improved. Like every other country, we need a system to regulate access to new drugs, but as long as someone might not get access to a particular drug that they think would benefit them, public questions will be asked.

That is why I think that we must all try to consider—on an on-going basis—how systems can be improved in order to build confidence. I am committed to doing that. I readily acknowledge that I do not have all the answers and I will accept suggestions from members of all parties, which I will always consider constructively.

Tackling Poverty

11. Drew Smith (Glasgow) (Lab): To ask the Scottish Executive what progress it has achieved in tackling poverty. (S4O-00717)

The Minister for Public Health (Michael Matheson): We report progress on tackling poverty in the national performance framework and in the annual “Poverty and income inequality in Scotland” publication. The most recent figures, for 2009-10, show that the overall poverty level is unchanged at 17 per cent, although that figure is too high.

We are doing everything that we can with the powers that we have, but a number of important levers, such as tax and benefits arrangements, are reserved to the United Kingdom Government. Independent analysis by the Institute for Fiscal Studies suggests that the UK Government's policies will increase the number of people in poverty in the next three years. I am sure that it will come as no surprise that a majority of us in the chamber believe that this Parliament should have control of all the levers that could assist us in tackling poverty more effectively in Scotland.

Drew Smith: The minister will be aware that I have asked the Scottish Government and the First Minister on a number of occasions about the tackling poverty board and the role that it plays. I cannot understand why that board has not been meeting regularly; I understand that its last meeting was on 13 April last year. It could have a role in monitoring the progress of the Scottish Government's achieving our potential strategy, given the change in economic circumstances since the strategy was agreed. Can the minister confirm whether the board has met more recently than 13 April last year? Are there any plans to arrange a meeting?

Michael Matheson: We intend to publish in the next few weeks our first annual report on the child

poverty element of our overall strategy on tackling poverty in Scotland. We have given a commitment to consider, following that report's publication, the further measures that we must put in place to continue to address poverty.

I assure the member that there is a strong will on our part to ensure that we do everything possible to tackle poverty as effectively as we can. I am sure that it is not lost on Drew Smith that one of the most effective ways in which we can tackle poverty is to have control of all the economic powers that are necessary to do so effectively. That will be much more effective than any working group in tackling the problem.

Patrick Harvie (Glasgow) (Green): Although I have some sympathy with the minister's last point, one thing that we can do now is provide advice services, which are crucial for people who are facing poverty.

Is the minister aware of the situation in Glasgow? A decision has been taken essentially to divide the city up into four areas so that four advice service providers can compete for funding and go through a subcontracting process. That process has been put in place so late in the day that, even now, there is uncertainty as to whether five citizens advice bureaux will be able to continue to provide their services in the new financial year. What impact will that have on poverty in Glasgow? Can the minister do anything to raise the issue of that shambles with Glasgow City Council?

Michael Matheson: It is not necessarily for me to comment on the "shambles" in which Glasgow City Council seems to find itself not only in relation to money advice services and information advice services, but in its own chambers. However, I am happy to confirm that, as a Government, we continue to provide support to organisations such as Citizens Advice Scotland and Money Advice Scotland so that they can carry out their important work in helping to minimise people's risk of falling into poverty, maximise benefits and provide people with debt information.

I encourage all those in Glasgow City Council to focus on what the objective should be, which is to ensure that people receive the advice and information that is most appropriate for them. I hope that their focus is on that, rather than on unnecessarily going through a tendering exercise that could create uncertainty and could reduce the overall standard of service that people receive.

Scottish Care Information Gateway

12. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government how the national health service is increasing access to the Scottish care information

gateway referral pathway for local specialised practices. (S4O-00718)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): The Scottish care information gateway was designed to support electronic referrals between general practice and consultant-led services. It is a Scottish success story that has been adopted by colleagues in Wales and Northern Ireland. By the end of 2011, 98 per cent of all general practitioner referrals to national health service hospitals were received through the SCI gateway. Access to the SCI gateway referral pathway for other services is an operational matter for NHS boards.

Colin Beattie: Midlothian Physiotherapy in my constituency has been attempting to gain access to the SCI gateway referral pathway for more than 18 months, but has made extremely slow progress, to the frustration of all those involved. Does the minister agree that quicker action must be taken to ensure that local practices become part of the referral system?

Nicola Sturgeon: I am very sympathetic to the thrust of Colin Beattie's question. As I said in my original answer, the gateway system is designed to facilitate referrals from GPs to NHS hospitals. However, if a board has an operational requirement that would make using the gateway for referrals to non-NHS contractors desirable, it can arrange that, subject to suitable cost and information-governance arrangements.

As I said in an earlier answer, such decisions are operational matters for boards but, if Colin Beattie wants to send me more details about his constituency issue, I will be more than happy to discuss it with NHS Lothian.

Economy and Recovery

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-02084, in the name of John Swinney, on the economy and recovery. I draw it to members' attention that the debate is oversubscribed, so members will need to stick to their allotted times, or we will cut them off.

14:55

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I will set out the action that the Government is taking to ensure that Scotland's recovery can take its course, despite the current global uncertainties. As an open economy, Scotland cannot expect to be immune from the developments and challenges in the global economy—most notably in the euro zone crisis, which looms large across the world economy. However, given our enviable reputation as a dynamic country that is rich in economic potential and natural resources, our openness provides a key avenue through which we can deliver faster sustainable economic growth.

We are committed to doing all that we can to protect the Scottish economy at this challenging time and to take advantage of new opportunities as they emerge. Last month, Scottish output figures for the third quarter of 2011 were published, alongside our latest export statistics. Gross domestic product grew by 0.5 per cent over the quarter—the same as in the United Kingdom—with an upturn in services and continued growth in manufacturing.

Overall, the figures confirm that, although Scotland's recession was deeply damaging, it was shorter and shallower than that in the United Kingdom as a whole. Our recession lasted for five quarters, compared with six in the UK, and our output fell by 5.9 per cent, compared with a fall of 7.2 per cent for the UK as a whole.

Gavin Brown (Lothian) (Con): The cabinet secretary says that the quarter 3 figure of growth of 0.5 per cent was the same as that for the UK. What about the year-on-year figures in comparison with the UK? Did we grow by more than the UK did?

John Swinney: No, we did not grow at the same rate as the UK over the year. However, I would have thought that the Conservatives would welcome the point that I made. It is almost as if the Conservatives want to inflict even more economic hardship on Scotland. Mr Brown moans every time I say that the recession in Scotland was shorter and shallower than that in the rest of the UK. It seems as if he wants to inflict even more misery

on the people of Scotland—[*Interruption.*] That is right—the way in which Mr Brown prosecutes his arguments is a shame.

Manufactured exports grew for the third consecutive quarter, while the purchasing managers index for January indicated private sector growth for the 13th consecutive month. The retail sales figures that were published at the start of this month showed growth of 0.7 per cent in the final quarter of 2011 and growth over the year as a whole, despite the challenging trading conditions.

Contrary to all the headlines, there are positive developments in the Scottish economy, but the economic conditions—exacerbated by the reductions in public spending—are challenging. The most recent labour market statistics, which were published last week, show a further rise in unemployment and highlight the continued challenges in youth unemployment. Scotland's unemployment rate of 8.6 per cent is now slightly higher than the UK's 8.4 per cent rate, but we continue to have better employment and economic activity rates.

Ken Macintosh (Eastwood) (Lab): Does the cabinet secretary agree that the country enjoys better economic activity and inactivity rates only in a defined age group? In the whole age group above 16, the country does not enjoy better economic activity rates than the rest of the UK has.

John Swinney: Across the measure of economic inactivity, it is a pure statistical fact that Scotland performs better than the rest of the United Kingdom does.

The outlook remains concerning, as recent figures from the Office for National Statistics show that UK output fell by 0.2 per cent in the final quarter of 2011, and growth forecasts for the UK have been revised downwards.

In summer 2010, the Office for Budget Responsibility forecast growth of 2.8 per cent in the UK in 2012. In the autumn statement in November 2011, that was revised down to only 0.7 per cent. Those recent trends and poor forecasts for the years ahead highlight the inherent weakness in the economic strategy that is being pursued by the UK Government.

We have aimed as a Government to bring forward a range of measures that are concentrated on boosting public sector capital investment; improving access to finance and encouraging new private investment; enhancing economic security to support confidence; and taking direct action to tackle unemployment.

Where private sector demand is fragile, public investment can provide a vital boost to economic activity and creates an asset that supports the

long-term growth potential of the economy. Now is a perfect time for such investment. Not only is there little risk of crowding out private demand, but interest rates are close to record low levels.

A recently published Confederation of British Industry report called for capital investment rather than tax cuts, due to the economic impact on employment. John Cridland, the director general of the CBI, said on "Good Morning Scotland" yesterday:

"the best way to get growth going is to invest in infrastructure ... investment in infrastructure is three times more likely to get a growth result than cuts in taxes."

Neil Findlay (Lothian) (Lab): Will the cabinet secretary therefore now abandon his plans to cut corporation tax?

John Swinney: The short-term priority for the Government, within the powers that are at our disposal, is to ensure that we obtain the necessary capital investment to boost infrastructure in Scotland, which I would have thought Mr Findlay would welcome.

Clearly the Government does not have the power and the responsibility to reduce corporation tax now, but we are committed to ensuring that, within a responsible fiscal framework, we reduce corporation tax to boost the competitiveness of the Scottish economy and to ensure that we put Scotland at a competitive advantage.

The Government has delivered major new infrastructure such as the M74 and M80 completion projects and we are pressing ahead with the Forth crossing. In the budget bill, I announced additional capital investment of around £380 million over three years, which will support infrastructure developments and jobs the length and breadth of Scotland. When that is added to the other interventions that I set out in the budget, by 2014-15 our overall capital investment in Scotland's economy will be 25 per cent higher than it is this year, despite the falling capital departmental expenditure limit settlement.

Through the infrastructure investment plan, which Mr Neil launched in December, we have set out our long-term investment priorities, which provide a clear direction in order to give confidence and certainty to the private sector in Scotland.

The Government's procurement reform programme is making it easier for businesses, particularly small and medium-sized enterprises, to access the new capital investment and other public sector expenditure. SMEs currently receive 75 per cent of all contracts that are awarded through Public Contracts Scotland. SMEs account for 45 per cent, or more than £4 billion, of public sector procurement expenditure. The Government will intensify its efforts to strengthen the use of

procurement in the forthcoming sustainable procurement bill.

The second element of our focus as a Government has been on boosting private sector investment. On-going uncertainty means that many large companies are putting off investment, while smaller companies continue to struggle to secure finance even if they are keen to invest. That was demonstrated by the project Merlin figures that were released last week, which show that the big five banks failed to meet their SME lending targets. Yesterday, I received a regional breakdown of project Merlin figures from the Chief Secretary to the Treasury. The figures confirmed what I expected: Scottish SMEs' share of that below-target lending was only 4.8 per cent, despite Scottish SMEs accounting for 6.4 per cent of the UK total.

Even more worrying is that that is gross lending. It includes facilities that have not been drawn down and the rollover of existing facilities; it does not report new lending. What we know from Bank of England data is that the more important net lending figure was negative in each quarter of 2011, which gives me even less confidence that finance is getting to the companies that need it, which reinforces the contents of the Government's access to finance survey.

For those reasons, we have set up the Scottish Investment Bank, which is open and is investing in Scottish companies; we continue to attract major international investment to Scotland through companies such as Amazon, Mitsubishi, Michelin and Avaloq; and we have in place the small business bonus scheme to support small companies in the Scottish economy.

Gavin Brown: Will the cabinet secretary give way?

John Swinney: Given the time, I had better press on.

In order to boost economic confidence in Scotland, we are taking action to combat weakening consumer confidence, support household incomes, and promote economic security. Our budget contains a range of measures, including the extension of our no compulsory redundancy policy commitment and ensuring that, through delivering on our commitments on the social wage through freezing the council tax for a fourth year, freezing water rates and fulfilling our commitments on personal care, concessionary travel and tuition fees, we contribute to boosting consumer confidence in Scotland.

In tackling unemployment, the Government's opportunities for all programme guarantees an education or training place for every young person who is not in work, education or a modern

apprenticeship. In the Budget (Scotland) Bill, we announced an additional £8 million for the Scottish Further and Higher Education Funding Council to help colleges to deliver that commitment. That is supported by our commitment to create around 25,000 modern apprenticeships in each year this session, which is 60 per cent more than when we first entered office. Each of the modern apprenticeships that we provide reduces the welfare cost to the UK Government. With independence, of course, the Scottish Government would benefit from the savings in that respect, which would give us the ability to further invest in training opportunities for our population.

John Park (Mid Scotland and Fife) (Lab): Will the cabinet secretary take an intervention?

John Swinney: I will press on.

On building on our recovery, I will set out some actions that the Government intends to take to capture opportunities that will ensure sustainable growth for the long term.

New markets and the growing emergence of new players in the global economy are driving global growth. We have seen evidence of that in the way in which the Government's efforts to support business developments in the Chinese market, for example, have delivered significant increases in the business prospects of our salmon industry and our whisky exporting sector, in which there has been substantial growth. In the creative industries sector, our video games industry is an example of an industry in which Scotland is capable of punching well above our weight, but we must be alert to the threats that are posed to that industry by the tax incentives that are offered in Canada, the United States, Australia and other countries, which can be a threat to the competitive position of the Scottish economy, unless that is properly and fully reflected in the tax position of the Government and this country.

Scottish Development International is actively involved with a range of Scottish companies in ensuring that we boost their opportunities for growth. It is engaging with 8,000 to 10,000 more businesses in Scotland, which will be able to ensure that they continue to grow in the international economy. The Government will support it in its efforts.

A major part of the Government's economic strategy is ensuring that Scotland is a competitive location to which we can attract business. We appreciated the verdict of the Ernst & Young UK attractiveness survey report, which concluded that Scotland was the leading location for foreign direct investment in the UK in terms of employment generation. That is an indication of the way in which we have marshalled our efforts and activities to attract major companies to be based in

Scotland and to support the development of the Scottish economy.

The Government will use every lever at its disposal to ensure that we support the process of economic development in Scotland, encourage employment growth for all our citizens, and seize every opportunity to ensure that Scotland is able to work out of the economic difficulties that we have faced and deliver sustained economic growth in the period to come.

I move,

That the Parliament calls on the UK Government to acknowledge that its pursuit of austerity in the absence of a credible plan for economic growth is threatening the UK recovery; supports the Scottish Government's distinctive approach, as set out in the *Government Economic Strategy* and its budget, to accelerating recovery, supporting long-term sustainable economic growth and boosting employment; further calls on the UK Government to do more to support growth, particularly through expanding capital investment, and welcomes the actions taken by the Scottish Government to ensure that Scotland grasps the opportunities in international growth markets by growing its international presence, boosting exports and attracting international investment.

15:09

Ken Macintosh (Eastwood) (Lab): Yesterday, we enjoyed that rarity in economic debates: unanimity among the parties across the chamber. That was on our approach to the green investment bank—we all hope that the Scottish bid is successful. I suspect that there will be little such agreement today, but I will begin by mentioning the one line in the Scottish Government's motion with which the Labour Party agrees. Austerity is not working. The tax rises and spending cuts that the Tories in Westminster have introduced have proven to be too deep and too fast, which is precisely as Labour claimed. They have choked off recovery, pushed up the cost of living for many families, and created a rise in unemployment that many of us fear will lead to a whole new lost generation.

I will go further. As I have said in every contribution that I have made to the debate on the budget in recent weeks, despite the fact that the Scottish National Party has been in power in Scotland for the past five years, I do not blame every economic ill on it. We are in the midst of an international as well as a national economic difficulty, and the Scottish Labour Party stands ready to work with any and all parties to tackle the serious problems that we face and to get Scotland working again. I hope that I will have time to return to that point later.

If it were simply a case of taking the Scottish Government at its word, or taking the minister at his word today, we might have much more in common on the economic agenda. However, the

motion before us follows the unfortunately all-too-predictable SNP line of false assertion rather than evidence-based argument, while simultaneously avoiding facing up to any of its own responsibilities.

I do not doubt that the Scottish Government claims to have a distinctive approach to economic policy, but I believe that there is a huge gap between what the SNP says that it is doing and the decisions and policies that are implemented by ministers.

