

ENTERPRISE AND LIFELONG LEARNING COMMITTEE

Wednesday 30 October 2002
(Morning)

Session 1

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CONTENTS

Wednesday 30 October 2002

Col.

TOURISM INQUIRY	2905
WORK PROGRAMME	2954

ENTERPRISE AND LIFELONG LEARNING COMMITTEE

28th Meeting 2002, Session 1

CONVENER

*Alex Neil (Central Scotland) (SNP)

DEPUTY CONVENER

*Miss Annabel Goldie (West of Scotland) (Con)

COMMITTEE MEMBERS

*Rhona Brankin (Midlothian) (Lab)

*Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab)

*Mr Adam Ingram (South of Scotland) (SNP)

*Gordon Jackson (Glasgow Govan) (Lab)

Marilyn Livingstone (Kirkcaldy) (Lab)

*Mr Kenneth Macintosh (Eastwood) (Lab)

David Mundell (South of Scotland) (Con)

*Tavish Scott (Shetland) (LD)

*Andrew Wilson (Central Scotland) (SNP)

COMMITTEE SUBSTITUTES

*Mr David Davidson (North-East Scotland) (Con)

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

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

Elaine Thomson (Aberdeen North) (Lab)

*attended

WITNESSES

Dr Roger Carter (Adviser)

Mike Watson (Minister for Tourism, Culture and Sport)

CLERK TO THE COMMITTEE

Simon Watkins

SENIOR ASSISTANT CLERK

Judith Evans

ASSISTANT CLERK

Jane Sutherland

LOCATION

Committee Room 3

Scottish Parliament

Enterprise and Lifelong Learning Committee

Wednesday 30 October 2002

(Morning)

[THE CONVENER *opened the meeting in private at 10:03*]

10:05

Meeting continued in public.

Tourism Inquiry

The Convener (Alex Neil): Item 2 is our inquiry into tourism. As agreed, Gordon Jackson and I, substituting for Adam Ingram, undertook the case study visit to California. Gordon will give a verbal report, which will be followed up by a detailed and comprehensive written report.

Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab): And slides.

Gordon Jackson (Glasgow Govan) (Lab): Thank you. The point about the detailed report is important. It will take a detailed report to get across the value of what we did. This is a brief summary and a few ideas about what we are doing.

We met a lot of people. We met people from the British Tourist Authority, the Pasadena Convention and Visitors Bureau, the California Division of Tourism, the California Travel and Tourism Commission, the National Park Service, the Presidio Trust, the San Francisco Convention and Visitors Bureau and the Scottish technology and research centre at San Jose. The visit was worth while—I am sure that Alex Neil will agree with that—and we got a lot of information.

We got information on the way in which Scotland is marketed, although I am not sure that that was the most important thing that we got. We got a huge amount of information on the way in which California markets itself. Although it is different from Scotland, California had the same problem of having a large tourism market that was not doing terribly well until it managed to turn the situation around. The way in which the tourism industry in California went about its business impressed us greatly.

We met the British Tourist Authority in Los Angeles, which highlighted what we knew about the marketing of Scotland—that the number of

visitors who come to Scotland, after arriving in the United Kingdom from the United States, has been declining, although there has been a recent small increase. We must remember that Scotland relies on the United States for 27 per cent of its foreign visitors—visitors from England are not included in that category. No other country gets near that—nowhere else even gets into double figures. Therefore, anything that happens in the US market—for example, 9/11—makes a big impact on what happens here.

Some of the issues that we came across were obvious—you might say that we could have recognised them without going anywhere. For example, direct flights are a big issue. Americans are now travelling for shorter periods—as, I suppose, everyone is—because of limited holiday time. Once they get to London, the difficulty is often just a matter of time. They say that they would quite like to come to Scotland, but getting here without direct flights is a big issue. There are 823 flights every week from the United States into the United Kingdom, of which 23 flights are to Scotland. There is a serious gap in the market. Only 10 per cent of Americans who come to the UK come to Scotland and that includes the ones who come to the UK to visit Scotland—the ones who come direct to see where their granny was buried. Of the people who come on a general visit, therefore, fewer than 10 per cent make the journey to Scotland. It is essential that we have some strategy to ensure that a bigger percentage of those who travel to London come to Scotland.

We were impressed by the way in which the British Tourist Authority in California is concentrating on niche marketing. The Los Angeles office has tremendous statistics on the niche markets. For example, there are senior citizens who have money to spend and might be interested in coming to Scotland. The gay and lesbian market is also a huge niche market in the US; it has been actively examined by every organisation in America that is trying to attract tourists. For some reason that I do not understand, that market is not affected by events such as the 9/11 attacks and those consumers continue to travel as before. That is the point of niche marketing. You can find different groups that are affected by different circumstances and events. We need to do that better.

Although we found the operation and the people whom we dealt with in Los Angeles impressive, not having a peculiarly Scottish presence is a problem. It would be extremely beneficial to have someone, perhaps from VisitScotland, working in that office specifically to deal with the Scottish dimension. With the best will in the world, the BTA has no specific goal to attract tourists to Scotland, although it will occasionally put a pipe on the front of its pamphlets. We do not think that it is a good

idea for VisitScotland to duplicate that work in California, but it should certainly consider how it might piggyback on to that operation in its own right. The research that the BTA does is absolutely excellent and VisitScotland should certainly be utilising it more to drive the Scottish product.

The perceptions that we encountered were interesting. For example, although the conference and convention market is very big, it was not clear how all our key players joined up. In fact, the theme that we will come back to time and again over the months is the lack of joined-upness. Looking at the situation from the American end, it was unclear how our key players were joining up. There are convention bureaux in individual cities, destination management companies and hotel groups. We got the impression that, in relation to marketing over there, no one really seemed to know how our key players all worked together, if they worked together at all. We trumpet our major events unit, but the people in the BTA in Los Angeles had never heard of it. They had no knowledge whatever that we had a major events unit.

The Convener: They had not heard of tartan day, either.

Brian Fitzpatrick: That is no surprise.

Gordon Jackson: It may not be a surprise, but it is certainly not a good sign.

We were extremely impressed by the BTA operation. We would not knock it or the people who work there at all.

The Convener: I do not think that it was their fault that they had not heard of tartan day. We are not blaming them.

Gordon Jackson: No, indeed not.

Brian Fitzpatrick: Trent Lott and Andrew Wilson can publicise it.

Gordon Jackson: We thought that we had quite a lot of work to do to get Scottish value out of the BTA.

We went to Sacramento to see the California state marketing. That was in some ways the most interesting part of the trip and I would like to revisit that in much more detail in due course with the committee and with the Minister for Tourism, Culture and Sport. How that marketing operates is extremely interesting and I am not sure that I can explain it in only a few minutes.

The California Travel and Tourism Commission has 36 members, 12 of whom are appointed by the state governor as quango-type appointees—often for purely political reasons, if the truth be told. The other 24, or two thirds, are directly appointed by the industry and represent the four main areas of tourism—accommodation, transport,

retail and attractions. Of course, attractions in California are a much bigger thing than they are here. The industry-appointed members are voted in by their respective industries, but it has been ensured that the high-level players are engaged. The list contains the absolute pick of the crop; the people at the top end of the market are involved.

The commission is the policy-making body; the impressive tourism division delivers the strategy that the policy-making body puts in place. I am aware that I will not be able to explain this fully in just a couple of minutes, but both organisations are joined up. One person heads both those separate organisations and that person is paid for by the private sector. There is a political reason for that, which would not necessarily apply to how we do things here. It means that, if the Government changes, the whole organisation does not have to be changed.

If I became much more nationalist over there, Alex Neil became much more of a public-private partnership man—

The Convener: That was at 11 o'clock at night, Gordon.

10:15

Gordon Jackson: We were struck by the absolute genuineness of the partnership between the state agency and private industry. My opinion is that VisitScotland says in a rather patronising way that it consults the private sector and takes what it says on board. If the private sector is asked about that, it tends to say that VisitScotland is not doing a very good job.