Economic commentators are certainly clear about where the evidence points. In an article earlier this month, following the publication of Scotland's horrendous unemployment figures, Professor David Bell, who is a professor of economics at the University of Stirling and an adviser to the Finance Committee, pointed out that the average difference in unemployment rates between Scotland and the UK as a whole during the recession has been less than 0.5 per cent. He therefore concluded that SNP policy

"has not driven any massive differences in labour market outcomes north of the Border since the beginning of the recession."

John Mason (Glasgow Shettleston) (SNP):

Does that not make the point that we need more powers if we are to do something much better than the UK?

Ken Macintosh: The point is that the motion that is before us calls on us to support the Scottish Government's "distinctive approach". What distinctive approach? The SNP is always claiming—as Mr Swinney did again today—that plan MacB, that fantastic success, has given us a shorter, shallower recession. I point out, by the way, that it has taken us longer to get out of recession. I am just suggesting that there is no evidence for the SNP's argument. It is simply assertion.

Professor Bell went on to make an interesting point. He said:

"The contrast in rates of unemployment between Scotland and the rest of UK is insignificant compared with the differences within Scotland itself ... the claimant count unemployment rate in Aberdeenshire was 1.5 per cent, while that in West Dunbarton was 6.7 per cent."

In other words, we have a Scottish Government that is more interested in making unsubstantiated claims about the difference between its approach and that of the Tories in the rest of the UK, and is either unable or unwilling to tackle the gross inequality in joblessness that is within its own jurisdiction in Scotland.

Professor Bell is certainly not the only economist illuminating that gap. Last month, in evidence to the Finance Committee, the point was

made by Professors Peat and Armstrong, and the Centre for Public Policy for Regions has said:

"Overall, the different approaches taken by the Scottish and UK governments thus far appear to have made little difference to the economic outcomes. The deterioration in both GDP and the labour market have been on a similar scale in both Scotland and the UK."

In my intervention earlier, I was trying to make a point that we had just heard another example of the politics of assertion over argument. The minister was trying to claim that economic activity, employment and economic inactivity rates are better in Scotland than in the rest of the UK. However, that is not true. It is true only if we consider the 16-to-64 age group—the working age group. If we consider the rate for everyone over the age of 16—that is the age group to which the minister is referring in relation to unemployment, so it is not my selection; it is his—we see that we are not doing better than the UK but are doing worse.

The Scottish Government is asserting that it is making a difference, but the evidence does not support that at all. I suggest that the minister starts to make a case for his assertion that the Scottish Government is making a difference and starts to deliver on his words.

John Swinney: Let me give Mr Macintosh a fact. Since 2007, unemployment has been lower in Scotland than in the rest of the UK in 38 out of the 56 months. In the 96 months of the previous Administration, unemployment was lower in Scotland in only 10 months—only 10 per cent of the time. That demonstrates that this Government has a better record on unemployment than the previous Labour Administration.

Ken Macintosh: Can I suggest that it demonstrates nothing of the sort and that it answers a different question? The minister's claim is that his Government is making a distinctive difference compared with the policies that the Westminster Government is pursuing, but the evidence does not back that up. The minister is comparing previous Administrations with his Administration and is not comparing his Administration with the UK Government. However, the SNP's motion claims that it is doing the latter.

I do not know why any of us might be surprised by the Government's position, given the decisions that we saw in the budget this month. We apparently had a budget for jobs and growth, but it had a cut in the college sector of 20 per cent over the next three years and a housing budget cut of more than 30 per cent, which is more than £100 million.

However, if the SNP policy is so distinctive, perhaps we can see it if we look at the SNP's specific economic policies. What specific policies

does it have? There is the public health levy—the so-called Tesco tax—which was introduced without even an apology for not carrying out an assessment of the impact on business and employment. We had the announcement of enterprise zones, but guess what? When asked by one of his own back benchers how many jobs that would create, the minister replied that he did not know.

Of course, the Scottish Trades Union Congress's analysis of the small business bonus scheme has revealed that there is no evidence whatsoever that demonstrates that it has had an impact in improving employment levels or growth—quite the reverse. Scottish Government ministers are quick to point to the scheme's popularity among small businesses, but is that not the point? The SNP is keen on appealing to electoral advantage. The scheme is populist, but it is certainly not distinctive, measurable or progressive.

Chic Brodie (South Scotland) (SNP): I have read in detail not just the STUC's report but the Federation of Small Businesses in Scotland's report. Why does the member not represent a fair view of what the small business bonus scheme means to the FSB and how it interprets it, rather than just seeking to present, as he has done on most issues, an isolated point?

Ken Macintosh: That is a good question that goes exactly to the point that I am addressing. Of course the scheme is popular: that is why the SNP introduced it. It is popular, but that is not what the SNP, or the Scottish Government, is claiming. The SNP claims that it is a distinctive policy that is part of a budget for jobs and growth, but it does not create any jobs and has not proven to have produced any growth. It is simply a populist policy. If we are going to have a genuine budget for jobs and growth—

John Swinney: What are you going to do about it?

Ken Macintosh: The minister asks what we are going to do about it. Can I suggest that the minister should listen to Labour? Perhaps he is already doing so. For example, I am pleased that the SNP has already adopted the idea of guaranteeing work, education or training for every 16 to 19-year-old and that the minister has already adopted the idea of appointing a minister specifically for youth unemployment. In addition, the minister has already heeded our call to increase the number of apprenticeships that are on offer, so thank you very much. I am glad that the SNP can recognise the excellent ideas that are on offer from the Labour Party. However, the SNP needs to do more. [*Interruption.*]

The Deputy Presiding Officer (Elaine Smith): Can we hear the member's last 30 seconds, please?

Ken Macintosh: Following three interventions, Presiding Officer? Well, okay.

We should see further interest in wage subsidies and a drive to maintain rather than reduce the number of jobs in the public sector. We also need to see an increase in productivity, a graduate-led economy and far more use of procurement and less of giving our contracts to foreign countries, which means that we unsustainably import steel and cement and rely on wages in countries in which workers do not enjoy the same protection as workers do here.

We can agree with the SNP that the Conservative austerity measures are failing, but the SNP is not in opposition, much as it pains me to be reminded of that. The SNP has both the powers and the responsibilities of government. It is time for it to stop simply pointing the finger of blame elsewhere and to live up to those responsibilities.

I move amendment S4M-02084.4, to leave out from "supports" to end and insert:

"calls on the Scottish Government to acknowledge that its approach has resulted in very little difference to economic outcomes in Scotland compared with that of the UK; notes that despite claims that the Scottish Government's budgets are designed to boost economic growth, the evidence suggests otherwise, with Scottish GDP growth stagnating at the same rate as the UK's and with joblessness in Scotland now at an even higher rate than in the rest of the UK; believes that the Scottish Government must, as a matter of urgency, ensure that its public spending boosts the Scottish economy and put reducing unemployment and increasing employment at the heart of public policy, and calls on the Scottish Government to bring forward a sustainable procurement bill as soon as possible."

The Deputy Presiding Officer: I reiterate what my colleague John Scott said: the debate is very tight for time, so no time will be given back for interventions.

15:18

Gavin Brown (Lothian) (Con): What did we have today from the Scottish Government? We had the usual cartoonish exaggeration: everything that it has done has helped the economy and spurred a mini-revival, but everything that the UK Government does dampens the economy and harms business.

Members: Hear! Hear!

Gavin Brown: Right on cue. I knew that that was coming. I think that it was even in the script.

I take issue with something that the cabinet secretary said when he criticised my response to

him on the shorter and shallower recession in Scotland. I accept that the recession was a quarter shorter and mildly shallower. However, if one takes the time to look at the graphs of the recession in the UK and Scotland, one sees that they are pretty much identical. It is splitting hairs to re-emphasise continually that the recession in Scotland was shorter and shallower. That is compounded by the fact that, since the end of the recession, both in the UK and in Scotland, Scottish growth has failed to match growth in the UK. What matters is where we are going now, not what the graph was like two years ago—even though, in my view, it was broadly identical.

I will point out another instance of the SNP exaggerating wildly. Let us look at the employment statistics. Scotland has an employment rate of 70.7 per cent while England has an employment rate of 70.5 per cent—a difference of 0.2 percentage points. Today, at First Minister's question time, the rate in Scotland was described by Alex Salmond as "significantly higher". Now, let us look at the unemployment statistics. Scotland has an unemployment rate of 8.6 per cent while the UK has a rate of 8.4 per cent—a difference of 0.2 percentage points—and the cabinet secretary has, this afternoon, described the rate in Scotland as "slightly higher". If the statistics are in the SNP's favour, there is a significant difference, but if the statistics are not in the SNP's favour, there is an insignificant difference. On the same afternoon, two of the highest people within the Scottish Government have expressed completely contradictory viewpoints.

John Swinney: Who is splitting hairs now?

Gavin Brown: If the cabinet secretary wishes to make an intervention, I would welcome it at any point in my speech.

John Swinney: I will wait until the member makes a point of substance.

Gavin Brown: Mr Swinney had 14 minutes in which to make a point of substance—and he made lots of them, apparently. I will pick him up on some of the other points that he made.

The cabinet secretary quoted the CBI as saying that the best way to get growth in our economy is "to invest in infrastructure". Yet, a mere two weeks ago in the chamber, the Government slashed the housing budget at a time when there had been a cash-terms increase in the budget as a whole. He also criticised the UK Government's response on banking. Yes, the project Merlin figures are disappointing, but he stated what a great job the Scottish Government is doing with the Scottish Investment Bank, which it took two years to set up. The question that I was going to ask the cabinet secretary when I tried to intervene was this: although everyone in the chamber welcomed the

creation of the Scottish Investment Bank, how many companies has it actually helped and what percentage of those are the microbusinesses that he talked about in his speech?

The cabinet secretary talked about the computer games industry and again criticised the UK Government for its response on that industry. However, at the same time, he has failed—in every budget that he has produced—to do anything on business rates that would help the computer games industry specifically. He criticises the UK Government for not doing anything; yet, even though he has the powers to do something on business rates, he has failed to take that opportunity.

John Swinney: Is that not an elaborate cover to paper over the fact that Mr Brown voted against the small business bonus scheme when he had a chance to vote in favour of it just a couple of weeks ago?

Gavin Brown: What an absurd proposition. In legal circles, they say that one should not even bother to counter bad evidence. In this case, I will ignore the cabinet secretary's point completely. He knows well that, a couple of years ago, that scheme was accelerated and brought into being entirely because of the Scottish Conservative Party.

The cabinet secretary said that the Scottish Government is using every lever at its disposal to help the economy; yet, it has slashed college funding when youth unemployment is at an all-time high.

The Deputy Presiding Officer: I am afraid that you must conclude, Mr Brown.

Gavin Brown: The Scottish Government has slashed the housing budget at a time when the construction industry is in deep trouble and it has introduced a Scotland-only tax rise called the retail levy to make Scotland less competitive than the rest of the UK. That is why we lodged our amendment and it is why we are very disappointed with the Scottish Government.

I move amendment S4M-02084.1, to leave out from the first "calls on" to end and insert:

"regrets that the Scottish Government did not prioritise the Scottish economy in its recent budget; notes the Scottish Government's severe cuts to college funding and housing, its failure to take action to boost Scotland's town centres or provide more help for small businesses and its intention to make Scotland less competitive than the rest of the UK through the introduction of a £95 million retail tax; further notes that the Scottish Government has more money to spend next year than this year in cash terms; notes that, due to Barnett consequential from the UK Government, Scotland has £500 million more to spend on capital and £70 million more to spend on revenue in the current spending review period; acknowledges that the UK Government has lifted 90,000 people in Scotland out of

income tax, cut corporation tax, frozen petrol duty, restored the earnings link to pensions, raised the minimum wage and increased child tax credits, and believes that the UK Government's commitment to tackling the nation's debt means that the UK remains a safe haven while much of Europe is engulfed in a debt crisis."

The Deputy Presiding Officer: I ask members who wish to speak in the open debate to press their request-to-speak buttons. Speeches will be a tight six minutes. It is entirely up to members whether they wish to take interventions but I am afraid that, if they do, they cannot be given the time back.

15:25

Chic Brodie (South Scotland) (SNP): I support the motion, of course. I will not rehearse some of the half-truths and untruths that we have recently heard. Mr Brown falls into the category of people who, as Joe Chamberlain said of Disraeli, stumble upon the truth and facts purely by accident.

The motion is set against the backdrop of the UK Government—the London coalition Government—failing abysmally to set any economic direction. Regrettably, we are associated with that Government in the short term. It has no consistent direction; it falters and stumbles. It has no plans and no analysis. We would be better off getting reports from Obi-Wan Kenobi than from the OBR.

The UK Government has no long-term plan to balance investment and jobs—as opposed to consumption—and, consequently, there is a balance deficit. That Government seems to have no capital investment plan to work with the various agencies to tap into the commercial capital funds that are sloshing around the markets. However, it has a plan to print money to buy back its own debt.

The coalition Government has a plan to lecture Scotland—the energy cash cow with oil and gas revenues. Last week, Mr Cameron came to tell us:

"there are countries in Europe, small countries that make it on their own, but ... we are better off, we are stronger together, we're fairer together, we're richer together."

Well, let us test that. I regret that only one member of the Tory party attended the STUC discussion on the economy on Tuesday morning and that we only briefly had two members of the Labour Party there.

Are we richer together? Income in the UK is \$40,000 per head. That puts it in 22nd place behind Luxembourg, which is first with \$122,000 per head; Norway, which is third with \$97,000 per head; Switzerland, Denmark and Sweden. I say to Mr Brown that those data are all supported by the World Bank.

Are we fairer together? As confirmed by Wilkinson and Pickett in their book, "The Spirit Level: Why More Equal Societies Almost Always Do Better", the Gini coefficient is 60 per cent worse in the UK than in Denmark, Sweden, Luxembourg and Norway. The gap between the rich and the poor in the UK is a modern obscenity, as is the gender equality gap.

Are we stronger together? No. The UK lags far behind smaller, independent countries on innovation, research and development and entrepreneurial activity rate. The Organisation for Economic Co-operation and Development reports that the UK trails way behind the smaller Scandinavian and other European countries on happiness and quality of life.

Patrick Harvie (Glasgow) (Green): Will Chic Brodie give way?

Chic Brodie: I do not have enough time.

The Scottish Government's economic strategy is to secure resilience and robustness in our economy to buttress ourselves as best we can against the current global economic storm and to get us ready and fit to take our rightful place among the highly successful smaller countries across the globe. It is to promote a high-income, high-wealth, sustainable, fair, globally competitive, joined-up economy and society. It is to develop a country with a culture of savings and investment—such as we used to have—to sustain the basis for future consumption.

That strategy will deliver via the Government's infrastructure investment plan, which the cabinet secretary announced—a long-term plan for £60 billion of capital investment through 2030. Even within the existing limited powers that we have, we are spending £10 billion through the capital budget, providing a not-for-profit pipeline of £2.5 billion and making an £800 million switch from revenue to capital.

We will be investment ready, capital ready and productivity ready. To support that, we are providing youth training and apprenticeships. We have an ambitious reform of post-16 education that will allow us to start to close what the Joseph Rowntree Foundation described and delineated as a widening gap between those on the fast and slow lanes to adulthood. That reform puts our young people at the heart of that productivity-ready programme.

However, it goes beyond being ready in those areas. The inward investment that has already been achieved through the excellent performance and results of our enterprise agencies is to be applauded. The creation of export and targeted international initiatives will lead to revenue and employment generation in industries such as life sciences, food and drink, tourism and renewables.

As someone who ran a sheet metal company, I say to Labour members when they carp and moan about the steel in the new Forth bridge: we anticipate being a global player. If we went to a country and said “We’re not going to buy your steel,” and it turned around and said, “Well, we’re not going to buy your whisky,” what would Labour members say to the people who work in the whisky industry?

We will be internationally ready and jobs ready, and we can and will join the happy, successful group of small, fairer, richer and stronger countries. That is why this Government’s economic strategy and plans for recovery set us on that road. We are ready.

15:31

Neil Findlay (Lothian) (Lab): I wonder whether the first part of Mr Brodie’s speech could be summed up as “talking down Britain”, to coin a phrase.

This is probably the most important debate that this Parliament will have in this session. Forget the referendum—if only—this Parliament’s priority has to be jobs and getting our people back to work. The rising rates of unemployment represent the clearest evidence that austerity is not working, and I accept fully that the actions of Mr Brown’s much-loved Tory-led Westminster Government are a major factor in that. On the back of the global economic crisis, it is that Government’s policies, with their massive cuts in expenditure, their attacks on the public sector and the poor, and their failure to intervene and stimulate the economy that have contributed to the disastrous situation we are in.