In California, the same situation is joined up to the point at which it could be said that the private sector is driving the agenda. It secures its funding through a tax, which all businesses that are involved in Californian tourism pay based on their turnover. Small businesses do not have to pay the tax, as there is a level at which businesses start to pay, but all those with a certain level of income derived from tourism have to pay it.

The tax began as a voluntary scheme, but it works so well that the industry is keen to pay it—it is not a matter of contention. The private sector puts in \$6 million each year through the tax, which is not a huge amount of money, and the public purse puts in another \$6 million. The money is put into a joint strategy fund. Without bogging the committee down in detail, I should just explain that the accounts are kept in two separate, but highly transparent, accounts. The private sector knows where its money goes; it does not see it disappearing into a black hole. The public and the private sector really work well together.

The system produces slightly amusing anomalies such as the occasion on which we were

taken for lunch. As the state is not allowed to buy anybody lunch, the bill came out of the private sector's joint strategy account.

The Convener: They do not have much money left.

Gordon Jackson: We did not exactly empty their account.

Miss Annabel Goldie (West of Scotland) (Con): Just as well that you did not buy lunch, Gordon.

Gordon Jackson: There was no danger of that.

It was extremely interesting to see the way in which the state organisation and the private sector worked together. I would like to return to that when we give a more detailed report. Perhaps the problems with VisitScotland mean that it should be remodelled entirely to achieve a closer partnership between the big industry players, who know what they are doing, and the public sector, which has responsibility for the public purse.

It was possible to see the results of such a partnership everywhere. Golf promotions were undertaken with golf professionals—everything was very joined up. The strategy has begun to turn around what was a worrying decline in tourism. It is also interesting to note that the industry can vote to retain or abolish the California Travel and Tourism Commission, although so far the commission has been found to be extremely successful.

We looked at some local structures. We went to Pasadena, which I have to say is beautiful. If members are thinking of going on a wee holiday to California, they should spend a few days in Pasadena. The convener agrees that it is a lovely place.

The Convener: Yes.

Rhona Brankin (Midlothian) (Lab): We are trying to get people to come to Scotland, Gordon.

Gordon Jackson: I promised the wife in Pasadena that I would say those things.

We met people from the Pasadena Convention and Visitors Bureau. I have to say boringly that everything that we saw was joined up. We were given that message everywhere that we went. The bureau is a city organisation, but it works with local industry. The woman who worked there described her function as getting heads on beds, which is getting people to the hotels. All the other spending flows from getting people to stay in the hotels.

Miss Goldie: Heads on beds? Where was the rest of them?

Gordon Jackson: Indeed, but that is just the phrase that they use.

We were interested in the fact that the city employs salespeople to sell Pasadena as a conference destination. Like all salespeople, they are set specific goals, have performance measurements and must get a certain amount of business a year if they are to be paid—I presume—or be successful. Of course, the grass is perhaps always greener on the other side and I must be careful about that. However, our impression is that the bureau has clarity of vision. It seems to know precisely what it is doing and why and what its strategy and targets are.

Pasadena has invested hugely in regenerating itself. Although it is part of Los Angeles, it is a stand-alone city. The city regeneration has had a significant effect on increasing the number of visitors. I have spent a long time in Glasgow's merchant city and I could not help but compare that area with Pasadena. In Glasgow over the past 20 years, we have done a wee bit here and there and have been talking for years about regenerating the merchant city to make it more attractive. However, Pasadena just went out and made the city more attractive. Again, we found the linkage between the bureau and the private sector extremely interesting and we will come back to that in detail.

We also visited the San Francisco Convention and Visitors Bureau, but that became slightly repetitive because the same message was being reinforced for us. The San Francisco bureau has 22,000 members, so it is a big set-up. Obviously, San Francisco has advantages to start with in terms of attracting visitors. For example, it has Alcatraz. I cannae see Barlinnie ever competing with that.

Miss Goldie: Would water help?

Gordon Jackson: Aye.

Rhona Brankin: Come to Barlinnie and see slopping out.

Gordon Jackson: When we were in San Francisco, there was supposed to be a huge concert that night, but even in America things go wrong. The band had just cancelled that afternoon, so the bureau was having a rather hectic day. Again, San Francisco has a sales force that goes out to different parts of the United States to sell the city as a convention destination.

We saw some interesting, small things that any city could mimic. For example, there was a terrific arts programme. The bureau gave us a booklet of free tickets for theatres and so on. That was good, but we did not use many of them. I used one to go to a museum. The booklet covers all the city's attractions. Every visitor from the tourist industry gets the booklet, which is not for the public but for people who make decisions about others coming to the city. The bureau said that the booklet works

well. It gives a good impression that the city is an hospitable place. All the players in the city join in producing the booklet, which is given to people who are trying to sell the city. The booklet is a small thing, but it is extremely good.

San Francisco does not have a tourism department in its local government. The visitors bureau is responsible for tourism, but it works with the mayor and the city authorities. Again, we heard the same message time and again—I am sorry to be so boring about this—that the city allowed the private sector to drive tourism promotion. Alex Neil and I could not see much wrong with that, as it seemed to work extremely well.

We went to the San Francisco national parks, which were fascinating. A board of industry leaders has been established to run the national park area, which has a complicated structure, with a separate trust for the Golden Gate bridge area. The job of the industry leaders is to lever in funding and their ability to do that is fantastic. Top industry leaders are on the board, so if a promotion or free advertising is needed, those industry leaders can get free advertising on the television. Those guys can deliver things. They are levering in funding all the time.

An interesting thing about the Golden Gate national park was the brand image. I do not know whether anyone has visited that park recently, but it has a fantastic brand image. Expert designers have been brought in to create a style of advertising—if that is the right term—that is used on every piece of paper and on every poster. I do not know whether we have an example of it with us, but everything that we saw had the same style of advertising. That was extremely impressive.

As I will mention in our report, we visited one place that perhaps disappointed us, which was the STAR centre in San Jose. It is perhaps wrong to say that it disappointed us. The people did not disappoint us, but we wondered about the use of the centre. The STAR centre was set up by Scottish Enterprise to allow businesses to incubate inside its premises. The premises are not provided free, but businesses that go over there to put a product on the market can make use of its suite of smart offices and central conference room. There are about seven or eight double offices, which firms can use. They need to pay, but they are given all the research, facilities and back-up of Scottish Enterprise. The set-up is impressive, but only one person is using it at the moment. It is like a ghost town. It is a beautiful place, but it is virtually empty. My impression is that the place has never been very full, although it has certainly been fuller than it is now.

We wondered about that centre from the tourism point of view. Scottish Enterprise's developments

in California have focused—not unreasonably—on biotechnology and technological markets, but there are problems with those markets at the moment. Scotland has an extremely impressive and hugely expensive set-up over there in which there is nothing happening. It was actually quite sad to walk about in it. The set-up no doubt costs all kinds of money—we were given the figures; no one was hiding them from us—but nothing is actually happening there. We wondered whether VisitScotland should think about that. VisitScotland has some joint ventures with the people involved and occasionally uses the facilities.

However, the companies that try to bring in conferences and conventions—they are called destination marketing companies, or DMCs, in the trade—do not use the facility at all. There seems to be a lack of awareness on this side of the Atlantic about the existence of the facility. Many companies, such as Scottish golf companies, DMCs and convention bureaux, might be interested in establishing tourism links to the centre. I have a sneaking suspicion that, if we asked those companies why they do not use the STAR centre in San Jose, their eyes would glaze over. I may be quite wrong, but my suspicion is that the centre is not being used because no one has ever heard of it.

In summary, we have a facility in California that we could use. British tourism's marketing is good, but the Scottish element is not working. The STAR centre is grossly underused. We think that we could learn a great deal from the structure of the Californian system, on which we can provide the committee with further detail. The Californian system allows for genuine partnership with the private sector, in which the private sector can drive the agenda.

I hope—I may be wrong—that we have not given the impression that we wasted our time. The visit was worth while and will enable us to feed in a lot of useful information in due course.

The Convener: Before I open up the meeting to questions, I want to place on record our gratitude to all the people who received us and gave us excellent hospitality. We really were well treated. The British Tourist Authority's Los Angeles office gave us a very full presentation. We were there for four and a half or five hours—it was getting on for a good while anyway—and we could have stayed for another four or five hours and still have been learning. The visit was extremely useful.

It is quite interesting that the British Tourist Authority flew over one of its senior managers from London to ensure that we saw what we needed to see. I do not know about Gordon Jackson, but I have not had a phone call from VisitScotland to ask whether we found anything interesting. There was an energy about the people

who worked for the British Tourist Authority that, quite frankly, I have not experienced from the VisitScotland people in the case visits. That is disappointing and it is something that we need to address.

One thing that Gordon Jackson did not mention but that we both found interesting was that we flew by Aer Lingus and went through US immigration in Dublin, with which committee members will be familiar, in about three nanoseconds. Anyone who goes to the US knows that immigration can take hours. Someone told me yesterday that it had recently taken them two and a half hours to get through immigration. That is linked to the issue of direct flights. If we had the volume—or anything near the volume—that Dublin has, we would need some way of replicating that fast movement through immigration. I hope that that would also happen coming back the way, because we are trying to get folk into Scotland.

10:30

I was also struck by the fact that, as Gordon Jackson said, each of the organisations that we met not only had an extremely clear marketing vision, but was a selling organisation. For example, the Pasadena Convention and Visitors Bureau had half a dozen full-time salesmen on the job. They had a budget of \$1.5 million a year. Every salesman had a target and at least part of their remuneration was based on performance. Everywhere that we went there was a sales function and not just a marketing function. That meant that the organisations were measured at least to some extent on their sales performance as well as on their marketing performance.

I emphasise that, after the BTA visit, Gordon Jackson and I independently reached the conclusion that the sensible thing for VisitScotland to do would be to have a representative in each of the BTA offices. That representative would not be in a separate office, but would piggyback on and use the vast resource that is offered in those offices.

In the case study that David Mundell and I carried out, we interviewed Eddie Friel, who runs the Greater Glasgow and Clyde Valley Tourist Board. He told me that, back in the 1980s, when he was running the Northern Ireland Tourist Board, he was based in New York. His job, at the time of the hunger strikes and the death of Bobby Sands, was to promote tourism to Northern Ireland, which he was able to do successfully. His strategy was to get a desk in the BTA office in New York. The only other member of staff was his secretary or a part-time secretary. He used the BTA resources, but was there to put the Northern Ireland perspective. I believe that the Welsh are thinking of doing the same thing.

That history shows that, without a great deal of additional resource, we could make greater use of the BTA. The BTA has a British remit; it does not have a Welsh, Northern Irish or Scottish remit. Although I got the impression that there is an attempt in Los Angeles to ensure that Scotland gets its fair share, that is no substitute for a presence of some kind, which would be a pretty marginal cost to the total VisitScotland budget.

Gordon Jackson: There was certainly no anti-Scottish bias in the BTA. I want to make that clear. There might even have been a slightly pro-Scottish bias—Scotland perhaps got more than its fair share, because it has tourist attractions. However, I agree with Alex Neil that that is not a substitute for piggybacking on the BTA and for having someone there with one, focused job.

Miss Goldie: That is fascinating. I cannot help comparing it to the case study visit to Denmark. Clearly, common themes are emerging in different parts of the world. A useful message is coming through to the committee from that.

In so far as the California Division of Tourism and the California Travel and Tourism Commission are trying to bring visitors to California, how do they measure whether they are successful? Who are they targeting? Gordon Jackson mentioned that they were involved in niche marketing. We learned in Denmark that the country had branded itself using certain themes. Having branded itself as an attractive place to think of going to, it provided people with what they might need when they were going there. What is the Californian strategy? Are the people there making a success of tourism and how do they measure it? What markets are they aiming for?

Gordon Jackson: The California Division of Tourism and the California Travel and Tourism Commission are certainly branding California. I have videos that they gave us. They have gone in for it in a big way. Clint Eastwood has featured, because he is a pal of the mayor. They have an extremely good DVD; it is quite short and begins in San Diego. They are very much into the message. California can brand itself in some obvious ways because it has the sun and the whole business. I cannot remember how California measures its success. Its big thing is internal United States travel. The market is different; it is not looking for people to come from Scotland to California. It is nice if we go there, but that is not their big market. The Californians are looking for people travelling internally in the US.

Miss Goldie: What proportion of their visitors are international visitors?

Gordon Jackson: The proportion is tiny.

The Convener: After 9/11, they have deliberately changed their strategy. Not only are

they targeting the internal market in the United States, but they are targeting the internal market in California. They are trying to go for people who can drive, because of the impact of 9/11 on flying within the States.

Gordon Jackson: We thought that we could learn from their structures, but their target is entirely different. Their structures are interesting, but they target people from the rest of California. As members will know, California is the sixth biggest economy in the world and it has a population of 33 million people. Most people who go to San Francisco come from other bits of California. It is the same in Los Angeles. The target is different, but we found the structure of their organisations extremely interesting.

Miss Goldie: It is strategically strong.

Gordon Jackson: Yes. I call them separate organisations, but they work in the one building. It is all one thing, but two separate structures are kept to provide accountability. The private sector can see where its pennies have gone and does not have the sense that when it puts money into things, it disappears.

Brian Fitzpatrick: I am pleased to hear what Gordon Jackson says about the structures. As the convener knows, I was leery about the notion of California being a comparator and was a bit disappointed that we did not send Gordon Jackson and the convener on further, to New Zealand, which would have been a much more useful comparator.

Gordon Jackson: Now you tell us!

The Convener: I would be happy to go.

Brian Fitzpatrick: It would be useful to consider somewhere that has taken a hard look at its environment and what it can offer.

It will be interesting to see the detailed report on California, because we have to get underneath some of the gee-whizzery. A guided tour does not always provide all the details. My anecdotal experience of driving from San Francisco and trying to get a bed for the night is that the local accommodation services are good at telling you that Santa Barbara is full but are not very good at telling you where to contact in San Jose. There are common threads. We have the same arm-round-the-jotter approach in a lot of our ATBs.

We must reflect, as Gordon Jackson does, on the peculiarities of California, such as the phenomenon that is the convention in the United States, which explains in part how Americans manage to extend their two-week holiday entitlement. We cannot replicate that. We might be able to nick bits of it, but at best that is all that we will be able to do, and we will not even be able to do that immediately.

I am interested in finding out whether some of the finer detail about the high-value US visitors who come to the UK could be established through the BTA or VisitScotland. I do not necessarily subscribe to the view that if we could get direct flights into Prestwick, Edinburgh or Glasgow, folk would get on them. Our experience is that they do not get on them. I am more interested in how we sell the connections to people who come into London.

Miss Goldie: How do we know that folk do not get on direct flights?

Brian Fitzpatrick: Because we have had them and they have not been used. We seem to get our Barnett share of visitors, about 10 per cent, but how do we increase that? Instead of focusing on direct flights from the US, perhaps more information should be available in the States about the availability of internal transport connections within the UK, so that people who arrive in London and consider going to Paris might think about coming to Edinburgh or Glasgow. We need to have a notion of where people are going and why they go. Most non-retired Americans who come to Europe are coming for very short time spans. That provides scope for us.

I caution against the temptation for us to be overly prescriptive or to micro-manage—I do not think that Gordon Jackson is suggesting that. The problems relating to the STAR centre in California owe much not just to what happened on 9/11, but to what has been going on in the American economy, to which we are not immune. For what it is worth, I endorse Gordon Jackson's view. I do not see people rushing towards San Jose in particular as a centre.

I like what has been said about a BTA presence. I do not think that such a presence necessarily means someone in a VisitScotland jumpsuit sitting in BTA in Los Angeles or wherever, but the functionality needs to be there. Someone must have information. To that extent, I think that we could get the benefit of two and two making five, which we should push for.