What we need to do now is create demand in the economy through sustainable jobs that give people confidence and stability in their lives, which in turn allows them to plan and to build a future. That is the foundation we need to create a stable and growing economy and community, and we will never create that with a low tax, low public expenditure, deregulated approach.

Increasing unemployment is affecting all our people. Young people are seeing their ambitions and life chances thwarted, and for many older workers this feels like a return to the “Boys from the Blackstuff” era of the 1980s. The reality is that unemployment is causing misery for tens of thousands of Scots. In my local authority area of West Lothian, 440 more people have joined the dole queue in the past month. Youth unemployment stands at an incredible 30 per cent, and the long-term rate has quadrupled over the past three years. In January, we had a claimant count of 148,000 across Scotland, but only 19,000 vacancies existed, and at the same time Skills

Development Scotland—the careers service—has been cutting front-line careers services and jobs. That simply does not make sense.

Nevertheless, there is much that we can do here and now with the powers that this Parliament already has. In Scotland, Labour for some time called for a youth employment minister, and we welcomed the appointment of Angela Constance, but some worrying messages are coming out of her office. Two things in particular cause me great concern. First, the minister has stated several times that it is not the Government’s job to create jobs. That is an astonishing statement from a party that claims to be social democrat in outlook. The Government can, and indeed must, create jobs, and it can do so by having an industrial policy that supports manufacturing and prepares businesses for future work, giving them an early indication of contracts, having local contract events to promote work for local employers, and assisting with investment in research and development. Such a policy does not overconcentrate on prestige projects but delivers small to medium-sized local projects that sustain employment; it also has community benefit clauses that build jobs and skills development into contracts.

The second issue that causes me concern is the work experience programme, in which the Department for Work and Pensions and major employers collaborate to get young people to work for benefit only. I was very disappointed, to put it mildly, to read that the Minister for Youth Employment was said to be “relaxed” about the DWP’s plans and programmes.

James Dornan (Glasgow Cathcart) (SNP): If the member is so appalled by the welfare reforms from Westminster, why is he happier to be in a union that is run by Conservatives than to have an independent Scotland that would never be run by Conservatives but would be run by a left-of-centre democratic party?

Neil Findlay: That is almost laughable. It was an SNP minister—no one else—who said that she is relaxed about the DWP programme and people working for nothing. That programme is exploitation of the worst kind—using the economic crisis to allow highly profitable companies such as Tesco to exploit young people. It is morally objectionable and I am glad that many companies are withdrawing from the programme after people took direct action against them.

I have a particular interest in construction, having worked in the industry for a number of years. The 30 per cent cut to the housing budget has been accompanied by construction firms such as WJ Harte of Bothwell, which employed 500 local people, going out of business. Companies in Northern Ireland, taking advantage of a lower training levy, have won Scottish contracts while

Scottish firms tendering in Northern Ireland are forced to pay not just the Scottish levy but the Irish levy.

I am advocating not a cut or an end to the Scottish training levy, but rather that the Government works to ensure a level playing field. I am pleased that some initial progress has been made in the building engineering services national agreement dispute in the electrical sector—I have been campaigning on that for the past year—but we are a long way from finalising an end to that dispute and we cannot afford for it to go on much longer.

Construction is very much a family-orientated business. Like me, many young people follow their father or another relative into a particular trade. As the industry goes into decline, a skills gap emerges. That has a knock-on effect on colleges, which withdraw courses, many of which are not reinstated after the recession is over.

The Deputy Presiding Officer: I would be grateful if the member could conclude.

Neil Findlay: Will do.

The colleges situation overall is very difficult to fathom. Jobs and the economy have to be a priority for the Government. When the Government takes positive actions, we will support it. However, on too many fronts, Government spin does not reflect the reality of what is happening out there in the real world.

15:37

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I welcome the debate. The economic situation in Scotland is of on-going concern, and it is right that we debate it regularly. Its importance can be reflected in the fact that just before the recess we had a debate on the youth unemployment strategy and, as Ken Macintosh said, just yesterday we had a debate on the green investment bank. It is right to have a debate about the economic picture more generally today.

Much is said about the situation in Scotland, so let us put it in a little context. Compared to its pre-recession level, Scottish output was down 3.3 per cent in the past quarter. That is not good, but the UK was down 3.6 per cent in the same period. In January 2012, the claimant count in Scotland decreased for the fifth consecutive month, whereas the UK claimant count has been increasing for 11 months in a row. The employment rate for 16 to 24-year-olds in Scotland is 2.7 per cent higher than the UK figure. The retail sales index indicates that the volume of retail sales in Scotland increased by 0.7 per cent in 2011, while growth in Great Britain was 0.3 per cent.

That is not to suggest that there are no issues with the Scottish economy, but it should place in context the doom and gloom that we hear about. When we make such comparisons we are often asked why we are making them only against the UK. I do not accept that that is all that the Government does—I will come to the international position later, if time allows.

We are part of the UK now, though. Some members—a minority, I am glad to say—want us to remain part of the UK. If that is the situation that they want us to remain in, it is only fair that we compare with UK performance. In many respects, we compare very favourably.

I agree with the Scottish Government motion. There is broad concern, which I think is shared by some other members, about the UK Government's deficit reduction strategy. The issue has been raised many times in the Parliament. Many leading economists, particularly Krugman and Stiglitz, have raised concerns about the deficit reduction approach. In Scotland, we have seen that the UK Government is cutting public spending too far and too fast. It is good that the Cabinet Secretary for Infrastructure and Capital Investment is here, because I am sure that he will remind us later that that is particularly true of the capital budget. Capital investment is one of the best ways in which to support economic recovery. We saw how beneficial it was when the Scottish Government was able to accelerate capital investment but, now that that has ended, we see some of the difficulties, although there is still an on-going programme of capital investment that is the best that the Scottish Government can take forward.

The UK Government approach is not working. We should have a programme of investment for recovery, but we do not. Instead, the current approach threatens the recovery. For example, in recent weeks, we have had a threat to downgrade the UK's credit rating, which testifies to the threat to recovery. The UK Government approach is hindering recovery in Scotland.

Gavin Brown: Will the member give way?

Jamie Hepburn: I will in a second, if Mr Brown lets me carry on for a moment.

In recent weeks, the National Australia Bank Group has talked about wanting to disinvest in the Clydesdale Bank, citing the UK Government's economic strategy as one reason for that. That hardly testifies to the UK as the "safe haven" to which Mr Brown's amendment refers. On that point, I should give way to Mr Brown.

Gavin Brown: There was a threatened downgrade last week by one of the ratings agencies, Moody's. However, what does the member think would happen to that threat if the UK Government borrowed even more money or

put up taxes to spend more, as he would like to do?

Jamie Hepburn: The point is that we are already borrowing more money—or rather we are not, but the UK Government is borrowing more, because it recognises that its approach is not working. In the autumn statement, we heard that borrowing was higher than previously forecast. If that borrowing had been undertaken a little earlier to support recovery, rather than as a last desperate move, we might not have had that threat.

Recently, we have heard a lot of nonsense spoken about what an independent Scottish state's ratings might be and about companies wanting to disinvest in Scotland. Let us hear no more of that nonsense, when it is being part of the union and the UK Government's actions that are threatening the Scottish credit rating and investment in Scotland, as is shown by the case of the Clydesdale Bank.

I would have liked to have spoken for a little longer about why independence is important, but I see from the Presiding Officer's expression that there is absolutely no chance of that, so I will make the point quickly. It is interesting that the Labour Party has a five-point programme, but only one of those points relates to a devolved area, with the other four relating to reserved issues. That is why independence matters. I hope that, in future, Mr Macintosh will be able to take forward that five-point programme in the Scottish Parliament.

15:43

Mary Scanlon (Highlands and Islands) (Con): John Swinney's motion once again predictably criticises the Westminster Government's economic approach to deficit reduction and recovery and goes on to talk about the Scottish Government's "distinctive approach". However, before George Osborne rushes to call Mr Swinney for advice, I am sure that he might just compare the figures for both economies.

My party welcomes any initiatives to boost economic growth and jobs in Scotland, from whichever party. To respond to a point that Jamie Hepburn made, it was announced this week that the UK Government's borrowing in the tax year to date is down by £15 billion and is well on course to meet the target.

Jamie Hepburn: Will the member take an intervention?

Mary Scanlon: No.

The SNP might not support the UK Government's economic approach and deficit reductions, but those are supported by the

International Monetary Fund, the Organisation for Economic Co-operation and Development, the European Commission, the Confederation of British Industry, the Institute of Directors, British Chambers of Commerce and many other bodies. Given that 40 per cent of our exports are to euro zone countries, as those countries experience a fall in demand, that will inevitably affect our economy and exports. The rise in personal tax allowance has taken more than 90,000 people in Scotland out of taxation.

John Mason: Will the member give way?

Mary Scanlon: No. We have very few speakers—the SNP has plenty of opportunities to get its points over.

That figure will increase again, given the 8 per cent rise that is due in April.

The official facts and figures for the Scottish and UK economies certainly do not justify John Swinney's motion. Let us have a few comparisons. Over the year, Scottish GDP has grown by 0.9 per cent, whereas UK GDP has grown by 1.3 per cent. In the past two years, growth in Scotland totalled 1.4 per cent, compared with a figure of 2.8 per cent for the UK as a whole. Growth in the UK was higher by a distinctive 100 per cent.

Manufacturing in Scotland has grown by 4.8 per cent in two years, compared with a figure of 6.6 per cent for the rest of the UK. SNP policy is distinctive in that regard. When the SNP came to power in 2007, the unemployment rate in Scotland was 4.6 per cent, whereas in the UK it was 5.4 per cent. At 8.6 per cent, the unemployment rate is now higher in Scotland than it is in the UK. Of the 20 areas that have experienced the greatest rise in the number of unemployment claimants, seven are in Scotland. As Neil Findlay said, youth unemployment in Scotland is now 3 per cent higher than the rate in the UK—that is certainly distinctive.

According to the STUC, 30 small businesses in Scotland go to the wall every day. That 11 per cent slump is four times the fall in England, where the number of small businesses fell by only 2.8 per cent. That is another area in which SNP policy is distinctive. Instead of pretending that SNP policy is doing so much better than the UK, the SNP should look at the figures on the situation after five years of SNP Government and start to take some responsibility for governing Scotland.

In the time that I have left, I will focus on the retail sector, which, in employing 240,000 people, is one of Scotland's biggest employers. It is a sector in which 90 per cent of retailers have fewer than 10 employees, and 97 per cent have fewer than 50 employees. The finance secretary's taking a closer look at the retail sector would be welcome—[*Interruption.*] I ask Mr Swinney, if he

does not mind, to give me the opportunity to speak. He had 13 minutes; I have six.

In the same period in which footfall in Scotland fell by 8.5 per cent, footfall in Wales increased by 11.4 per cent. We go down by 8.5 per cent and Wales goes up by 11.4 per cent. In the same period, footfall in Northern Ireland increased by 7.2 per cent. Given that Glasgow is the second-top shopping destination in the UK and Edinburgh is the fifth, and that both attract UK and international visitors and continue to generate further substantial investment and improvements, could the Scottish Government examine how that success could be built on across the country, how retail rankings could be used to drive inward investment and how our retail sector could be developed to further Scotland's reputation as one of the world's best retail destinations, with retail outlets complementing other attractions, including tourism and food and drink?

The SNP wants to impose a tax—a tax that was not mentioned in its manifesto. I ask the nationalist Government why the public health levy has not been underpinned by any objective evidence to support it. Is the revenue from the new, allegedly hypothecated tax to be ring fenced for public health initiatives? Any true health measure would be properly evidence based and would not discriminate in an arbitrary way, and the revenue would be ring fenced specifically for health purposes.

The Deputy Presiding Officer: I am afraid that you will have to conclude, please.

Mary Scanlon: I hope that the finance secretary will be much more constructive in his summing-up than he was in his opening speech.

15:49

Maureen Watt (Aberdeen South and North Kincardine) (SNP): This seems a particularly appropriate week in which to be debating the need for greater growth and, in particular, the need for us to boost our international presence and exports, given that the Scottish Council for Development and Industry held a hugely successful event on the future of oil and gas across the road at Our Dynamic Earth on Tuesday.

The north sea oil and gas industry is perhaps the most successful example of Scotland exporting its knowledge and skills around the world and attracting international investment to the waters off our shores. The industry still has a bright future. It is a major employer, particularly in the north-east of Scotland, and it will remain important for many years to come. The industry is important to the Scottish economy and the growth that it has achieved stands in stark contrast to the

meagre levels of growth in the UK economy as a whole.

That lack of growth should be of huge concern to George Osborne, particularly given the indications that it could soon lead to the UK's credit rating being downgraded. Making cuts that are too far-reaching and too quick at the expense of economic growth is a dangerous path to take and it could cost us all dear. Austerity without economic growth leads in one direction, which is down the path that Greece has been forced to take. Making an ideological pursuit of austerity while ignoring the need for economic growth is simply no way to run a country.

We are just a few weeks away from the Chancellor's next budget speech. It should be clearer now than ever before that investment is needed to boost economic growth and create jobs. George Osborne should expand capital investment now to support the vital growth that we need in our economy. Boosting capital spending leads to higher employment in the short to medium term and more robust economic growth in the long term. With economic growth in the UK being as anaemic as it is, taking such action has become more urgent than ever. By cutting Scotland's capital budget by 32 per cent over four years, the UK Government has done precisely the opposite of what the Scottish economy requires.

Gavin Brown talked about what the Scottish Investment Bank has done. Perhaps he should do what the north-east MSPs have done and get a presentation from his local Scottish Enterprise company, along with the Scottish Investment Bank, and see the help that it is giving to growth.

Gavin Brown: Will the member give way?

Maureen Watt: No, I will not. Perhaps Joseph Robertson (Aberdeen) Ltd will show him what has been done to help it.

Mr Brown is very good at trying to intervene on everyone else's speeches, but he had six minutes and said virtually nothing.

Next month, George Osborne has the opportunity to right those wrongs, boost economic growth through capital expenditure projects and create thousands of jobs for people as a result. People up and down the country will be hoping that he does so, but they have little expectation that their hopes will be realised.

Having spoken of the positive things that the Chancellor could and should do in the coming budget, we should be all too aware of the potential for him to make things substantially worse. Next month's budget will mark the anniversary of the surprise tax raid on the north sea oil industry that was dreamed up by Danny Alexander and implemented without warning or consultation by

George Osborne. Of course, that contributed to the rout suffered by the Liberal Democrats. There should be no doubt of the severe and lasting damage that that action did to the confidence of the offshore industry. The risk of future tax raids has been factored into the investment decisions of oil and gas companies, thus jeopardising future jobs in what is perhaps the most successful part of our economy. It can mean the difference between a marginal field being viable for development or not, and consequently between job-creating investment, or not.

One of the fundamental things that is necessary to the oil and gas industry—and, indeed, any other business sector—is a consistent and stable investment environment upon which it can base decisions. Pulling the rug from underneath the feet of some of our biggest employers without so much as a word of warning was utterly irresponsible. That is no way to encourage growth.

Ken Macintosh: Will Maureen Watt assure me that the finance minister gave the supermarkets a warning that he was about to impose the Tesco tax?

The Deputy Presiding Officer: Maureen Watt, you are in your final minute.

Maureen Watt: Mary Scanlon was completely wrong. Given that the tax was discussed during the previous session, the industry knew full well that it could happen.

The UK Government's approach is no way to encourage growth in the sector or the wider economy. One year on, the anger in the north-east at its behaviour remains substantial. The decisions that will be made ahead of the United Kingdom budget next month are critical. Scotland simply cannot afford to be shackled to a Treasury that gets it wrong again.

15:55

Tavish Scott (Shetland Islands) (LD): We have heard again the nationalists' broken record. Many of us have listened to it for four years and we will no doubt have to listen to it for a further two and a half years before the referendum. They tell us that everything down south is bad and that everything will be all right when Scotland votes for independence.