Gordon Jackson: I agree, but things will not get done unless there is a person in a jumpsuit. At the end of the day, the functionality and the information are fine, but unless somebody is there who is motivated to drive the agenda, I suspect that things will not happen.

I do not disagree about direct flights. I made a point about direct flights, but it can be overstated. There are only 23 such flights. If that number were doubled, there would still be only 46, but some 825 come into the UK. Most traffic comes in to the south. We must have a clear strategy to bring people up here.

I was slightly disappointed when I asked people on trains, for example, about their vision of Scotland. They did not have much idea about it. As members know, I was in Canada a fortnight before. Canada is different; there is a Scottish background. Scotland does not need to be marketed in Canada in the same sense. Everybody is clear about Scottishness. However, I found that California did not know much about it at all.

The Convener: Another advantage of having somebody in a jumpsuit relates to information, which Brian Fitzpatrick mentioned. Information about when people come to London and what kinds of people stay in London, go to Paris or come to Scotland is there; it is on tap in the BTA offices.

Gordon Jackson: There is terrific research.

The Convener: That is why we need somebody in a jumpsuit who can access such information from a Scottish perspective and boost Scottish tourism. From BTA research, it is clear that one reason why people go to London but do not come to Scotland is that, in the States, people have only two weeks' holiday a year. Once their travel time from the States to London is taken into account, they have about 11 or 12 days left. They perceive that they do not have enough time to come to Scotland. Retirees are much more inclined to come to Scotland. Perhaps we need to target our effort more at potential hits than we currently do.

Miss Goldie: My clear impression from the evidence that we took in Inverness from the BTA and VisitScotland was that they already work in close harmony and seem to have a joint desire to improve representation.

The Convener: That is what we were told, but on the ground—

Miss Goldie: I got the impression that such working is embryonic and happens to some extent, perhaps more in Europe than further afield.

Gordon Jackson: It must be gey embryonic in Los Angeles—there was little sense of it at all.

Miss Goldie: My impression is that neither organisation is hostile to the idea—

The Convener: No. We bounced ideas off the BTA people in Los Angeles. Far from being hostile, they were keen. As I said, the Welsh are already considering a similar approach. We told the BTA people about tartan day, which they had never heard of. They were amazed by the hype surrounding it on this side of the Atlantic.

Miss Goldie: Had the BTA never heard of tartan day?

Gordon Jackson: No, the people in that office had not.

10:45

Mr David Davidson (North-East Scotland)

(Con): The report was interesting. I attended a convention in California and saw how a convention is managed almost on an agency basis from here. Brian Fitzpatrick talked about how, once someone is in the convention package, there is no way out and nowhere else to go. All the trips are organised and people just sit back and enjoy it. That is the American style.

I want to pick up on the comments about the dispersal of people who come across here. We need to drive a policy of dispersal not just out of London, but out of the central belt. However, time is a factor for visitors.

I talked with BTA officials two years ago and again a year ago. They claimed that, although the BTA had a close relationship with the Scottish Tourist Board and then VisitScotland, it had made no push to tartanise a member of its staff and dedicate a desk to them. Many people who operate businesses that bring tourists from North America, including Canada, said that the BTA had no presence at some huge tartan events and that they had great difficulty in obtaining information.

I am not so concerned about people not knowing about tartan day. I was in America during the gulf war and people at the military base in San Diego did not have a clue that we were involved in the war. They could not care less what was happening in New York, as their local television service was not geared towards such news, because of the size of the States.

I would like to hear a wee bit more about the division of labour and resources between the public sector and the private sector. I presume that the \$6 million that goes into the joint exercise from the public sector is not US money, but local state and municipal money.

Gordon Jackson: No US tourism strategy exists.

Mr Davidson: Does state funding go into the partnership, or does funding come from each municipal grouping?

Gordon Jackson: We were talking about the state organisation. I am sure that local organisations duplicate its work in some way, but the commission that we are talking about is a state-wide promotional body.

The Convener: The \$6 million was from the state budget.

Gordon Jackson: That is the highest level of tourism funding. There is no US national tourism strategy or tourist board.

Mr Davidson: Were the state people happy enough for the industry to take the lead?

Gordon Jackson: I am not sure whether I would call it lead taking. It was real partnership. The people work together. We had joint meetings with them and the partnership was genuine. However, Brian Fitzpatrick has a point. When you go on such a visit, people show you their best face. Perhaps there are undercurrents that I was not told about, but the clear impression was that the partnership was genuine. It was headed by one person who headed both organisations. Whether an organisation was the lead or the non-lead, the system just seemed to work.

The Convener: The public sector guy who was the head of tourism in the governor's set-up reported to the private sector chief executive of the commission.

Mr Davidson: That is helpful.

Many business conventions and much business tourism take place in Aberdeen and Grampian, because of the oil and gas. Americans come in, conduct their business and spend a couple of days there. They are high-quality and high-value visitors. That side of tourism is doing quite well in Scotland in different locations, but the dispersal problem is relevant to that.

How did the organisations that you met market their business tourism outside the state? Did people just know that they were going to a place on business and so wanted a couple of days to do something?

The Convener: Marketing took place at state and local levels. For example, the state would take initiatives. The private sector provided \$6 million and the state sector provided \$6 million, but sometimes the sectors came together to engage in major marketing initiatives, or did so separately with agreement. Such initiatives leveraged in additional funding.

The \$12 million was used to lever in funding—I think that the leverage ratio over the piece was about 10:1 in any typical year. Sometimes, the public sector leveraged, perhaps with the state's local county promotion agencies. Sometimes, the public and private sectors leveraged together. Sometimes, it was agreed that private sector money would be used for a project.

At that level, many different things happened, but in Pasadena, the Pasadena Convention and Visitors Bureau related to the Californian strategy and played on the theme of the Californian state. The bureau's main marketing target was other people in California, rather than people from outwith the state. Business from outwith the state accounted for about 4 per cent by value of the bureau's business.

I want to return to the question whether someone from VisitScotland would handle Scottish

inquiries in the BTA office or whether a BTA employee would be designated to do so. I think that the BTA would find it extremely difficult, if not impossible, simply to designate one of its employees as the Scottish representative, because it would have to do the same for Wales. It would then find itself under pressure to do the same for London.

Furthermore, I am told that six of the English regional development agencies already have offices in California to promote tourism among other things. I imagine that each of the 15 regional development agencies in England would say to the BTA that it wanted the same representation, which would mean that it would need two dozen special representatives.

It would be more sensible to have a representative for Scotland and Wales and perhaps bring the English regional development agencies together with London. When Eddie Friel did the same in Northern Ireland, he found that such an approach worked. Instead of duplicating the cost of the BTA's work, we would use its extensive and very professional resource and marketing information to Scotland's advantage.

Mr Kenneth Macintosh (Eastwood) (Lab): Do you have any information on the sort of American visitors that the BTA attracts to Scotland? I have not quite got a feel for the matter, in particular the idea that we would attract additional customers. Many visitors will make up their mind, for whatever reason, that they want to come to Britain or Scotland, and then go to the BTA for information on how to get there, what to do when they get there or whatever else. However, it is important to know what is being added on. Additionality has particular relevance to the question whether VisitScotland should employ someone in the BTA office. Surely it would be slightly difficult to employ someone to take customers away from the BTA. In effect, the BTA would do all the work and attract customers through the door, and then VisitScotland would take off the people who would not necessarily go to London, for example. I assume that people who go to London then go on to other parts of Europe, but I do not yet have a feel for the number of people who are attracted into the BTA's office through its work and the number of people who are then attracted to the additional work of a VisitScotland representative.

Gordon Jackson: The first thing to say is that people are not coming through the door. It is not that kind of an office. I think that 80 to 85 per cent of business is conducted through web work. As a result, the BTA has a marketing representative who goes out and about and it is not a matter of having somebody in the office to interview people who come in; indeed, there is no office. I think that the place itself is four floors up. I suppose that

someone could go through the door, but in no sense is it a public office.

The Convener: It is on the fifth floor, or something like that.

Mr Macintosh: But that is what I mean. Who is coming from California to Britain?

Gordon Jackson: I do not have the statistics with me, but the figures are broken down into age groups, markets and so on. For example, they show the number of potential tourists who are senior citizens and give us information on the gay market. We have all that information, but I do not have it in a summarised report.

Mr Macintosh: But to whom is the BTA appealing? What is its purpose? I know that a lot of people in California will travel abroad; however, I do not quite see to whom the BTA appeals. Obviously it has got to be there to say to anyone in California who might be going abroad, "Think about Britain."

Gordon Jackson: That is its main purpose.

Mr Macintosh: Exactly, but as I said, I have not got any papers. How does it measure its success? Success should be measured by additionality, not crude figures.

Gordon Jackson: We have the statistics for its target audience. I do not have them here, but it gave them to us.

The Convener: We can attach that to the report. For example, from memory, I believe that the statistics tell us that 50 per cent of US visitors to Scotland are from the east coast, while 25 per cent are from the central time zone and the other 25 per cent are from the west time zone. I find that figure of 25 per cent coming from that end of the country amazing, but that is the case. The statistics can be broken down by age, socioeconomic status and other groups. There is a monumental amount of information.

Gordon Jackson: That is why someone piggybacking on it could get value from it. The BTA has statistical information on which groups are more likely to travel to Europe, which have the spare cash and which have weans, for example. It has it all well worked out.

The Convener: It said that its key target market was DINKs or whatever you call them

Gordon Jackson: Double income, no kids.

The Convener: I am always careful not to call them stinks in case you get the wrong impression.

Brian Fitzpatrick: I think it is DINKYs—double income, no kids yet. That is the wrong target group; it should be the people who are spending their children's inheritance.

Miss Goldie: That is the one that comes out of the Dumfries and Galloway statistics.

The Convener: We have all that information and we will attach it to a written report. It is so voluminous.

Mr Macintosh: That prospect does not fill me with delight. I would rather just hear it from you. I am trying to get an idea of what the VisitScotland person adds.

The Convener: You cannot say that there is a typical visitor. There are groups. VisitScotland is now deliberately targeting golf, although it is not doing so to the same extent as Ireland, because it feels that the return from golf visitors is not as high as the return from others. We have to invest a lot, physically and in marketing, to get the golfers to come, but the average spend is not as high as that of an elderly couple touring the country, for example. Golfers tend to be in and out fairly quickly and, obviously, spend most of their time on the golf course.

The information is there. Another target group for Scotland is people of Scottish ancestry who want to visit where their ancestors came from. Another group is convention people, whom only Glasgow and Edinburgh, and perhaps Aberdeen, can accommodate. There are different slices of the market, not just one group, and they are scientifically researched.

Does Gordon Jackson have any other points?

Gordon Jackson: No, I am fine. We have given a wee idea, but it is patchy, and we will have to produce a full written report.

Brian Fitzpatrick: What are we thinking of doing with the detailed report when it is available?

The Convener: It will go on the internet, obviously.

Brian Fitzpatrick: Are we using submissions in it?

The Convener: No. All the reports, including our evidence, will go into the initial draft report and we will then decide what we want to accept and reject. For example, Gordon and I are saying that we think that there should be a VisitScotland representative in most BTA offices. That is something for the committee to discuss.

Gordon Jackson: I think that Brian is making the point that if we do a detailed written report, we should send it out to stakeholders to say, "We've been to the States. This is our report. What do you think about it?" Is that what you are saying?

Brian Fitzpatrick: Yes.

The Convener: The problem is the time scale.

Gordon Jackson: But the idea is fine.

Brian Fitzpatrick: There is the work programme issue, which we could perhaps discuss too.

The Convener: Yes. I deliberately let that item run because I thought that it was interesting. My colleague Mr Jackson gave a full and excellent report.

I welcome Dr Roger Carter, who is the committee's adviser on the inquiry. He is here for a formal session and will join us later as the adviser.

You have circulated a paper that summarises the written submissions that have been received so far. I invite you to introduce that paper.

Dr Roger Carter (Adviser): I was given a job of work to do. It proved to be significant, because many submissions were involved, and some of them were lengthy. The first page of the summary lists the 35 organisations that submitted evidence over and above the organisations that presented evidence directly to the committee.

As well as a number of common themes, some specific points emerge from the evidence. That makes it difficult for me to provide a comprehensive summary. For the next 10 minutes or so, I will highlight the areas of common interest and some of the more significant individual points. People were asked to comment under some of the original headings that the committee identified, so I will make my comments under those same headings.

11:00

The Convener: I am sorry to interrupt you, but the minister is due to join us between quarter-past and 20 past 11. It would be helpful if you took 10 minutes to complete your presentation, following which we could ask some quick questions. I am conscious of the fact that the minister must leave by about 20 past 12 and I want to ensure that we have time to question him.

Dr Carter: That is fine—I am happy to stop whenever you want me to. I think that I can get through my comments in 10 minutes.

Under the effectiveness of current tourism strategy heading, comments on "Tourism Framework for Action 2002:2005" were generally supportive, although some noted the importance of following through. We know from previous evidence that a group is working on that. The Tourism Society suggested a new approach to strategic planning and two organisations commented on the lack of emphasis on sustainability. Sustrans noted the absence of cycling from the strategy.

On the effectiveness of VisitScotland post-reorganisation, most comments were supportive or

neutral, but did not offer specific evidence. In some cases, the view was that the jury is still out and that it is early days to make a judgment. A few comments were highly critical, especially those from Aberdeen and Grampian Tourist Board, Derek Reid, who is a former chief executive of the Scottish Tourist Board, and Ryanair. If the committee wishes, I am able to discuss those comments further. The Tourism Society identified three negative outcomes of the recent reorganisation: a loss of accumulated wisdom and knowledge; confusion about roles and relationships; and a significant loss of leadership at national level.

On foot-and-mouth disease, most comments suggested that the impact was relatively short lived and that there has been significant recovery. Only two submissions made specific comments about impacts. The National Trust for Scotland discussed the impact on its operations and provided specific figures. The Association of Scotland's Self-Caterers indicated that FMD had a dramatic impact on self-catering accommodation in rural areas, although it did not provide any specific evidence about that.

Most of the comments on the roles of VisitScotland, the enterprise network and the BTA were fairly general. The underlying theme was the need for those roles to be defined more clearly and for information about them to be circulated more widely. In other words, although the roles might be clear, people often do not know what they are. Submissions from five organisations suggested specific definitions for the roles and described the way in which responsibility should be allocated. In most cases, the suggestions did not differ significantly from the current arrangements.

Scottish Natural Heritage and the Tourism Society referred specifically to the importance of linking product development and marketing, which came up in earlier evidence. Skye and Lochalsh Enterprise argued that enterprise companies should be able to support local marketing groups and initiatives.

On the issue of the current budget for tourism and the focus of investment, many submissions argued for increased funding. They did so because of the importance of the tourism industry to Scotland and the need to compete effectively with other countries. However, it is important to note that none of them provided any evidence to justify specific levels of funding or an increase in funding.

Several submissions referred to the specific problem of discretionary local authority funding for ATBs. Others commented on the need for a spending focus on specific areas, including niche marketing, product development, support for

business activities, training and motivation, infrastructure and environmental schemes. The committee will note that, if all those areas of activity are added together, different people argued that support should be given to most.

Two submissions set out the need to analyse return on investment, which brings us back to the first point. If we are to talk seriously about levels of funding, some sort of understanding is required of return on investment. There were special pleadings for some areas. One private sector company argued that, as public funding for agriculture decreases, public funding for tourism should increase in order to sustain the economy of rural areas. In an interesting submission, Ryanair argued that money should be focused specifically on European marketing, because that has the potential for the greatest return.

The views expressed about the effectiveness of the ATB structure and potential alternatives to that structure were many, varied and—it has to be said—contradictory. Some, such as Skye and Lochalsh Enterprise, Fouters Bistro and Scenic Maps, argued for a major rationalisation of the network; they seek a smaller number of ATBs, downsizing or outsourcing. Others asked for a strengthening of the network and for more consistency of service across the network.