The nationalists are playing the game, day in, day out, of intimidating, blaming and threatening any organisation or individual who questions the purpose. It is a purpose with a capital P, judging by all the lectures we get. The purpose, of course, is not economic growth—no one who wants to think about the future of Scotland should be in any doubt about that—but independence. We know that, because of the permanent secretary's

contributions in public to our understanding of what is going on in the Government. Everything and anything that this nationalist Government does is about that purpose, and spin, spin and more spin will be deployed on the economic and financial future of Scotland to paint a separatist picture on a nationalist canvas.

Jamie Hepburn: Will the member give way?

Tavish Scott: No, I will not. Let the Parliament consider the nationalist spin and look for an alternative way of conducting good government in an objective and reasoned fashion, although I fully expect such a solution to be entirely rejected today.

The nationalists claim that an independent Scotland would, under the OECD yardstick, be the sixth wealthiest nation in the world. We heard more of that guff during First Minister's question time earlier. That position, however, is based on oil prices, which change, and, therefore, on the oil and gas tax revenues.

There are two big dollops of nationalist spin in that approach. First, as the OECD itself has shown, such a scenario is only accurate if the assets of the North Sea are held by the Government. The second and more important point is the complete absence of any statement from any minister in the nationalist Government, or from any other proponent of independence, on oil and gas tax revenues.

Tuesday's Scottish Council for Development and Industry conference—Maureen Watt was right about this—was the First Minister's big opportunity. He was, after all, making a speech in Scotland, which does not happen every week, but instead of setting out his tax proposals to the entire UK oil and gas industry, he treated us to a polemic on what the UK Chancellor should do on 21 March. I hope that the UK budget delivers fiscal certainty until 2015, with a commitment to consultation, which is what the finance secretary did not do when he introduced new business taxes this year.

Fiscal certainty from the UK Government would mean that the nationalists would have to commit to a higher, lower or the same regime before the referendum, and on tax, that would be a first. Neil Findlay received no answer to his question about corporation tax earlier, although every time I hear nationalist ministers reported from boardrooms, they say that corporation tax is going down. It is a pity that they are not so keen to say that in the Parliament. The uncertainty that pervades every corporate boardroom in Scotland is the responsibility of the nationalists and the nationalists alone.

Renewables project offices are being set up throughout Scotland. There is much collaboration

with universities, and the scoping and detailed design work of renewables projects is under way. That is welcome and I applaud the Government's work in assisting those commercial developments. However, as representatives of a major renewables business told me this week, there is a quantum leap from a project office to a massive capital expenditure decision. The representatives told me—these are not my words—that the sanctioning of tens or hundreds of millions of euros will only happen when the fiscal and regulatory regime is clear. The industry has no idea what MacOfgem would look like in an independent Scotland. Neither does it know what the nationalists' fiscal regime would look like, because they have not outlined any of that either, or how UK electricity market reform would work when there is no such thing as the UK.

Businesses throughout Scotland—the men and women responsible for jobs and economic growth—want answers and an end to that uncertainty, not the spin that the nationalists emit in a ray of taxpayer-funded mushroom clouds.

John Swinney: In expressing his opinion about the fiscal regime for the renewable energy sector, will Mr Scott reflect on the guddle that the United Kingdom Government has created in its handling of so many aspects of the funding regime for the renewables sector?

Tavish Scott: I find that intervention puzzling, because I sat in at a meeting, to which Mr Swinney's ministerial colleague Mr Fergus Ewing invited me and Liam McArthur—it was good of him to do so—at which Mr Ewing rightly described the proposals from the Office of the Gas and Electricity Markets and the UK Government in relation to project transmit on the Scottish mainland as a positive step forward. Mr Swinney should spend a bit of time talking to his ministerial colleague, because on that issue the situation has been sorted. The renewables industry told us that day that clear progress had been made and that it had got the certainty that it had been asking for. I am not sure that Mr Swinney is quite up to speed with his ministerial colleague.

Bill Howat conducted a review of Government expenditure five years ago and concluded that the Government needs an independent financial check—a tartan Office for Budget Responsibility, in effect—which would independently check the spin and say objectively what is growing in the economy. The OBR does that in London and makes assessments that are uncomfortable for the UK Government. I think that that is a very good thing; we should have that good thing in Scotland, too.

The finance secretary has so far resisted having such an independent check, but I hope that he will consider it for the future. I hope that we could have

such a body now, because it would provide exactly what is needed in Scotland in this crucial period for the future of our country: a series of independent assessments of what is happening in the Scottish economy. That matters particularly because this year's budget and the lamentable partisanship of the Finance Committee mean that few people will believe nationalist spin on finance without there being an independent check. Scotland needs the MacOBR.

16:01

Paul Wheelhouse (South Scotland) (SNP): I support the Government motion.

According to the amendment in Gavin Brown's name,

“the UK remains a safe haven”.

As many SNP members have said, however, that view is not shared by the ratings agencies. Moody's put the UK on a negative outlook, suggesting that there is roughly a 30 per cent chance of its AAA rating being lost during the next 12 months. In making its assessment, Moody's said that the UK's slow economic growth undermines its ability to address debt and cited the euro zone crisis as a key factor—that was picked up in a BBC report.

Do the Conservatives agree—

Gavin Brown: Will the member give way?

Paul Wheelhouse: If Mr Brown allows me to finish my point, I will come back to him. He might respond to the question that I am about to ask. Do the Conservatives think that David Cameron's veto, which stalled prospects of a euro recovery, was helpful in relation to the maintenance of the UK's credit rating?

Gavin Brown: Moody's said that a downgrade could follow

“reduced political commitment to fiscal consolidation, including discretionary fiscal loosening”.

Does the member acknowledge that?

Paul Wheelhouse: As Mr Brown knows, the Scottish Government has no discretion over the size of its budget and has demonstrated over many years an ability to live within its budgets. We have had practice of good fiscal discipline in Scotland and I have every confidence that an independent Scotland would be able to maintain our track record of good fiscal discipline.

Ken Macintosh seemed to imply that the small business bonus scheme should be abolished, which would greatly upset the 68 per cent of small businesses in the Borders and the 58 per cent in East Lothian—his former leader's seat—who

benefit from all forms of rate relief, including the small business bonus scheme.

Ken Macintosh: I said nothing of the sort. Will Mr Wheelhouse say how many jobs the small business bonus scheme has generated?

Paul Wheelhouse: I cannot answer Ken Macintosh's question, but the FSB said in its briefing for this debate:

"More than half—54 per cent—of Scots small businesses are looking to grow their company this year ... 68 per cent ... said they had introduced new products or services during the past two years."

The FSB went on to say:

"During 2012, 69 per cent of businesses said they are looking to increase their client base; 54 per cent expect to up their online presence and 20 per cent are expecting to increase their staff numbers."

That is the backdrop for the policy that has been implemented.

Scotland's economy is export oriented and I am sure that we all agree that there has been tremendous success in the tourism, food and drink and oil and gas sectors. Indeed, oil and gas is responsible for £38 billion of exports, which benefits the UK balance of payments and of course would benefit an independent Scotland's balance of payments. There has been growth in particular in whisky exports to China and the other BRIC nations—Brazil, Russia and India. I point out to Mary Scanlon that the GDP figures that she quoted exclude the extra-regio territory, which includes all the oil and gas activity that takes place in Scotland's territorial waters.

We had an excellent briefing from Scottish Renewables on the prospects for investment in renewables. PricewaterhouseCoopers reported that global renewable energy deals climbed to a record high of \$53.5 billion in 2011 and, in October 2011, Scottish Renewables' completed figures showed that there was a potential future pipeline of renewable electricity projects in Scotland with a capital value of approximately £46 billion.

It is clear that there are considerable investments in the pipeline for Scotland. To pick up on my colleague Maureen Watt's point, the skills that are employed in the oil and gas industry can easily be transferred to facilitate that investment in the offshore sector.

Chic Brodie correctly identified that capital spending is vital. However, we have been faced with absurd assertions, primarily from Conservative politicians. They include John Lamont, who in last week's *Berwickshire News* described what is in effect a 32 per cent cut in Scotland's capital budget as an increase. He was criticising the Scottish Government for not funding roads investment in the Borders after having had

an increase in its budget, despite the fact that there is actually a 32 per cent cut in funding to the capital DEL. Indeed, the non-profit distributing funding stream will increase the overall level of capital spend in Scotland by topping up that DEL.

Gavin Brown: Just for clarity, I think that John Lamont was saying that there was an increase between 2011-12 and 2012-13.

The Deputy Presiding Officer: Paul Wheelhouse, you are in your last minute.

Paul Wheelhouse: Thank you, Presiding Officer. I am glad to see that Mr Brown is reading the *Berwickshire News* on a regular basis. I assure him that that is not what John Lamont said in his column.

Neil Findlay talked about status projects being the wrong approach. I ask him to identify—perhaps through his colleague Rhoda Grant, as she is summing up—which status projects the Labour Party aims to cancel. Perhaps it is the Forth crossing, the Southern general hospital, the A9 upgrade or broadband investment. I had understood that all those things were important to the Labour Party, but they are clearly not important to Neil Findlay.

Perhaps the Cabinet Secretary for Infrastructure and Capital Investment can indicate whether the Conservatives have made any offers of largesse from Westminster to fund a Selkirk bypass and upgrades to the A1, A68 and A7, and whether they are planning to provide extra funding for town centre regeneration or for small business tax incentives.

16:07

Margaret McCulloch (Central Scotland) (Lab): I preface my comments by making it clear that I understand that the Scottish Government's economic policy must be developed within the constraints of the block grant. The Chancellor of the Exchequer inevitably must respond to the budget deficit, but he still has a choice with regard to the pace and scale of deficit reduction.

The chancellor was warned that cutting too far and too fast would put the recovery at risk, and I fear that that is exactly what is happening in the economy today, with profound ramifications for all the nations and regions in the United Kingdom.

In that respect, I agree with the thrust of the motion. However, I would add that, just as the UK Government has a choice, so too does the Scottish Government.

Kevin Stewart (Aberdeen Central) (SNP): Will the member give way?

Margaret McCulloch: I am taking no interventions, thank you—time is too tight. It is this

Parliament's job to hold the Government to account and to ensure that the choices that it makes are right for the Scottish economy and for the Scottish people.

I have already raised with the Scottish Government my concerns about the retail sector. Figures that were released just this week show that footfall is falling further in Scotland than across the UK as a whole. In all sectors, we can see that businesses are reluctant to invest in new staff or in expansion while consumers hold on to their cash and anxieties about the domestic economy and the euro zone persist.

Of course, those are just symptoms of the real problems in the economy: a lack of aggregate demand and a serious crisis of confidence. If we track confidence in both the Scottish and UK economies since 2007, we can see that it recovered from the lows that were experienced during the previous recession, only to decline again after the austerity measures that the chancellor introduced.

The UK Government's spending review has done nothing to reassure investors or consumers about the underlying state of the economy. We need a change of course at a UK level, and we need to know that the Government in Scotland is doing all that it can to increase employment and to boost our economic prospects.

As the Government motion indicates, there will have to be a strong international dimension to the recovery and I believe that we should set the bar high. We should look to increase exports to emerging markets and aim to double the value of Scottish exports in the next 10 years. We should task SDI with seeking out new opportunities for Scottish businesses in the BRIC nations and beyond.

Earlier this week, I heard that HSBC has launched an international SME fund to make £4 billion of credit available to firms that intend to trade internationally. It will help firms in economies where confidence is low to trade with firms in economies where confidence is rising and growth is strong.

We must unlock opportunities at home, as well. Big capital projects attract media attention. However, I have met bodies such as the FSB and the Scottish Building Federation to discuss some of the more persistent practical problems that SMEs encounter in the procurement process. Those who administer that process must ensure value for money for the taxpayer, but the Government should expect them also to consider their decisions' economic impact on employment, growth and innovation in Scotland.

The sustainable procurement bill will give the Parliament the opportunity to scrutinise

procurement. Given the urgency of the economic situation, I ask the Government to introduce that bill now. I also ask it to look at measures to make the process simpler and more accessible that do not require legislative change.

Small firms and microbusinesses do not have dedicated staff or functions to deal with tenders, and the resources that they have are often limited. They would benefit not only from simplified procurement processes but from the disaggregation of big contracts into more achievable tenders and from more advice from services such as business gateway on how to bid for contracts in consortia with other small firms. When contract aggregation is unavoidable, steps should be taken to ensure that enough subcontracting opportunities are available for local firms, which too often miss out.

Many of us in the Parliament have spoken at length about the worrying unemployment levels in Scotland—especially the youth unemployment level. When the labour market is tough, many people take the wise decision to return to education or training to maintain and improve their skills until the economy picks up. However, as I have explained, so many firms are under so much pressure that employers are very often struggling with the costs of taking on a trainee or an apprentice. That was far less of a problem under the skillseekers model, which ensured that costs were borne by Skills Development Scotland instead of employers. I suggest that the Scottish Government should look at innovative ways of helping young people to nurture their skills now, so that they can take full advantage of the upturn in the jobs market when it comes.

I am happy to agree with the Scottish Government on some of the substantive points in the motion, but I believe that it can and should do much more to get the Scottish economy moving again.

16:13

John Mason (Glasgow Shettleston) (SNP):

We are where we are and we cannot rewind the clock to be somewhere else, but we must remember why we and the economy are in the current position. Successive Labour Governments failed to save in the good times. Unlike the situation in Norway, which has an oil fund for a rainy day of £338 billion, our money has been squandered, so our room for manoeuvre is limited.

John Park: When you were an MP at Westminster, the Labour Government took decisions to secure the Royal Bank of Scotland and financial services across Scotland. Did you support those measures?

The Deputy Presiding Officer: I remind members to speak through the chair.

John Mason: One reason why I was elected to Westminster was that the public realised what a mess Gordon Brown had made of the economy. I am afraid that the good times had passed by the time I got to Westminster. In my first week, Westminster was trying to save the banks.

I mention in passing that, at lunch time, I was at a good event about the unions into schools initiative and about unions and young workers, which Neil Findlay chaired. We had a tremendous debate, in which young people shared a variety of views—particularly about youth unemployment, training and suchlike. It would certainly have stood comparison with many of our debates in the chamber. It was really good to hear the young people's views, and I commend the event.

We do not have as much control over capital expenditure as we should have. It is determined largely by Westminster and it has been cut by far too much. We all know that investing in housing and infrastructure creates jobs, as well as better homes, hospitals, transport links and so on. My constituents and I very much appreciate the investment from the Scottish Government—sometimes in conjunction with Glasgow City Council—in and around Glasgow Shettleston in recent years. It is good not to forget some of the good things: the M74 extension, which has been a tremendous boost to business and jobs; the rail link from Bathgate to Edinburgh; the Commonwealth games and the forthcoming village; Clyde gateway, which targets people in our area, including young people; the Dalmarnock station upgrade; and the east end regeneration route, which is a much better route into the east end for businesses. All those things have created jobs already; they are creating jobs; and I believe that they will create jobs.

Today, and during previous debates on the budget, we have heard a lot from people in other parties about their desire to see more jobs created. However, once again today, we have not heard about what should be cut so that investment in other areas could create more jobs. We are still waiting to hear that.

Obviously, there has been irresponsible borrowing, and we do not want to repeat that, but it makes absolutely no sense for the Scottish Parliament to have no borrowing powers at all. Councils are allowed to borrow and, in general, under the prudential code, have borrowed responsibly. The Scotland Bill Committee has considered this issue at length. If David Cameron is serious about letting us have more powers, let him start with borrowing. We should have some prudential borrowing, without some arbitrary limit.

I turn now to the business atmosphere. As an accountant, I like things that can be measured, especially numbers. Confidence and atmosphere, for example, are not easily measured, so they are just a little bit subjective for me. However, I am happy to accept that confidence and the mood of the country are extremely important in these times. If we are all gloom and doom, as some seem to be, we discourage people from investing and from trying new things. Sadly, we repeatedly hear negative comments from Labour and no new, positive, practical suggestions. I do not agree with artificial optimism, but I do agree with being positive and seeing opportunities, even in difficult times. My colleague Paul Wheelhouse has mentioned some encouraging quotes from the Federation of Small Businesses. If we can get small businesses growing, we will be well on the road to recovery.

Corporation tax has been mentioned already. We should spell out why we would want to play around with any corporation tax powers that we could get. For example, a reduction of even 1 or 2 per cent can actually increase the total tax take, allowing more money to go into public services. It can also create more jobs, and industries can be targeted—not with the rate itself, but with capital allowances.

Neil Findlay (Lothian) (Lab): So far, the member's speech has been very interesting. However, his own Government's proposal is not to tinker, making a change of 1 per cent or 2 per cent either way; it is to cut the rate to below the rate in Ireland.

John Mason: The UK Government proposes that a reduction in corporation tax of 1 or 2 per cent—or, I think, 3 per cent—will boost jobs and the economy. Broadly, we would follow the same logic. No one on the Scotland Bill Committee was suggesting that we should have half of Ireland's rate, but it was often suggested that we should play around with the rate by 1, 2 or 3 per cent. As I have already said, I believe that by using capital allowances, we can target areas much more effectively—for example, the games industry or enterprise zones. In the past, enterprise zones benefited greatly from tax measures and other things.

In my final few seconds, I will mention comparisons with Europe. The Tories are in slightly risky territory on this issue. One way of comparing economies is to consider exchange rates. For many years after the euro was brought in, it was worth 70p. It is now worth 80p. Will someone please explain to me why the euro has done better than the pound?

16:19

John Park (Mid Scotland and Fife) (Lab): I will start by saying a little about the type of economy that we live in, and about some short-term decisions that we can take now that would, I hope, have an impact over the longer term, improving the current situation. One area that I would like to focus on was mentioned by Mr Swinney in his opening remarks and has also been mentioned by a number of other speakers. It is the type of inward investment that Scotland attracts. Inward investment is central to our economic recovery. Important, too, are the types of jobs that flow from inward investment.

We had a good discussion yesterday in the Economy, Energy and Tourism Committee with the Council of Economic Advisers. It is recognised that we must ensure that there are top-quality and high-quality employment opportunities on the back of the money that we spend in Scotland.

There are things that we can learn from the past. In the 1990s, a significant amount of money was spent on encouraging companies to come to Scotland that perhaps did not have a longer-term vision for Scotland—perhaps they did not have a vision of staying in Scotland for the longer term. We need to learn from the likes of Motorola and Chungwa Picture Tubes, where employment practices were not exactly the best. Obviously, the people who worked in those companies at the time took the benefit of having that employment, but perhaps when the opportunities were gone and the companies decided to move to other low-wage economies, they did not get the full benefit of having worked there for those years.

We have the economic levers in Scotland to encourage longer-term investment from employers. I have spoken to people in my constituency about that issue very recently. In a youth employment debate that we had a couple of weeks ago, I briefly raised the issue of Amazon's investment in Scotland and the support that it received from the Scottish Government to make that investment happen. We welcome any jobs that come to Scotland, but I have been disappointed to learn from constituents about some of the working practices at the new Amazon plant in Dunfermline. If we are going to use public funds to attract companies to Scotland, although we must accept that nothing in the global economy is certain, we must as much as we can build into the funding support when companies come here a long-term approach.

I suggest three simple commitments that we should seek from employers who want to come to Scotland and invest in it and who receive public support for that investment. First, we want those employers to employ people on permanent contracts in the main. We recognise that

workloads fluctuate and that agency workers are needed, but temporary workers, in Amazon for example, do not enjoy the conditions that permanent employees enjoy.

John Wilson (Central Scotland) (SNP): Mr Park raises the issue of workers—particularly temporary and agency workers—facing unfair employment conditions. Does he agree that it is up to the UK Government to change employment legislation? It is in its gift to do that. When the Labour Party was in government, it never changed it.

John Park: I am very disappointed by that intervention. I have asked the Scottish Government a number of times what representations it has made to the UK Government about the changes that the UK Government wishes to make to UK employment practice, and the answer has been zero. Every time, the answer that comes back is, "We need the powers here and we do things a little bit differently." Frankly, I do not trust a party that forgot to go to vote for the national minimum wage in 1998. We should remember that.

My second suggestion is that the employers in question should train and develop their staff using nationally recognised qualifications where applicable. There is no point in people getting in-house training if the company moves away, the funding goes and, all of a sudden, we are left with people who do not have transferable skills.

My third suggestion is that we should commit to ensuring that there is proactive redundancy support should such companies decide to close or move production elsewhere. We have seen other circumstances in which such companies have moved away and left people, and the Scottish Government and the UK Government have had to pick up the slack.

We have had a little bit of a discussion about the small business bonus scheme. A full assessment of its effectiveness is needed to ensure that it leads to job-related investment. In the absence of such an assessment, it would be useful to look at some of the current figures that are available—not a survey from the FSB or a document from the STUC, but perhaps the figures that are available from the Department for Business, Innovation and Skills. We should consider what Jim Mather said when the policy was coming forward in 2007, for example. He said that it would give us a comparative advantage, so let us consider how Scotland compares with other parts of the UK. Between 2008 and 2011, the number of enterprises in Scotland decreased by 11.3 per cent. In England, the decrease was 2.8 per cent; in Wales, it was 4.5 per cent; and in Ireland, it was 3 per cent. Employment in Scotland has gone

down by 7.9 per cent. In England, it has gone down by 5 per cent—

The Presiding Officer (Tricia Marwick): The member must start to wind up.

John Park: Turnover in Scotland has decreased by 10.3 per cent. I am talking about a key issue. We need to reassess the policy and target it to ensure that it at least leads to job-related investment.

16:25

John Wilson (Central Scotland) (SNP): I welcome and support the motion in the name of John Swinney, and the debate around the economy and economic recovery. I am confident that the Scottish Government has previously highlighted its prioritisation of the growth objectives of Scotland, and how that will be a key driver in assisting economic recovery.

I agree with Kenneth Macintosh's earlier comment that we had a good debate yesterday afternoon on the green investment bank. During that debate, the Government, as well as many members, highlighted the investment opportunities and economic opportunities that having that bank in Scotland would provide.

In its fresh thinking and its programme for government, the Scottish Government has quite rightly spelled out the need to modernise and energise the industrial landscape of Scotland. The recent unemployment figures clearly show that much more needs to be done on aiding the economic recovery and growing the economy. The figures for unemployment were up in December 2011, and there is a time lag on those figures. It is worth observing that the Office for National Statistics shows that, at 4.1 per cent in January 2012, the jobseekers allowance claimant count, seasonally adjusted in Scotland, is the same as it was in January 2011.

With regard to future indicators, it is worth highlighting the Bank of Scotland's latest purchasing managers index, which is for January. It highlighted further increases in output, with the PMI up from 51.2 per cent in December 2011 to 51.4 per cent in January this year. Growth was underpinned by activity in Scotland's private sector, increasing for the thirteenth month running in January, with the overall pace of expansion picking up at its fastest rate for four months.

The purchasing managers index report highlights that new business in Scotland is increasing at a solid rate, with service providers witnessing strong month-on-month increases in new business and new work growing at a robust pace.

Looking to the future, I believe that there is more that the Scottish Government can do, although Scotland needs the tools for the job of investing in the built environment.

With regard to getting Scotland to move forward, the need to attract significant investment is fundamental, and the Scottish Government has signposted its commitments, in particular the need to advance a Scottish growth strategy that focuses on growth sectors and marketplaces.

This debate on Scotland's economy and recovery must be put in the context of the harsh political agenda that the UK coalition Government is developing, with its focus on cuts being essential. The £2 billion cut that households in Scotland are predicted to undergo as a result of the proposed Welfare Reform Bill clearly indicates the UK Government's commitment to those living in the poorest households in Scotland. The autumn statement of 2011 was focused on growth, but the reality is that the facts did not bear that out. Growth is flat, and the Office for Budget Responsibility forecast is for a UK growth rate of 0.7 per cent this year.

Only additional tax and spending powers for the Scottish Government and Parliament will do the necessary job of stimulating economic growth in Scotland. A key undertaking of the Scottish Government is to deal with the realities of renewing Scotland's growth prospects.

As I have stated previously in the chamber, maintaining the principle of the public pound is vital to achieving best practice, with procurement an important component. It is even more relevant today, given the current economic setting, especially with the on-going eurozone troubles continuing to influence the economic growth prospects of the UK and the rest of the world. The Scottish economy's growth prospects and the Government's strategic policy objectives do not operate in a policy vacuum.

Scotland is severely constrained under the current devolved settlement. That is even more apparent given the changes to the Scottish block grant that the UK Government has announced.

The growth of Scotland's companies has been severely tested by the recent economic environment and individual sectors have been increasingly exposed to current economic trends. The Scottish Government is doing everything within its current powers and budget.

Mary Scanlon: Will the member give way?

John Wilson: I do not have time.

On the remarks that Neil Findlay and John Park made, attacking the Scottish Government on employment legislation, I do not want any lessons from a party that supported the continued abuse of

the working time directive and had a leader arguing in Europe that the working time directive should not be introduced in the UK, never mind Europe.

John Park: So the member agrees with the comments that his own minister, Fergus Ewing, made at the time, when he said that he believed that the working time directive was a waste of time and was having a negative impact on the Scottish economy.

John Wilson: That may have been the view of the minister at the time, but it is certainly not my view and has not been my view for a number of years. As Mr Park is well aware, I have campaigned on employment rights for a long time and I understand the full impact of the working time directive and that what the UK Government was doing in Europe was against workers who were fighting for the working time directive.

I welcome today's debate and I am hopeful about many of the issues that have been raised being taken forward in the coming years so that we can develop a programme and a strategy that truly benefit the wider economy in Scotland and lead to every household benefiting from the economic growth that we should all be working for in the Parliament.

16:31

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): It is right that in the debate today we concentrate mainly on the Scottish Government's policies, but it would be ridiculous to hold the debate without looking at the wider UK framework. The reality is that the SNP and Labour have substantial agreement on our analysis of what is happening in that regard. The deficit reduction programme is clearly too severe and is leading to an increasing deficit, and demand in the economy has collapsed because of the real-terms fall in the wages of the majority of the population. At the same time—I hope that the SNP agrees with Labour on this, although sometimes its attitude to business suggests otherwise—we have a massive build-up of surpluses by business and the super-rich. That is why Labour at Westminster has a policy of a super-tax on bonuses, plus a policy of reducing VAT to inject demand into the economy. I hope that the SNP will support those policies, and I am glad that in the debate today we have not heard the kind of nonsense that we heard in the debate on the Budget (Scotland) Bill, when the SNP claimed that Labour and the Tories had an identical economic policy at Westminster.

Turning our focus on Scotland, I think that we can agree—well, I certainly hope that those on this side of the chamber agree—that Ken Macintosh struck the right tone in the debate when he said

that it is not that the Scottish Government is doing nothing but that it is overegging what it is doing and making exaggerated claims about the consequences of its policies. I am certainly happy to go along with a lot of what the Scottish Government is doing, but the reality is that it is not making as much difference as it claims. I think that the article by Professor David Bell, to which Ken Macintosh referred, gives good evidence of that.

Kevin Stewart: Does Mr Chisholm agree that a lot of the levers of power still rest with Westminster and that they should be here? After all, four of the five points in Labour's action plan for jobs refer to powers that Westminster has retained. It would be much easier for us to deal with the situation if we had those powers here.

Malcolm Chisholm: In the first two minutes of my speech, I indicated that I think that, given its actions, the UK Government bears a lot of responsibility for what is happening in the Scottish economy. However, that cannot become the single, repeated excuse for what the Scottish Government fails to do.

Although I have acknowledged what the Government is doing, we see from the example of the construction sector that a third of construction firms expect employment to fall this year and that 30,000 jobs in the sector were lost in the past year, which is 15.2 per cent of the number of people employed in construction. That is way beyond the figure for any other part of the United Kingdom—I will not embarrass the SNP by quoting the percentages for the other countries in the UK.

Although there was a fall in the housing budget—the cabinet secretary will think that I am a housing bore—we were of course pleased that a bit more was put into housing at the final stage of the budget bill, but why was housing way behind other areas? More investment in housing would have not just served a social imperative but boosted employment far more quickly. The Scottish Government has to look at its attitude to construction in general and housing in particular.

I also want to talk about procurement, which is mentioned at the end of our amendment. I am not going to join the battle of the Forth bridge, which we have waged quite a lot over the past couple of weeks. However, a constituent of mine from an SME approached me about not getting any work for the Forth bridge and I wrote to the cabinet secretary about the situation. I cannot read all of his reply, but one sentence said:

“Supply chain sourcing and management is a commercial matter for the main contractor which is to all intents and purposes outwith the scope of the Regulations.”

The problem is that, once a contract is awarded, it is up to the contractor, who can do what they want with the work. The person who approached me on

behalf of an SME in Leith made the point that none of that work was coming his way.

We should listen to what Margaret McCulloch said about SMEs and procurement as well as what she said about apprenticeships, because she knows a lot about training, apprenticeships and procurement. She made some suggestions that I fully back, particularly her call for the proposed sustainable procurement bill to be produced as quickly as possible. Some of the points that she made were also made in the recent report from the Jimmy Reid Foundation by Jim and Margaret Cuthbert. The Cabinet Secretary for Infrastructure and Capital Investment is not listening at the moment, but I am not making points about the Forth bridge, which our parties have had battles about; I am making a plea to him to read that report and address its recommendations.

The Cuthberts make the point that one way in which Scottish contractors could benefit from large projects would involve splitting contracts into small blocks to make it easier for small firms to win them. The report highlights the fact that public sector contracts have been designed in the interests of big business that is located mainly outside Scotland, with the country's large, small and medium-sized business sector largely squeezed out of the bidding process. It also points out—crucially—that Scotland has a “much more restricted view” of European Union law on the awarding of the contracts than other nations. It states that

“those drafting the Directive were ... aware of the importance of being able to protect various disadvantaged groups, of taking social, economic, and environmental issues into account, of encouraging research and development, and of the economic importance of SMEs. A number of exemptions and provisions were written into the Directive to allow for these needs.”

That approach to the directive is not being taken by the Scottish Government. I am not making a party-political point, as some of the blame lies with the way in which directives were transposed into regulations a few years ago at Westminster and here. Nevertheless, the Scottish Government can act now to ensure that directives are implemented and interpreted far more flexibly.

16:37

Gavin Brown: The Scottish Conservatives support the UK Government in its efforts to reduce the size of the budget deficit, for the simple reason that we believe that it is absolutely critical that the United Kingdom maintains its AAA rating. The rating has, thus far, been preserved, while the ratings of countries all around the world—particularly, recently, in Europe—have been downgraded to AA status and many more countries have been given warning of a severe

risk that their ratings will be downgraded in the near future. At the moment, only a handful of countries across the world can borrow more cheaply than the UK over a 10-year period.

We regret very much the negative outlook that one credit rating agency, Moody's, put on the UK on 14 February. As Paul Wheelhouse rightly said, Moody's view was that, statistically, there is a 30 per cent chance of the UK's AAA rating being lost within an 18-month period. However, it is important to note what else Moody's said around that negative outlook, which is why I intervened on Mr Wheelhouse. Moody's stated that a downgrade could follow

“reduced political commitment to fiscal consolidation, including discretionary fiscal loosening”.

That is the biggest risk factor in the UK losing its AAA rating. Were that to happen, of course, the yields on gilts would probably shoot up, and it is worth noting that even a 1 per cent rise in those yields would add about £7.5 billion to debt interest payments by 2016. Contrast that with the position prior to the coalition Government taking office, when many commentators and economists said that UK gilts were sitting

“on a bed of nitroglycerine.”

In relation to the economic situation in Scotland, we have tried to be realistic without being negative. We have also tried to avoid the sunny and unrealistic optimism to which John Mason referred.

When we talk about the unemployment figures in Scotland being higher than those in the rest of the UK, we do not do so to talk Scotland down in any way, but we look to see whether Scotland can learn from anything that is happening elsewhere in the United Kingdom. There is now a higher rate of unemployment in Scotland than there is in England. Let us examine why that is the case and what we can do about it with the levers that we currently have. Let us consider what is happening in the other devolved nations.

At First Minister's question time today, the First Minister referred again to Wales and stated that we should not take lessons from there.

John Swinney: In his analysis, might Gavin Brown also cast his mind over the employment statistics, which show that Scotland has the highest employment rate of any part of the United Kingdom?

Gavin Brown: I acknowledged that they show that in my opening speech. I said that Scotland's employment level was 70.7 per cent, whereas England's was 70.5 per cent. I am perfectly happy to acknowledge that. We are trying to be realistic. We talk about areas in which Scotland is doing better and those in which it is doing worse. My

critique of the Government is that it talks selectively only about areas in which Scotland is doing better and almost refuses to acknowledge that, in some areas, Scotland is doing worse.