An interesting area of debate arose on the relative responsibilities of VisitScotland vis-à-vis the ATBs. Some submissions argued that VisitScotland should do the above-the-line activity to try to motivate people to come to Scotland and that the ATBs should do all the follow-up and tactical marketing to convert interest in Scotland into sales. At least one organisation argued that ATB activities should be concerned with servicing visitors and providing them with information once they are in the ATB area.

Most responses indicated that the euro is a non issue that has raised no significant problems.

Most comments on the promotion and development of niche marketing were supportive and, in some cases, enthusiastic about the concept that underpins much of the strategic approach to marketing. Some responses made the point that going down the route of niche marketing would clarify how the private sector can participate. Niche marketing campaigns allow private sector involvement in that niche area to be brought into the activity. In many cases, leadership of the campaign can be allocated to the private sector.

I will return to the maverick submission from Ryanair. Its view is that niche marketing is:

“a costly waste of time.”

Ryanair's explanation for its view is that the focus of its activity is destination marketing, which it

sees as all important. It promotes foreign destinations to the UK market and UK destinations, including in Scotland, to markets in Europe. It believes that niche marketing cuts across destination marketing and that therefore niche marketing is not relevant to its business operation.

As in the case of VisitScotland, it is fair to say that there is a considerable degree of good will towards eTourism Ltd. As eTourism Ltd is a new organisation, it was felt that it is too early to judge its impact on the exploitation of e-tourism. However, Aberdeen and Grampian Tourist Board raised a number of points about the impact that national e-commerce would have on the commission that accrues locally. That was also mentioned in the convener's report on his e-tourism case study. Dunira Strategy raised the technical risks of such projects and referred to the need to relate that work to BTA's visitbritain.com activity. Incidentally, that activity is going into a third round of major redevelopment and new investment. Inverness and District Chamber of Commerce pointed out the potential for increasing the use of the internet by visitors when they have reached their destination, the implications of which are quite significant. The National Trust for Scotland noted the importance and relative ease of gathering performance measurement information. Electric Scotland Ltd made a plea for VisitScotland to support and facilitate private website operators that promote Scotland, rather than seek to compete with them.

Finally, two broad themes emerged on the effectiveness of the current funding and management arrangements for tourist information centres. The first was the need to apply standards and adequate resourcing across the network to ensure consistent customer-focused operations. The second was support for the concept of franchising information provision, especially in rural areas. It was suggested that information provision could be franchised either to individual entrepreneurs or to organisations such as the Post Office or petrol companies, which could provide the information through their filling stations. The Skye and Lochalsh Enterprise submission was supportive of that concept, but it also made the point that, if we were to go down that road, the franchise arrangements would need to be carefully managed and monitored. The Tourism Society pointed out that the potential impact of new technology on the way in which information is distributed throughout Scotland would need to be taken account of before a strategy for the TIC network is determined.

That is a quick summary of the evidence. I have not sought to be comprehensive—I could not do that in the time available to me—but I hope that my comments have highlighted some of the

submissions that members may want to consider in more detail in order to concentrate on specific issues. I am happy to make available to the committee the notes that I have prepared.

The Convener: That was a helpful and useful summary. Do members have any questions for Roger Carter?

Mr Adam Ingram (South of Scotland) (SNP): I was interested in the Ryanair response, which suggested that much of the budget that goes to VisitScotland is wasted on paying third parties to deliver its goals. Ryanair suggested that, rather than have massively expensive advertising campaigns at specific times, we should have a simple advertising message that is spread across the year, which is what Ryanair does. What is Dr Carter's view of that criticism?

Dr Carter: It is certainly an important point that the breaks market from within the UK and from Europe is now an all-year-round phenomenon. As a destination, we want business from breaks in autumn, winter and spring. It therefore makes sense that promotional activity should try to generate business throughout that period. In the past, we have tended to focus marketing activity on those times when we thought we would get the greatest return, so spring and autumn have always been seen as the prime times. Having said that, the time when we most need business is in the winter. The cities have tended to focus more activity on the winter because they recognise the potential that exists. The airlines have the capacity throughout the year and, in order to bring business on to their routes into Scotland, it is understandable that they want promotions to cover the entire period. More than anybody, they want to fill their seats during the winter when demand is at its lowest.

There is a common interest, but it is necessary to make a judgment as to how realistic it is to get new business in at particular times of the year. If we think that there are opportunities in the winter, it makes sense to put marketing money into generating business then and to work with the likes of Ryanair that share that common interest.

Mr Ingram: Can you respond to the point about VisitScotland outsourcing a lot of advertising and so on?

Dr Carter: That is a matter of judgment. There are two issues. First, what is the task that VisitScotland should undertake in relation to other organisations, particularly the area tourist boards? I talked about the balance on which a judgment needs to be made. Once we have decided what sort of activities VisitScotland should be undertaking in the future, we can make a judgment on which elements could be outsourced. There is no black-and-white answer to that. We need to sit

down and consider the pros and cons of outsourcing a particular activity. We have to go through a proper process of finding out what the outsourcing opportunities are, what outsourcing companies can do and where synergies are to be gained by outsourcing with other organisations with a common interest. Outsourcing should be considered, but I do not want to say what the conclusion of that consideration should be.

11:15

Rhona Brankin: I am interested in standards and quality. On the feedback and thinking on standards and quality, you made a general statement that there is support for driving up standards, although I suppose that that depends on the size of the tourism business. What about compulsory registration?

Dr Carter: Only a few submissions referred to that. Those that did supported the concept. One organisation said that it wanted registration to be an alternative to ATB membership. Perhaps that was the strongest comment on registration. It is an interesting point and I am sorry that I did not bring it up in my comments. The point that is made is that the concept of membership excludes certain people. The committee might say—as traditionally we have said—that those who pay get the benefit. The counter-argument to that is that it means that certain people who are involved in the tourism industry are not part of the network. There could be an argument for saying that the basic entry should be registration. Everybody would have to register and would then be entitled to participate in promotional activities, whether those of the ATBs or of VisitScotland.

I take a fairly laid-back view on that. One way or another, organisations need to pay to contribute towards activities. That can be done through a membership fee that buys them into certain benefits, or they can pay for each individual activity. I do not get hung up on which way it happens. I look back to my time at the Edinburgh and Lothians Tourist Board. We had no problem in selling membership. People came back every year and numbers increased. To be able to sell a package of activities was useful. In the basic membership package, members got six activities for which they would otherwise have had to pay. It cut down on the selling. If we strip membership down, we find that it is essentially a package of activities that buys members into the tourist board. We could equally say that an organisation could come in through registration and that that would buy it into the activities of the whole network.

Generally, organisations are not saying that registration is synonymous with quality standards. Registration is the basic level. Organisations have to meet minimum standards, but those standards

are pretty low. If we really want to drive up quality, we must do it through the sort of quality assurance schemes that VisitScotland is running.

Mr Macintosh: I was struck by the number of organisations that commented on quality and the need to drive it up, which is a point that has come out throughout our inquiry. I was also interested that there did not seem to be overwhelming support for a registration scheme as a method to do that.

On budgets, I had the same impression as you—perhaps because I am reading your notes on this—that a number of people said that the tourism industry should have a bigger budget, but that when they were asked why, they said, “Because it’s a big industry.” That is a fairly flimsy reason. It is lacking in evidence.

There was no mention of a bed tax—I did not see any such reference, anyway—or other different methods of funding. However, there were a couple of interesting comments on how to measure outcomes. Is there room for agreement across the sector on a different measure of outcomes and on how to improve budgeting and link it to outcomes?

Dr Carter: I have no doubt that we need a more scientific basis for the allocation of funding. It appears from the evidence that we have received that we do not have such a basis at the moment. We should ask what the right way is in which to measure performance generally in future and what a reasonable basis would be to work out the appropriate level of funding, given the benefit that is delivered. We talk about the total value of tourism, but the question that we need to ask is what proportion of the total value is a result of the work of the tourism network, whether that is VisitScotland, the area tourist boards or the enterprise network. I have looked at all the evidence, but we do not have that figure at the moment. The important questions are how much of the value is a result of activity overall and how much of it is a result of specific activities. The answers will give us a handle on the relative benefit of different activities.

To refer to my past again, in 1993 I worked out for the Edinburgh and Lothians Tourist Board what proportion of the total value of tourism to Edinburgh could reasonably be said to be influenced by our work. The figure came down to around 20 to 25 per cent of the total value. We did a detailed breakdown for different areas of activity to work out what sort of return those areas brought in terms of numbers and expenditure. It is possible to take a more scientific approach and that is the general line that we should encourage the agencies to take.

Mr Macintosh: I want to expand on the issue of niche marketing. We have only a shortened version of Ryanair’s comments on the matter. Ryanair said that niche marketing is a waste of money and that it is of no benefit to the company, but does it have any evidence to show that?

Dr Carter: I would need to go back to the original submission but, to the best of my knowledge, Ryanair did not give evidence for that view. I think that the comments were made on the basis that niche marketing cuts across its approach.

Mr Macintosh: Niche marketing might be of no value to Ryanair, but the company did not say that it was of no value to the Scottish economy.

Dr Carter: That is the implication. Ryanair has a particular perspective on the strategic value of niche marketing, but there is a different perspective on the matter. We should think of niche marketing as a way of generating business and of ensuring that business is distributed well throughout the country. People who come to buy a niche product or to take a niche tour go to places that they might not have heard of and would not have gone to otherwise. Niche interests take people to such places and have strategic value.

A company such as Ryanair is interested simply in getting people to a destination on its seats. The two issues are not unrelated; obviously, niche marketing will deliver business. However, Ryanair judges that a greater overall volume of business can be achieved by simply promoting the destination brand than by promoting niche activities. I am saying that niche marketing has other strategic benefits.

Mr Davidson: You mention registration, but the talk of the steamie at the Scottish Thistle awards, which involves quality-driven people, was about accreditation as opposed to registration. There does not seem to be anything in the report about a uniform scheme that would allow people to understand what they get when they see, for example, a plaque on the door. Was there any feedback or thoughts on how accreditation schemes might be used as an inducement to lift quality? The issue is one of aspiration.

Dr Carter: People were not asked to comment on accreditation, which is why there is nothing on it. They were asked specifically to comment on the questions as put in the inquiry at its inception. That is why we do not have anything that is relevant to your question.

Clearly, different levels are involved. The basic level is registration. Accreditation takes the matter a stage further and examines quality-related issues in more detail. Accreditation does not have to relate to quality but, generally, people see accreditation as going down the quality route.

Finally, there are full quality assurance schemes. The accreditation level has not really been defined or, if it has, I have not seen the definition, which might be ignorance on my part. Until we have a definition of accreditation, we cannot ask people to comment on it. Certainly, accreditation could be a useful part of the mix in a future consultation exercise.

Brian Fitzpatrick: Again, this problem might be a result of the questions that we put, but I was struck by the paucity of coverage of skills, particularly soft skills, which I would have thought are an issue that yells out for attention.

Ryanair's submission struck me as pretty refreshing in terms of its outright sectoral vested interest. It was so transparent that I thought, "Good on them". Others just pussy-footed around the issue. I cannot pretend to have read every single submission in detail, but some of them struck me because of the absence of any mention of skills.

Dr Carter: Your initial comment was right. The issue of skills was not part of the brief that people were asked to address. Nevertheless perhaps three or four respondents mentioned the issue in their final comments. However, because people had not been asked to address the issue, one cannot judge whether they thought it was important. We did not ask the right question.

Brian Fitzpatrick: Perhaps we should have a chat about that when we are considering the work programme.

The Convener: Roger Carter said that the key issue is the difference that the public agencies make. We do not really have any evidence on that. Have we checked with the Scottish Executive or with bodies such as Scottish Enterprise to see whether they have undertaken or are planning to undertake any independent evaluation of the impact of VisitScotland, Scottish Enterprise or Highlands and Islands Enterprise on tourism activities?

Dr Carter: That is not a question that I can answer.

The Convener: We will check. Scottish Enterprise undertakes that kind of study on a daily basis and I cannot imagine that it has not done something about that area.

Dr Carter: It might well be that such work has been done by the enterprise network. I suspect that we would probably know about it and that it would have been included in the evidence if the tourist board network had done it.

The Convener: We move to item 4 on the agenda, which is the taking of evidence from the Minister for Tourism, Culture and Sport and his officials. I welcome Mike Watson, the minister, and

John Brown, from whom we received an informal briefing previously, which no doubt has provided us with a lot of good ammunition for questions later. Mike, would you like to make some introductory remarks? We have circulated your paper.

11:30

The Minister for Tourism, Culture and Sport (Mike Watson): I am pleased to be here to give evidence today. I have no hesitation in saying, as I did at the start, that I welcome the committee's inquiry into tourism. It is well known that tourism is Scotland's biggest business sector—I try hard to get that message across as often as I can and to make sure that it is understood—which is why tourism matters to the whole of the country. The economic performance of the tourism sector is important, from the largest cities to the remotest areas. In some of those rural areas it is the main source of employment and economic activity.

It is also important to say that whatever industries are around today, from microchip to oil industries, it is unlikely that they will be around in 100 or 200 years, but you can be sure that tourism will be. It is probably the only industry of which that can be said. Undoubtedly it will change, but there will always be tourism. That is why I have tried to stress the importance of the sector. I am glad that it has been easy for me to work with VisitScotland on a shared vision for Scottish tourism which, at its simplest, is to make Scotland a must-visit destination where, following careful advance preparation, we put the needs of visitors first, and to recognise the vital contribution that tourism can make to economic growth in general.

I know that the committee has received many submissions and accumulated a considerable amount of information and statistics, and I do not want to repeat what I have said to the committee before or what the committee has heard elsewhere, but I was impressed by the research that was done for the committee by Stevens and Associates. The top-level messages from that research seem to fit well with the strategic direction that VisitScotland and I are taking.

I want to focus on the challenge facing Scottish tourism and set out the key priorities that we have identified as crucial to its success over the next five years. I hope that I have not done this, but it has been easy to say that the effects of foot-and-mouth and the events of 11 September last year have been hugely damaging to tourism in Scotland. Of course they had an impact, but we should not overstate that. The figures for tourism in Scotland were on a downward spiral from about the mid-1990s anyway, after a sustained period of growth. That was not peculiar to Scotland but mirrored the pattern at UK level, and there are

reasons for it that the committee may wish to investigate in the questioning. It also needs to be seen against the growing trend in tourism internationally. The downward spiral in Scotland occurred despite the fact that the VisitScotland budget more than doubled over the past decade. The major challenge facing us in Scotland is fairly clear—to reverse the long-term decline and to re-establish tourism as a growth sector in the Scottish economy.

That challenge will be met only if all the players in tourism in Scotland work together with a sense of common purpose and remain focused on the key strategic priorities, which were set out in the Executive's tourism strategy two years ago. There were five priorities, which still hold good despite the passing of time. The first is to improve the structure of tourism funding and support arrangements. That can be regarded as work in hand, with the current review of the area tourist board network. We have received more than 350 responses to that consultation exercise. We intend to publish a summary by the middle of next month and to announce our conclusions early next year. Because of the diversity of the views that have been expressed to us, those conclusions will not be easily or quickly arrived at. We will thoroughly analyse those views before we announce any decisions.

The second priority is to improve the marketing of Scotland under the new marketing strategy that is being developed by VisitScotland. That work is well in hand. There are signs that the new strategy is beginning to pay dividends, with some areas of the country already showing the highest room occupancy rates for the past four or five years. Our target is to get visitor numbers and spend back to pre-2000 levels by 2004; we think that we are on track to achieve that. In 2004, we will set new targets for tourism in Scotland.