As I was saying before I took the intervention, the First Minister gave the impression that we could not really learn a great deal from Wales because it had a higher unemployment rate than we did. Traditionally, it has had a higher unemployment rate than Scotland but, over the past quarter or so, it has seen reductions in unemployment. Last month, the figure was down by 1,000; this month, according to the figures that were published only last week, it was down by 3,000.

What is Wales doing that we are not doing? Is there something that we can learn? Even though it has a higher unemployment rate than we do overall, it appears to be moving in the right direction—over a short period, I stress—when we are not.

I will pick up on another couple of points that were made during the debate.

In relation to oil and gas, Maureen Watt made the point that she believes in consistency, not in the rug being pulled away. However, as was pointed out in an intervention, what about the retail levy? There was no mention of it in the SNP manifesto and I do not believe that the supermarkets or any other retail businesses expected it. I believe that because, in June, I asked whether there were any plans for new taxes, and the answer was that there were no current plans for new taxes. I should probably have read a little bit more into the word “current”. The same written answer was also given in response to a question from Tavish Scott in June.

The reality is that the supermarkets and other retail businesses did not expect the levy and that the rug was pulled out from underneath them.

Angus MacDonald (Falkirk East) (SNP): Will the member give way?

Gavin Brown: I am usually happy to give way, but I have only 30 seconds left, so, on this occasion, I am not able to.

The Scottish Government must be realistic. We must examine the considerable powers that we have and use them to our best advantage. That means not introducing taxes that make us less competitive. It also means genuinely prioritising the economy—whether colleges or housing—instead of simply talking about doing so. Talking about doing it and actually doing it are, clearly, not the same thing.

16:43

Rhoda Grant (Highlands and Islands) (Lab):

The debate has been interesting, but I fear that much of the discussion had already been rehearsed in the Parliament during the budget debates. I see little change in direction.

What the SNP Government is doing is not working. Although I share its criticism of the UK Government's approach, its own approach appears even more woeful. It is cutting capital spending faster than the rest of the UK and it uses smoke and mirrors to pretend that it is transferring revenue spending into capital spending.

In his opening speech, the cabinet secretary painted quite a positive picture, despite the fact that a third of all jobs lost in the UK were in Scotland. The UK Government has the wrong approach, but so does the Scottish Government.

In his closing speech, Gavin Brown talked about how the unemployment figures in Wales appear to be improving. The National Assembly for Wales has fewer powers than this Parliament but appears to be using them more effectively.

Young people are the hardest hit by unemployment. Neil Findlay said that 30 per cent of young people in his constituency are unemployed—an horrific figure. When the Government cuts funding to colleges, that impacts on young people's ability to gain skills. We need to act now to ensure that young people are equipped for an upturn in the economy. If they have no skills and no experience, they will become increasingly unattractive in the job market and in future will find themselves excluded from it. A cut in funding for colleges of 20 per cent over the spending review period plays into the hands of what is already becoming a national crisis. We need to use procurement to get young people back into work. Margaret McCulloch emphasised the need to upskill young people during this period.

We can talk about the figures, but unemployment takes a huge emotional toll on everyone, especially young people. Some time ago, the quote was that being unemployed had the same impact on a person's health as smoking 400 cigarettes a day. We cannot underestimate the personal impact that unemployment has on those whom it affects.

John Park talked about training and development for those who are in work, and ensuring that employers make certain that those people receive recognised qualifications. That is especially important in modern apprenticeships. If employers are getting help with that, they need to make sure that nationally recognised qualifications are being delivered, to ensure that people are being skilled in ways that prepare them for the future.

Women are second in line to young people when it comes to those who are affected by unemployment. That is because front-line services are being hit and women tend to deliver those services. In many areas of local government, free personal care is the only care available to elderly people. Although the Government talks about preventative spend, its policies are doing away with any prevention.

Unemployment also has an impact on child poverty, not just because many unemployed women are in single-parent households but because women tend to be the breadwinners now. A high proportion of women out of work will not help the Government to meet its child poverty targets.

Malcolm Chisholm said that he was a housing bore, and so am I. Housing is one of the most important issues in the debate. In its manifesto, the SNP promised 6,000 social rented houses a year. What a difference those houses would make if they were delivered. They would make a difference to housing standards, they would help in the fight against fuel poverty and they would create jobs. Last year, 30,000 jobs were lost in construction alone. The Government seems to fail to acknowledge the impact that those jobs could make to our economy, including through the provision of apprenticeships for young people. Housing money could be used to retrofit older houses, as part of the fight against fuel poverty. Such things not only deal with social ills but provide jobs in our economy. A 30 per cent cut in the housing budget is incomprehensible in the present conditions.

Margaret McCulloch talked about the introduction of the procurement bill, and I very much agree with what she said. She also talked about small and medium-sized enterprises being able to take part in procurement. To allow them to take part, we need to look at not only the tender size but the simplicity of the process. The procurement bill is long awaited and could make a huge impact on some of the Government's targets, for example by ensuring that those who receive funding from the public sector help to meet our carbon reduction targets.

A bill could also help us to meet social and financial sustainability targets. Enshrining policies such as those on the living wage and the employment of disabled people in a procurement bill would ensure that the best value is obtained for not only the procuring organisation but the public purse.

We could consider employment practice, which John Park talked about, and apprenticeships in a procurement bill, which could also deal with inward investment. Public money goes towards contracts and is used to encourage businesses to set up

here, so we should ask those businesses to sign up to a procurement bill that sets a basic minimum standard for how people are to be employed. Malcolm Chisholm talked about contracts going abroad. All those issues could be dealt with through a procurement bill, so it is high time that we had one.

We need to concentrate on the most vulnerable in our society and ensure that our young people get that valuable first job that provides the experience that they need and leads them to their career. We need to ensure that women are working so that we do not have an increase in child poverty. A failure to deal with the economy is a failure to deal with the people whom we serve. I call on the Government to scrap plan MacB and to use the powers that it has to make a real difference to the people of Scotland.

16:50

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): In listening to the unionist parties' front benchers, I am reminded of a Victorian undertaker praying for a hard winter and a full churchyard. They seem to be searching for bad news about Scotland and boasting about any chink of doom and gloom that they can find. I will begin by putting the facts on the record. They are based on the latest economic indicators available, not from the Government, but from the independent Office for National Statistics and from independent statisticians working in Scotland.

The retail sales index in Scotland is higher than that in the UK. Growth in the production sector and in the distribution, hotels and catering sectors in Scotland is higher than that in the UK. The employment level in Scotland is higher than that in the UK and, as Mr Swinney said, Scotland has the highest rate of employment and the lowest rate of inactivity of all the UK countries. The unemployment claimant count in Scotland fell at the last count, while in the UK it rose. Scotland's employment rate has been higher than that in the UK for 15 consecutive months.

Gavin Brown: Will the cabinet secretary give way?

Alex Neil: I will in a minute.

Growth in the construction sector in Scotland is higher than that in the UK. Only today, Ken Gillespie, the head of Morrison Construction, claimed that Holyrood was better than the UK Government at green lighting public sector building projects

"to help get the economy moving again".

He went on to say that the Scottish Government

"has managed to keep its capital projects moving while we have seen many shelved elsewhere in the UK",

and that

"Holyrood has made the connection quicker than central government that investing in major infrastructure projects in the public sector is the quickest way to get the economy moving again."

I will now take an intervention from the undertaker, Mr Brown.

Gavin Brown: Undertaker? That comes from the pantomime dame.

Mr Neil is again being highly selective in choosing his statistics. We in the unionist parties have tried to be realistic. Does he not think that he should look at overall growth and unemployment figures for Scotland?

Alex Neil: Of course we are looking at the overall figures. Some of the figures that I gave are overall figures—I did not restrict myself to particular sectors. On the overall position on inward investment, an Ernst & Young 2011 survey reported that Scotland was the leading location for foreign direct investment in the UK in terms of employment generation, which gives the lie to all the scaremongering that the prospect of a referendum on independence is chasing away investment from Scotland.

On procurement, I will deal specifically with the Forth replacement crossing, on which the main Opposition party takes the ludicrous position that we should suspend a contract, which would result in laying off and making redundant thousands of Scottish workers and making large numbers of Scottish companies bankrupt. If ever an idea was irresponsible and stupid, it is the idea that we should suspend that contract.

Labour members forget that, before we implemented our reform programme, Labour's procurement record was a very poor one indeed. For example, in 2005, the then Scottish Executive awarded a contract for fishery protection vessels to a Polish shipyard instead of Ferguson's shipyard. That contrasts with my announcement, two months ago, that we would give Ferguson's the contract for the first two hybrid ferries in Europe. When Jack McConnell, the then First Minister, was challenged about giving that contract to a Polish shipyard, he said that he was

"a bit restricted by the rules of procurement and tendering ... we have to be honest"—

that was a first. He went on to say:

"We cannot give preferential treatment to one company".—[*Official Report*, 16 June 2005; c 18051, 18054.]

As the Labour Party knows, we are engaged in a procurement reform programme. One of the reforms that we are demanding from the European Union is that we should be allowed to take into consideration the local economic impact of

awarding a particular contract to a particular company. Regrettably, the UK Government has utterly refused to support us in that demand, which is absolutely shameful, to say the least.

When we look at Professor Bell's argument, the question that we need to ask is: what would the unemployment rate in Scotland have been if John Swinney had not implemented his programme of capital investment? Over the next three years, despite a cut of £3 billion in capital investment funding from Westminster, across the Scottish Government, we will invest nearly £12 billion directly and through leveraging in private sector investment. Seven billion pounds will follow the £3 billion reduction. We would not have had the £2.5 billion NPD programme if we had followed the Labour Party's private finance initiative policy. On top of that, the Scottish Futures Trust is involved in mobilising total investment of £9 billion, including that £2.5 billion. The tax increment financing programme will result in hundreds of millions of pounds of investment in Scotland, and investment in the railways is worth £1 billion. The enterprise zones that Mr Swinney announced recently will generate hundreds of millions of pounds for Scotland.

Members on both Opposition front benches have displayed their ignorance of housing finance in Scotland. What matters is not how much money we put in, but what we get out, in terms of both the leveraging in of finance and the number of houses—

Gavin Brown *rose*—

Alex Neil: Derek Brownlee would have told you that.

When we announced our programme—

Gavin Brown: Will the cabinet secretary give way?

Alex Neil: I am running out of time.

Ken Macintosh *rose*—

Alex Neil: They are queuing up, Presiding Officer.

Before Christmas, we announced our programme of £460 million-worth of investment to build more than 4,300 new houses in Scotland. Our share of that money was £110 million, which we used to leverage in another £350 million. If we had followed the policies of the unionist parties, the total leveraged in would have been £35 million. That is why we will exceed our 6,000-a-year manifesto commitment on social housing, and why we are building 5,000 council houses, whereas Labour built six a year—in Shetland.

Labour talks about Scotland, so let us think about what Scotland would be like under Labour policy. There would be no NPD and no £2.5 billion

investment. Ed Miliband and Ed Balls—an appropriate name—said that—[*Laughter.*]

The Presiding Officer: The minister needs to wind up.

Alex Neil: Presiding Officer, I thought that I was doing a good job of winding up the Opposition.

I will make one more point about Labour's policy to reduce public sector wages and take demand out of the economy. That is the difference. The Labour Party wants to be the Victorian undertaker of the Scottish economy. We are the champions of Scotland and we are delivering for the Scottish people.

Parliamentary Bureau Motions

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of two Parliamentary Bureau motions. I ask Bruce Crawford to move motion S4M-02103, on committee membership, and motion S4M-02104, on substitution on committees.

Motions moved,

That the Parliament agrees that—

Clare Adamson be appointed to replace Annabelle Ewing as a member of the European and External Relations Committee;

Jean Urquhart be appointed to replace Clare Adamson as a member of the Equal Opportunities Committee;

Aileen McLeod be appointed to replace Jamie Hepburn as a member of the Infrastructure and Capital Investment Committee; and

Dennis Robertson be appointed to replace Aileen McLeod as a member of the Rural Affairs, Climate Change and Environment Committee.

That the Parliament agrees that—

Adam Ingram be appointed to replace Dennis Robertson as the Scottish National Party substitute on the Health and Sport Committee;

Jamie Hepburn be appointed to replace Margaret Burgess as the Scottish National Party substitute on the Local Government and Regeneration Committee;

Nigel Don be appointed to replace Jean Urquhart as the Scottish National Party substitute on the Rural Affairs, Climate Change and Environment Committee;

Stewart Maxwell be appointed to replace Colin Keir as the Scottish National Party substitute on the European and External Relations Committee;

Joe FitzPatrick be appointed to replace Kevin Stewart as the Scottish National Party substitute on the Public Petitions Committee; and

Linda Fabiani be appointed as the Scottish National Party substitute on the Welfare Reform Committee.—[*Bruce Crawford.*]

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

Decision Time

17:01

The Presiding Officer (Tricia Marwick): There are 10 questions to be put as a result of today's business. [*Interruption.*] If members will keep quiet, I will remind them that, in relation to the debate on the withdrawal of the road equivalent tariff from commercial vehicles, if the amendment in the name of Keith Brown is agreed to, the amendment in the name of Tavish Scott will fall.

The first question is, that amendment S4M-02086.1, in the name of Keith Brown, which seeks to amend motion S4M-02086, in the name of Richard Baker, on concerns about rail proposals, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)

McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)

Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S4M-02086, in the name of Richard Baker, on concerns about rail proposals, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)

Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 63, Against 55, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament recognises that *Rail 2014 – Public Consultation* gave members of the public, communities, businesses and organisations an opportunity to set out their aspirations for Scotland's railways; notes that the Scottish Government will give due consideration to all responses to the consultation; acknowledges the repeated assurances of the Scottish Government that there has never been any intention, nor are there any plans, to close railway stations in Glasgow or indeed elsewhere in Scotland, and welcomes the Scottish Government's record of investment and improvement in Scotland's railway by including, for example, the reopening of the Airdrie to Bathgate railway, major improvements to Dalmarnock station, improvements to the Paisley corridor, new class 380 electric trains for Ayrshire and Inverclyde, the ongoing improvements to Waverley steps, additional services on the Highland Main Line, increased accessibility at stations across Scotland, the forthcoming Borders Rail project, the Edinburgh-Glasgow Improvement Programme and the commitment to invest a minimum of £50 million in new sleeper trains.

The Presiding Officer: The next question is, that amendment S4M-02087.2, in the name of Keith Brown, which seeks to amend motion S4M-02087, in the name of Elaine Murray, on the withdrawal of the road equivalent tariff from commercial vehicles, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)

Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Fergusson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)

McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S4M-02087, in the name of Elaine Murray, on the withdrawal of road equivalent tariff from commercial vehicles, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)

Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGregor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)

Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament notes that the road equivalent tariff (RET) scheme has brought significant benefit to the Outer Hebrides, Coll and Tiree; welcomes the decision to roll RET out to other Clyde and Hebrides routes, including the Sound of Harris and the Sound of Barra; welcomes the investment of £5.3 million next year on the routes to Western Isles, Coll and Tiree; welcomes the increase in journeys to those islands of 30% that has resulted from the RET pilot, particularly in tourist journeys, notes that RET for large commercial vehicles made up around 40% of the cost of RET and that evidence from the pilot study showed that only 7% of hauliers passed the full benefits on to consumers; notes that, following discussions between the Scottish Government and local companies, investment of £2.5 million in a transitional scheme will support all hauliers regardless of the size of their business; welcomes the inclusion of vans of up to six metres in the RET scheme and the Scottish Government's commitment to a six month study of the costs faced by island hauliers, including fuel duty and insurance costs, and the impact on the local economies and households of the Western Isles, Coll and Tiree, and looks forward to the review of ferry services that will put RET at the heart of an equitable system of fare setting.

The Presiding Officer: The next question is, that amendment S4M-02084.4, in the name of Ken Macintosh, which seeks to amend motion S4M-02084, in the name of John Swinney, on economy and recovery, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Johnstone, Alison (Lothian) (Green)

Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Davidson, Ruth (Glasgow) (Con)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)

McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLetchie, David (Lothian) (Con)
 McMillan, Stuart (West Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 35, Against 83, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-02084.1, in the name of Gavin Brown, which seeks to amend motion S4M-02084, in the name of John Swinney, on economy and recovery, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)

Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 15, Against 103, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-02084, in the name of John Swinney, on economy and recovery, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)

Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)

Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Motion agreed to,

That the Parliament calls on the UK Government to acknowledge that its pursuit of austerity in the absence of a credible plan for economic growth is threatening the UK recovery; supports the Scottish Government's distinctive approach, as set out in the *Government Economic Strategy* and its budget, to accelerating recovery, supporting long-term sustainable economic growth and boosting employment; further calls on the UK Government to do more to support growth, particularly through expanding capital investment, and welcomes the actions taken by the Scottish Government to ensure that Scotland grasps the opportunities in international growth markets by growing its international presence, boosting exports and attracting international investment.

The Presiding Officer: The next question is, that motion S4M-02103, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees that—

Clare Adamson be appointed to replace Annabelle Ewing as a member of the European and External Relations Committee;

Jean Urquhart be appointed to replace Clare Adamson as a member of the Equal Opportunities Committee;

Aileen McLeod be appointed to replace Jamie Hepburn as a member of the Infrastructure and Capital Investment Committee; and

Dennis Robertson be appointed to replace Aileen McLeod as a member of the Rural Affairs, Climate Change and Environment Committee.

The Presiding Officer: The final question is, that motion S4M-02104, in the name of Bruce Crawford, on substitution on committees, be agreed to.

Motion agreed to,

That the Parliament agrees that—

Adam Ingram be appointed to replace Dennis Robertson as the Scottish National Party substitute on the Health and Sport Committee;

Jamie Hepburn be appointed to replace Margaret Burgess as the Scottish National Party substitute on the Local Government and Regeneration Committee;

Nigel Don be appointed to replace Jean Urquhart as the Scottish National Party substitute on the Rural Affairs, Climate Change and Environment Committee;

Stewart Maxwell be appointed to replace Colin Keir as the Scottish National Party substitute on the European and External Relations Committee;

Joe FitzPatrick be appointed to replace Kevin Stewart as the Scottish National Party substitute on the Public Petitions Committee; and

Linda Fabiani be appointed as the Scottish National Party substitute on the Welfare Reform Committee.

Fair Trade

The Deputy Presiding Officer (Elaine Smith):

The final item of business today is a members' business debate on motion S4M-01728, in the name of George Adam, on take a step in 2012 for fair trade. The debate will be concluded without any question being put.

Motion debated,

That the Parliament recognises the Fairtrade campaign, Take a Step in 2012, which launches Fairtrade Fortnight on 27 February 2012; welcomes the campaign, which encourages everyone to take a step toward using fairly traded products; understands that such products support millions of farmers and workers in developing countries; congratulates local authorities, such as Renfrewshire, in achieving fairtrade status, and looks forward to a time when Scotland becomes a fairtrade nation.

17:11

George Adam (Paisley) (SNP): The debate is about something that I got involved in when I was a younger man—the issue has stayed with me—and I wanted to do something for my community and was involved in politics. In the 1980s and early 90s, fair trade was about coffee and wine—in moderation, of course—and we had to go to specialist stores to get fair trade goods.

My introduction to fair trade came through—of all things—sports clothing, which of course was not fair trade because there was an issue about the rights of the people who were manufacturing it. I learned that footballs and sports shoes were being made in sweatshops in the Pacific islands, Pakistan and elsewhere. That opened my eyes and encouraged me to take a step and to make a difference.

The Fairtrade Foundation is asking everyone in Scotland to take a step for Fairtrade fortnight in 2012. It is encouraging everyone to change their lifestyle in order to change the lives of people—particularly farmers and manufacturers—in the developing world. A change in our shopping habits can make a massive difference to individuals' lives.

Some 19 million glasses of fair trade wine are sold in the United Kingdom every year. The situation has changed since the beginning of the fair trade movement and most major retailers sell fair trade products, but we could do a lot better. In Paisley, a shop called Rainbow Turtle used to be the only place where we could get such products, but now it is one of many. That is a success.

There is always a debate among people in the fair trade movement about whether they should work with the big manufacturers. Does working with the big confectionery manufacturers, for example, mean selling out and working with

companies that are part of the problem? I have been having that debate in fair trade circles for quite a while.

However, it is gratifying to see that top brands are making the difference. That is particularly true in the chocolate market: KitKats, Cadbury's Dairy Milk Buttons—a favourite of mine, maybe because I have not grown up too much—other Cadbury products and Maltesers are all fair trade. Sainsbury's sells only fair trade bananas, and it sells more than 1,200 a minute—that is 650 million a year.

If we want people to take a step in Fairtrade fortnight, we must ensure that there are lots of different events. During the past few years, a lot has been done for fair trade in Renfrewshire. Way back in the early noughties, in 2003, Paisley became a Fairtrade town. That was during the time of Provost John McDowell, who was a Labour provost. In Renfrewshire there has always been cross-party work to ensure that we can do something. In 2007, when the Scottish National Party-led Administration came in, we ensured that Renfrewshire became a Fairtrade area. We need such political guidance, in addition to our working with organisations including church groups and the young people who are involved. There must be some sort of control and effort so that people can push things forward, as we have done.

During Fairtrade fortnight, various events will take place. One event in which I will not be involved this year is the Fairtrade football tournament. I played in it two years ago and nearly sent a young man to hospital because I am so slow now, so I have decided that it will probably be better for everyone if I no longer play. It was quite difficult for us, but we made it to the quarter finals.

We have organised events with the University of the West of Scotland and other organisations to ensure that people get to know about fair trade and where they can buy the goods. In Renfrewshire, we publish a directory every year: this year's edition is not even hot off the press—it will be published tomorrow. It contains a list of all the companies and people who sell fair trade products in Renfrewshire. That gives everyone an opportunity to find out about fair trade, and encourages other retailers and companies to take that step.

Public sector procurement has been a problem—it always comes up when we are discussing fair trade down this way. In Renfrewshire, we are trying to go down the route of producing Fairtrade Foundation school uniforms. That seems to be a perfect way to use fair trade cotton; there is a market for the uniforms, it would defeat the fallacy that fair trade goods are always more expensive, and we could deliver those goods to people. However, we have

had difficulties with local authority procurement processes. It was good to hear Alex Neil say in the previous debate that the Government has asked for the local economic impact to be taken into account in procurement. It will be interesting to see whether we can do that in the public sector, because it could make a massive difference.

The Fairtrade Foundation is asking us to take just a small step, and it is trying to achieve 1.5 million steps in 2012. There is an opportunity for everyone to register online, so people can do it in their school, their university or their bowling or sports clubs—just about anywhere—to try to make a difference.

Last year the Fairtrade Foundation had a fantastic Fairtrade fortnight that focused on cotton. Even though I was involved, I did not know about the differences in price between fair trade cotton and cotton that is not fair trade. It makes so much difference. The farmers face so much difficulty: the work is labour intensive, and some of the stories that I heard were quite shocking. In Renfrewshire, we have on numerous occasions had people over from farms in Africa and elsewhere to tell people about what we are trying to achieve.

It is extremely important that we are now talking about trying to make Scotland a fair trade nation in 2012. My co-convenor of the cross-party group on fair trade, James Kelly, and I must try to make that happen—there is no pressure on us now, James. It is good that we have that opportunity to set ourselves that test. We talk about Scotland being a socially just country, but it is not just about Scotland—it is about everywhere, and our place in the world. That is extremely important.

The various events that we have held in Renfrewshire have been important. We have ensured that fair trade has always been part of those: in a 10km race, for example, fair trade bananas were supplied by the Co-operative Wholesale Society to give the runners as they crossed the finish line. We also had the chance to get sponsorship from a major sports manufacturer, but we knocked it back because we had an issue with the firm's labour practices.

I could talk about the issue all night, but we do not have all night. If we can all take a small step, no matter how small, we can make a difference not only here in Scotland but in the rest of the world.

17:19

John Mason (Glasgow Shettleston) (SNP): I thank George Adam for raising this issue, which is well worth a debate this evening. In the Parliament, most of us are committed to the living wage—to the idea that people should be able to live on what they are paid for the work that they

do. Most of us agree that the statutory minimum wage is not enough to live on. I see fair trade as a logical extension of that. I hope that our concern does not stop at the borders of Scotland, or even at those of the UK or Europe; we should also concern ourselves with people who are further away, and especially with the poorest people in Africa, Asia, South America and elsewhere.

If people in Scotland who make clothes for us should be properly paid, so should be people in Asia who make clothes for us. The reality is that we benefit from that, too. As poorer countries around the world become better off, people there start to afford to buy our products and to travel to visit us. In my lifetime, quite a change has occurred in a number of countries. For example, we used to think of Hong Kong and South Korea as low-wage economies which made quite cheap products, but they have now moved up to become comparable with us.

I like a song that has been sung by a guy called Ian Davison that uses the phrase “the worldwide minimum wage”. That very much appeals to me, although I accept that it is probably a bit optimistic in the short term. However, fair trade is a step in the right direction, which is why I am enthusiastic about it.

As George Adam said, we can remember in our lifetimes some pretty awful fair trade products. I remember when pretty much all that was available was fair trade coffee, and some of it was not exactly great. Now, a wide range of products is available, including tea, coffee, fruit juice, chocolate and wine.

In my constituency office, we try to use as many fair trade products as possible. We also try to use cleaning products that are approved by the British Union for the Abolition of Vivisection, which means that they are not tested on animals. I mention those two aspects because we should commend the Co-op, which I suggest is better than all the other supermarkets, for its wide range of fair trade products and products that are not tested on animals.

I am sure that we will all give examples of good things that are happening in our areas. I understand that 200 young people will go to Glasgow Caledonian University in March to meet representatives from Palestine who will say how much fair trade has helped them.

We often have a problem with the word “charity” and how we use it, and we have mixed reactions to it. We know of great charities—which I am sure we all support—such as Mary's Meals, Oxfam and Tearfund. However, the negative side is that we do not want people to live on charity in the long term, which is why fair trade is important; it requires paying people what they deserve for the

work that they do. We can build on that for a variety of related campaigns—for example, Christian Aid and others are working on countries being able to tax the profits that are made in those countries. Some big international companies do not like to report the profits that they earn in individual countries, but people in my profession and others are pushing for such reporting. The belief is that a lot of underreporting takes place in many countries, so companies do not pay the tax that they should pay poorer countries, just as they do not pay workers there what they deserve.

There is a long way to go, but it is great that we are having the debate. Fair trade is a great first step along the way and I am happy to support the motion.

17:23

Linda Fabiani (East Kilbride) (SNP): It would be a novelty for me to speak in a debate on fair trade and not to mention that Strathaven was the first Fairtrade town. That is it said, even though I no longer represent Strathaven. I now represent East Kilbride, which also has Fairtrade town status.

I thank George Adam and James Kelly for their work on the cross-party group on fair trade and I thank George Adam for his motion on taking a step in 2012 for fair trade. Getting to where we want to end up—where fair trade is the norm at home and overseas—is all about baby steps, moving forward and lots of hard work, so the motion has a good title.

The work of the Scottish Fair Trade Forum has been commended: it should be, because it has done great things. It has been supported across the chamber and by all the Governments that Scotland has had. I picked up the forum's annual review the other night.

Of course, everyone is talking now about Fairtrade nation status. Through the Fairtrade Foundation, the targets for that status reflect the targets that the forum is considering. I must say that I have some concerns, but I do not want that to be taken badly. Sometimes, setting such targets creates a rush to achieve them, so they are achieved by going *de minimis*, thinking that the box has been ticked and moving on. I do not think for a minute that that is what the Scottish Fair Trade Forum or anybody in the field is about, but we must guard against it and we must ensure that once we achieve a target we constantly monitor it, to ensure that it does not slip. I will make a couple of comments in that regard. We are looking at local authorities having active groups that work towards Fairtrade zone status—that is a target. That is great and lots of groups have worked towards it over many years. We should not forget

that some folk have been doing this stuff for decades, before it became something that many more of us talked about.

We are looking for local authorities to achieve Fairtrade zone status. Local authorities in Scotland almost all declare themselves to be Fairtrade local authorities—I think that 30 out of 32 do so now. That is fine, but I would like us to dig a bit deeper into what that means. For example, it is all very well for a local authority to say, “We serve fair trade food in all our establishments.” However, if part of a local authority's operation has been hived off to a private enterprise such as a leisure trust, does the local authority always ensure that those companies also serve fair trade food? No, they do not. That is another issue that we must continue to look at.

Procurement is very important; George Adam mentioned procurement of cotton. There is also procurement of many kinds of equipment, including leisure equipment and instruments that are used in the national health service. There is an organisation that looks at how that can be done. I do not believe that we are pushing hard enough on procurement; I do not believe that the United Kingdom Government is doing enough to make the case in Europe. Other countries have done more. For example, in Madrid's bid for the Olympic games, it stated in its tender documentation that some stuff should be fair trade. It was not just about the coffee and the tea; it was about—I was going to say outfits, but I do not think that sporting guys talk about outfits—kits or strips.

Let us not get carried away too quickly with saying, “Oh, isn't it wonderful that Scotland is a Fairtrade nation?” Until we really tackle some of the big issues, we will not be a Fairtrade nation. We must tackle those issues so that when we get Fairtrade nation status, we can hold it up to inspection and be proud of it.

17:27

James Kelly (Rutherglen) (Lab): I welcome the opportunity to take part in the debate to celebrate the launch of Fairtrade fortnight. I congratulate George Adam, my fellow co-convenor of the cross-party group on fair trade, on securing the debate.

This is an excellent way to start the Fairtrade fortnight and to launch the debate in the Parliament. It is a tremendous platform for the many events that will take place in communities throughout Scotland and that signify the growth in fair trade that other members have spoken about.

As George Adam said, a few years back we struggled to find shops that would sell fair trade products, never mind fair trade products themselves. That has changed, as we can

purchase fair trade products in a number of shops in our main streets and our towns. That shows the success of the fair trade movement.

Whether someone is involved in politics, in a community group or in fair trade, the test is whether what they are involved in makes a difference. Fair trade is an excellent example of such work making a difference. It helps 7.5 million people throughout the world, many of whom come from vulnerable and poor communities. Fair trade helps give those people at least a contribution towards a decent living. I take John Mason's point about whether it is sizeable enough, but it is certainly a step in the right direction. Fair trade also lays the basis for some proper education. It allows people to operate in structures, which means that they can produce their goods to sell on and it gives them a sustainable solution for the future.

I am lucky in my constituency in that there have been active fair trade groups in Rutherglen and Cambuslang for a number of years, and they have achieved Fairtrade status. That has been down to the active chairmanship of Kieran Dinwoodie followed by John Sanderson.

George Adam said that it is important to have politicians in the group. There is certainly an appropriate place for them, but the test of a successful fair trade group is its breadth of community involvement. We certainly have that in Rutherglen and Cambuslang, as schools such as Trinity high school and Cathkin high school, St Bride's church and Stonelaw church, and a breadth of younger and older people are involved. The zest of younger people and the experience of the older heads in the group have really driven things forward, and they have not stopped at Fairtrade status for Rutherglen and Cambuslang. I am glad that they have joined other communities throughout South Lanarkshire to try to secure Fairtrade zone status.

It also strikes me that there is an education aspect, particularly for the younger people who are involved in fair trade groups. They become aware of good practices as citizens and learn a lot about what it means to make a difference in a fair trade group. They take forward what they have learned to college, university or employment. We look for young people to make positive contributions in 21st century Scotland, and what young people learn in fair trade groups gives them a positive leaning towards making such contributions.

To sum up, the debate is an excellent opportunity to support Fairtrade fortnight. I am sure that we will see tremendous events throughout Scotland over that period.

17:31

Mark McDonald (North East Scotland) (SNP):

I congratulate my colleague George Adam on securing the debate and declare an interest as a member of Aberdeen City Council. During my time on that council, I have served on its fair trade working group.

The North East Scotland region, which I represent, has a strong story to tell about fair trade. Both its major cities—Aberdeen and Dundee—have achieved Fairtrade city status, and Ellon, Huntly, Inverurie and Montrose are towns in the north-east that have achieved Fairtrade town status. The University of Dundee and the University of Aberdeen have achieved Fairtrade university status, and a number of schools have achieved Fairtrade status, including Ellon academy, Montrose academy and some primary schools. There is a strong story to be told in the north-east about fair trade, and I welcome the work that has been done in those and other communities to try to advance the fair trade agenda.

We often talk about Fairtrade cities and towns, but there can also be Fairtrade zones. I have visited Formartine, which encompasses the villages of Pitmedden, Tarves and Methlick. There, I visited the Fairtrade shop in Tarves. There is a lot of talk about clothing, food, wine, coffee and tea Fairtrade products, but I managed to purchase from that shop Fairtrade wrapping paper at Christmas time in which to wrap Christmas presents. A plethora of goods with the Fairtrade logo attached is now available. Although certain products may be more popularly associated with fair trade, it is important that we make people aware of how many different items they can now buy through the Fairtrade campaign.

Individuals are working locally to drive campaigns. After I visited the Fairtrade shop in Formartine, I went to the home of Anne Aspden, who is a constituent of mine. She opens up her farmhouse in the village of Pitmedden once a year to sell Fairtrade products and provide fair trade baking, for example, to members of the public who want to go in for a while. The money that is raised goes towards good causes, which is commendable. We should recognise not only the efforts of collectives, but those of passionate individuals, who are often the driving force behind fair trade movements in particular areas. They deserve to be commended for their work.

A number of events will take place to mark Fairtrade fortnight. Some individuals from Malawi are coming to the north-east. Mr Masauko Khembo—to whom I apologise profusely for probably having butchered the pronunciation of his name—who is the chief executive of the Kasinthula cane growers will be giving a talk in

Stonehaven on 6 March. I will not be able to make it, but I encourage anyone in the area who is able to go along to do so and listen to the story that Mr Khembo has to tell about how fair trade affects him and other farmers in the third world. On 1 March, a Fairtrade producer from Malawi will visit Arbroath high school to give a presentation to secondary school pupils.

Fairtrade schools are vital, because young people are often the driving force in this area, and school campaigns often lead to parents and other relatives getting involved in the Fairtrade movement. It is important to take outreach work into the schools.

It is great that we are having this debate. A lot is being done in Scotland. Obviously, there is more to be done, and let us hope that we can take the steps that are necessary to join our Celtic cousin, Wales, in becoming a Fairtrade nation.

17:36

John Scott (Ayr) (Con): I, too, congratulate George Adam on securing this debate on the Fairtrade campaign, take a step in 2012, which launches Fairtrade fortnight.

I declare an interest as a stallholder at the Ayrshire farmers market, and refer members to my entry in the register of members' interests.

Fair trade is one of those concepts whose time has truly come, in Renfrewshire and elsewhere. It is one that is national and international in its delivery, supporting third-world producers and providing retail outlets for them.

Before I go any further, I should say that Annabel Goldie told me to say that she is sorry not to be able to speak in this debate as she has a prior commitment in Glasgow. However, she supports the motion and has a particular interest in fair trade, as her home village of Bishopton apparently was the first village in Renfrewshire to achieve Fairtrade village status, which it did in 2007. Miss Goldie feels that bringing fair trade down to that local, community level helped to educate people and heighten awareness.

Fairtrade is growing into a universally recognised brand, and nowhere more so than in Ayrshire, in my constituency, where a Fairtrade partnership was set up in 2004. Indeed, Ayr was awarded Fairtrade town status on 26 February 2007, almost five years ago today. This debate could in effect be regarded as celebrating the fifth anniversary of that status.

I want to pay tribute to the many volunteers, representing all aspects of our community, who support fair trade in Ayr and Ayrshire. James Kelly also referred to volunteers. A large number of organisations are involved, including South

Ayrshire Council, our churches, our community organisations and many local businesses, including retailers and caterers.

It is particularly important that our schools play a significant role in supporting fair trade. The time, effort and money that is given by our school children in selfless support of people in developing countries, who are less well-off than ourselves, is an excellent introduction to volunteering and charitable giving, and is very much part of the educational awareness raising.

The Ayrshire farmers market, with which I have been so much involved, offers our Fairtrade friends a stall, which gives the local farming community the opportunity to support in a modest way disadvantaged farmers and food producers elsewhere in the world. They have been loyal stallholders at our markets for many years.

One of the real benefits of the Fairtrade movement, quite apart from the provision of retail outlets for fairly traded products, is the binding together of various parts of local communities into the common cause of physically supporting disadvantaged communities in foreign lands. The consensual support that is evident in the Parliament tonight demonstrates that politicians of all parties, churches of all faiths and businesses that normally compete with each other can and do unite in support of a demonstrably good cause. That unity of purpose and expression of support is what makes this celebration today important.

I commend the motion, and congratulate George Adam on bringing it to the chamber.

17:40

Joan McAlpine (South Scotland) (SNP): I, too, congratulate George Adam on securing the debate. I am delighted to join him and other members in supporting the motion and welcoming the take a step in 2012 campaign, which is launching Fairtrade fortnight. I am delighted, too, that our Scottish National Party Government is supporting Fairtrade fortnight. I extend a warm welcome to the visitors from Ghana, Nicaragua, Uganda, Palestine, India, Malawi and Kenya who are visiting Scotland for the fortnight. As others have said, it is surely only a matter of time before Scotland will cement our solidarity with those countries by achieving the status of Fairtrade nation.

In my own South Scotland region there is a special reason to celebrate Fairtrade fortnight, because just last week Dumfries became the most recent Fairtrade town, joining Castle Douglas, Kirkcudbright, Dunscore and Wigtown, which have already achieved that status. The status represents many years of effort by the Dumfries fair trade group, which was formed five years ago

and has been working towards achieving the status for quite some time.

There will be a special celebration in the former Bakers Oven in the High Street on Saturday with a fair trade cake. On Sunday, there will be a celebration service at St John's Church. That is particularly fitting because the churches have been some of the strongest supporters of the campaign to make Dumfries a Fairtrade town. It is a first-class example of ecumenical activity that has brought together members of the Church of Scotland, the Roman Catholic Church, the Quakers, the Episcopalians, the Baptists and the United Reformed Church, which together make up the majority of Christian worshippers in Dumfries

As well as churches, schools have played an important part—others have mentioned them, too—in helping Dumfries to achieve the status of a Fairtrade town. I do not think that it is a great surprise that so many people have cited the influence of schools in the fair trade movement, because I think that children have an acute understanding of fairness and what it means. Children in particular understand that it is wrong that the small pleasures that we enjoy can cause pain and suffering to others thousands of miles away.

I want to cite one example of that, as we approach Easter, which is chocolate. Children enjoy chocolate, as do many adults, including me—probably too much—but how many of us know that, according to the United Nations Children's Fund, 200,000 children are victims of child trafficking each year in west and central Africa, where most of the world's cocoa is produced? We often talk about chocolate being a guilty pleasure, but I am afraid that in this case that is particularly true.

There has been progress, thanks to the fair trade movement. In particular, the Kuapa Kokoo farmers co-operative in Ghana, which was established when the internal marketing of cocoa in that country was liberalised in 1993, has made an enormous difference to the lives of people living in cocoa-producing communities. The co-operative works towards improving the social, economic and political wellbeing of members and communities. It has built several schools and has provided sanitation and clean water pumps, which have made a huge difference. Members will be pleased to know that they can support the co-operative by buying Divine chocolate, which is on sale in the Parliament—so they need to feel guilty only about the calories in the chocolate and not about making people suffer as a result of buying it.

To return to the case of Dumfries and Galloway, one thing that has been very apparent is that fair trade is not just a moral choice, because it can also be good for businesses. In particular, we

have noticed that that is the case for the tourism community. For example, bed and breakfast businesses have reported that they get extra bookings if they can offer visitors Fairtrade tea and coffee and other products. As well as being a moral choice, fair trade makes good business sense.

Again, I congratulate George Adam on lodging the motion, and I look forward to an announcement in the near future about Scotland achieving Fairtrade nation status.

17:44

Jim Eadie (Edinburgh Southern) (SNP): Like colleagues, I congratulate George Adam on securing this important debate. We have heard this evening about the importance of fair trade in helping to make the world a fairer place and about Scotland's ambition to become a Fairtrade nation. We can all unite across the chamber to champion that cause.

Scotland's commitment to fair trade is central to the values of our society, which is committed to tackling and eradicating poverty at home and abroad. The movement is a way in which individuals can directly bring real benefits to people living in poverty in developing countries.

Alongside the Scottish Parliament and organisations such as the Scottish Catholic International Aid Fund, Oxfam and Christian Aid, we are all campaigning for Scotland to become a Fairtrade nation. As a nation, we have an opportunity to unite in supporting efforts to ensure fair trading practices that will be of benefit to the developing world and that will make a real difference to the lives of the people who live there, as James Kelly said.

Many respected organisations in Scotland have joined together in the push for fair trade, creating the Scottish Fair Trade Forum. I welcome the Scottish Government's support for the forum, which has seen its funding double between 2010-11 and 2011-12. I pay tribute to John McAllion, a former member of the Scottish Parliament, who will stand down as the chair of the forum later this year.

Fair trade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. According to the definition set out by the Fairtrade Foundation,

"Fair trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers".

I think that we would all support that.

Requiring companies to pay sustainable prices, which must never fall lower than the market price, fair trade helps to address the injustices of conventional trade, which traditionally discriminates against the poorest and weakest producers. Fair trade enables them to improve their position and to have more control over their lives.

According to the *OECD Journal on Development*, economic growth through trade is potentially the single most powerful tool for eradicating poverty. Even small increases in trade could result in billions of extra pounds for developing countries. However, as they stand currently, many international trade rules are still considered unfair. For example, according to SCIAF, there are still too many deals that protect big companies at the expense of small farmers or that force unstable and newly emerging economies in developing countries to open their markets to European products more quickly than they should. It is that which perpetuates poverty on a larger scale and it is fair trade that has the capacity to challenge the unfairness at the heart of the global trading system.

It is self-evident that a widespread change to fair trade standards will help to eradicate poverty. It will also aid our efforts to stop child and adult trafficking—something that Joan McAlpine talked about when she spoke of child trafficking in cocoa industry areas. If the developed world buys cheap cocoa and cotton, for example, and turns them into expensive chocolate and clothes, it is the poor in countries such as Ghana and the Ivory Coast who ultimately suffer and are forced into a cycle of hazardous and unfair farming practices. By supporting Fairtrade-certified producers and distributors, we are aiding a global cause that has the potential to make significant changes in trade and improve the lives of farmers and producers in the developing world.

Pursuing Fairtrade status for Scotland will lead to consumer benefit both at home and abroad; the creation of educational opportunities; environmental protection through the reduced use of pesticides; better medical care and increased standards of living in rural villages; and new methods of clean water access. We should embrace fair trade as a means of tackling those issues and we should all look forward to the day when Scotland can take its place as a Fairtrade nation.

17:49

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): I echo the sentiments that have been expressed in the chamber and thank George Adam, the cross-party group on fair trade and its co-convenor, James

Kelly, for their involvement in the debate. I also thank George Adam for securing the debate. I add my congratulations to local authorities such as Renfrewshire Council and West Lothian Council on achieving Fairtrade status, and I congratulate Ayr on the fifth anniversary of its achieving Fairtrade status, which John Scott referred to.

This promises to be an exciting year for fair trade, as Scotland aims to become a Fairtrade nation in 2012. The criteria that describe the steps that we need to take to achieve that were jointly developed between the Scottish and Welsh Administrations. Wales announced itself as the world's first Fairtrade nation in 2008, and Scotland will soon follow.

For us to meet the criteria, 55 per cent of local authorities need to become Fairtrade zones; 100 per cent of cities should have Fairtrade status; and 55 per cent of towns and 60 per cent of higher education institutions need to have active groups working towards achieving that status. However, I will reflect on the point that Linda Fabiani made. She is right to give a word of caution that we should challenge, inspect and drive forward what we mean, in qualitative terms, by the fair trade agenda.

All six of Scotland's cities are already Fairtrade cities, and 65 per cent of higher education institutions have now achieved Fairtrade status or are working towards achieving it. The Scottish Fair Trade Forum has been working hard to achieve the remaining unmet Fairtrade nation criteria, particularly by increasing the number of Fairtrade towns.

There are 61 towns in Scotland that have either achieved Fairtrade status or an active fair trade steering group. A further nine towns are expected to launch their fair trade steering groups during Fairtrade fortnight. That would leave Scotland requiring 22 more towns to establish an active group and get involved in the campaign for us to meet the criteria.

Within my constituency, Bathgate, Linlithgow and Whitburn have all achieved Fairtrade town status, which is a credit to the hard work of the local steering groups. It has also been an honour to support schools such as Boghall primary, Bathgate academy and Linlithgow academy in their efforts. The relocated Fair Tradewinds shop in Linlithgow is also successful.

It was important that we heard from members such as James Kelly, who reflected on the impact of local campaigns in his constituency.

I confirm that all 32 local authorities in Scotland are involved in the campaign, with West Lothian Council the most recent to become a Fairtrade zone. In total, 14 local authorities have achieved

Fairtrade status and only four more are required to do so to meet the criteria.

An assessment panel will meet in the autumn to review our evidence and judge whether Scotland has achieved enough to become a Fairtrade nation. I am confident that we will have done so, but we have to strive to go beyond that. Therefore, we must turn our minds to what lies beyond Fairtrade nation status, as I think Linda Fabiani was challenging us to do.

I thank the staff and volunteers of the Scottish Fair Trade Forum for their hard work and dedication in getting us to this point. I look forward to participating in a number of events during Fairtrade fortnight. I will attend a fair trade celebration in Linlithgow and speak at an event at the University of Edinburgh organised by the Scottish Fair Trade Forum. However, we should not forget that promoting fair trade is a year-round challenge, not only the work of a fortnight.

Evidence suggests that fair trade sales are holding up, despite the recession. In 2010, sales of fair trade products soared by 40 per cent to an estimated retail value of £1.17 billion, and the Fairtrade Foundation is expected to reveal another increase in sales.

However, in this tougher economic environment, it is important that all of us, as consumers, think carefully about how we spend our money and do so responsibly. That is equally true for the public sector. George Adam and Linda Fabiani raised that issue. Many people feel that more can be done to support fair trade through public sector procurement. The Scottish Government will introduce a sustainable procurement bill in this session of Parliament to maximise the economic impact of the £9 billion annual procurement spend and to ensure that public procurement in Scotland delivers environmentally sustainable, socially responsible and innovative goods, services and works.

Scotland has always been an outward-looking, innovative and caring nation. As George Adam said, it is not good enough to be socially just at home; we need to be socially just abroad as well. The global fight against poverty and inequality is no different, and Scots are active in that fight at home and overseas. The Scottish Government's international development policy demonstrates our commitment to supporting countries in the developing world, such as Malawi.

I was pleased to hear from Mark McDonald about the visits from Malawi to the north-east of Scotland. I am incredibly proud of the unique and special relationship between Scotland and Malawi. An example of that is the Scotland-Malawi trade project, which was funded by the Scottish Government to create links between Malawian

producers and Scottish buyers. Strong partnerships such as that ensure that local people are part of the decision-making process and are creating and shaping their own future.

The fair trade movement in Scotland is another good example. Earlier today, I was delighted to meet pupils from Selkirk high school who have shown leadership in supporting and promoting fair trade in their local community. The pupils all participated in their school's Fairtrade cotton t-shirt and poster design competitions. I was delighted to judge the t-shirt competition and select the winning design, and I congratulate the winners, Harry Murphy and Jo Marr.

James Kelly and Mark McDonald were quite right to identify the impact of education on the leadership role within the fair trade movement. The local steering group in Selkirk has also ensured that that town is the latest in Scotland to achieve Fairtrade town status. Joan McAlpine might want to reflect on whether Dumfries and Selkirk will be cheering at the same time, as she said that Dumfries is about to celebrate becoming the latest Fairtrade town as well.

George Adam referred to cotton. An example of an innovative approach to supporting fair trade in Scotland is the Fairtrade cotton schoolwear campaign. The campaign, which began in November 2009, seeks to improve the slow rate of growth of the Fairtrade cotton industry and to respond to the huge demand from schools to be involved in and to embrace fair trade. The campaign aims to raise awareness of fair trade, help schools to switch, encourage shops to stock Fairtrade cotton products, and help to combat many unacceptable problems in the cotton industry, such as child labour.

In becoming a Fairtrade nation, Scotland is demonstrating that we are delivering real and lasting impacts, contributing to reducing poverty and improving the lives of the people whom we seek to support as well as helping them to access their rights. I am talking about our duty and our social responsibility. We can do that at home and, once we have achieved Fairtrade nation status, we will continue the campaign to influence people abroad.

Meeting closed at 17:57.

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