The third priority is to use the latest technology to understand and, hopefully, meet the needs of our visitors. That is being achieved by visitScotland.com. I know that the committee has spoken to representatives of visitScotland.com. Although there is much development work still to be done, I believe that visitScotland.com has made a very good start, based on the preparatory work that VisitScotland did.

The two other priorities in the strategy that require considerable additional effort are improving product quality and improving employee skills and training. I believe unequivocally that quality is the major issue for Scottish tourism. I have said that publicly at every opportunity. VisitScotland's quality assurance scheme already reaches about 80 per cent of tourism establishments. The equivalent English scheme reaches only 40 per cent of establishments. We

have a good foundation on which to build. Although evidence is inevitably anecdotal, there are still far too many instances of visitors to Scotland being disappointed by the inconsistent quality of their experience.

It is important to stress that all of us have taken holidays in places other than Scotland where we have experienced the same inconsistencies—the suggestion that only Scotland has that problem is far from true. It is the job of all of us to improve the situation in Scotland. I am working on doing that. One option is statutory registration and fuller regulation of quality standards. That would drive home the message that achieving high standards of quality must be a key priority. Most of the problem areas are in the 20 per cent of establishments that are not registered—for whatever reason. Achieving high standards of quality must be the key priority in working for the success of Scottish tourism. I have asked VisitScotland to concentrate on that.

The question of employee skills and training is the other side of the same coin. Many organisations—not least Tourism People and Springboard UK Ltd—are working hard in this area. However, there needs to be greater concentration on promoting tourism to young people as a career. I have asked VisitScotland to give greater attention to that. I will meet Careers Scotland shortly to discuss the matter.

There is no question but that there is a great deal to be done. Members will be aware of the document "Tourism Framework for Action 2002:2005", which set out the detailed action plan and was a means of implementing the strategy from 2000. I chair the steering group that is responsible for progressing the action plan. At its first meeting, it asked the implementation group to prioritise the actions and to focus on the most important first.

The priorities that I have set out represent a much clearer focus on getting an understanding of what visitors to Scotland want, and on meeting—and, where possible, exceeding—their expectations. I accept that we must get better at selling Scotland in the international and domestic tourism markets. However, we must concentrate more than we have in the past on the overall quality of the experience that visitors receive when they come here. I have asked VisitScotland to do that. It is the only way of meeting the challenge of returning tourism in Scotland to its place as one of the growth sectors of the economy.

The Convener: Thank you—that was very helpful.

The first visit that the committee made during this inquiry was to Shetland. Throughout the inquiry the issue of low-cost flights—direct flights

to the States are a separate issue—has been raised with us. Many people see low-cost flights as providing a major potential and actual boost to tourism numbers. I note the new flights to the Western Isles at weekends.

When we were in Inverness, we heard about problems in negotiations between Highlands and Islands Airports Ltd, from which we will take evidence, and Ryanair. As the minister is probably aware, last night's edition of the *Evening Times* reported that easyJet is complaining about the cost of landing in Glasgow. For that reason, it does not intend to introduce additional services at Glasgow airport. What scope is there for addressing those issues? What action is the Scottish Executive taking to do so?

Mike Watson: I have asked VisitScotland specifically to work with the airlines to ensure that we get as many inward flights as possible. You will be aware that everyone who went to Sweden a fortnight ago on the Scotland-Sweden initiative had to take two flights to get to Stockholm. I think that there are flights to Gothenburg from Prestwick, but the distance from Gothenburg to Stockholm is like that from London to Glasgow. There are no direct flights to Sweden's main city. We are, in part, trying to sell Scotland as a place to go for short breaks and weekend breaks; however, we will not be able to do that if there are only four flights here over a weekend. I have asked VisitScotland to work harder on arranging more flights with the airline companies.

The question of HIAL is a different issue. Lewis Macdonald has been involved with it; I have spoken to him and my officials have spoken to his officials about it. There are issues surrounding the high-profile statements that were made by Ryanair about two months ago. Those statements were overblown but were nonetheless symptomatic of a problem. I do not want airports not to be used or to be underused while companies want to use them to bring people to Scotland and to take people out of Scotland—there are two sides to the coin. If there are blockages, they should be cleared. We are trying to do that through VisitScotland and through my cross-cutting work with Lewis Macdonald in his transport role.

The Convener: What, practically, can VisitScotland do to improve the situation?

Mike Watson: It is about putting packages together that make parts of Scotland attractive to airlines and making it clear to flight operators that it would be good for them to come to Scotland. Inverness is a classic example. There should be more flights to Inverness, as so many opportunities are opened up once people get there. It is about showing the flight operators that there are benefits from their flying to Scotland, although I accept the fact that they have to

consider that in financial terms. British Midland Airways has just begun to fly to Stornoway. That fact was given a high profile through the events of the weekend; however, that is not really the point. The point is that it makes economic sense for BMI to fly there. That is the sort of development that we are seeking.

The Convener: In Glasgow, allegedly, the issue is landing charges. We are told that the issue in Inverness relates to landing charges and the structure of the private finance initiative funding of Inverness airport. Especially in Inverness, where the airport is publicly owned, what can the Scottish Executive do? Are you planning to unlock it, and do you have a timetable for doing that?

Mike Watson: The timetable is as soon as possible. I want to make our airports more accessible and to increase the number of flights that are coming in. That is not directly within my remit, but I am not using that fact to dodge the issue. I am encouraging colleagues to work to ensure that we can overcome the difficulties.

As I understand it, part of the problem is that, if landing charges—say, at Inverness airport—were to be relaxed for the low-cost operators, the other operators, understandably, would ask why those operators were receiving preferential treatment. The argument then centres on whether all landing charges should be reduced and, if so, how the airports would make up the loss in revenue. We need to find a way of ensuring a reduction in landing charges without disadvantaging the airports in their greater operations.

Miss Goldie: I understand that there is a problem with ministerial responsibility. Both you and the Minister for Enterprise, Transport and Lifelong Learning have partial responsibility for transport, as does his deputy minister. The inadequacy of flights to our airports is a significant issue. Is not it sufficiently important to justify some sort of ministerial team—including yourself and Lewis Macdonald—making a strategic approach to both the BAA and the airline operators? Somehow or other we have got to crack this nut, as we need more flights in and out of Scotland. Surely the issue is sufficiently important to merit a ministerial heavy team going out there and doing the business to deliver that for Scotland.

Mike Watson: Undoubtedly, the answer is yes. I believe that all the more strongly since the events in Sweden a fortnight ago. I apologise for mentioning that trip again, but it was significant. We promote Scotland very well through sporting and cultural links, but it is difficult for people to come here if we do not offer direct flights. I plan to speak to ministerial colleagues about that again. Let me make it clear that there are no difficulties between departments; there are no walls preventing them from working together. My recent

experience has highlighted the need to do more in that respect. I take the point that has been made.

11:45

Miss Goldie: That is reassuring.

Let me turn to the budget. You mentioned in your opening remarks the report from the consultants, Stevens and Associates, which the committee has received. One of the clear features to emerge from that report was the fact that the successful tourist destinations seem to have achieved their success through clarity of strategy and simplicity of structures.

By your own admission, Scotland's budget for tourism comprises a disparate spread of funding, covering VisitScotland, the area tourist boards, Scottish Enterprise, Highlands and Islands Enterprise, local authorities, Historic Scotland and Scottish Natural Heritage. Is that a satisfactory way to budget for an industry as important to Scotland as tourism is? If that budget is spread in so many directions, how is it possible for you, as Minister for Tourism, Culture and Sport, to track expenditure and to make informed decisions about whether value for money and, more important, added value for the economy, are being achieved?

Mike Watson: There tends to be criticism—I am not saying that this is what is being levelled now—over an insufficiency in VisitScotland's funding. As members will be aware, VisitScotland represents only about a third of public sector support for tourism. That leads us to consider how we link up what we do with other sectors, and indeed with the private sector, which is an important contributor. We are trying to get the private sector to become an even more important contributor.

I am not aware of great problems with opportunities falling down the gaps between the floorboards because of the different forms of funding. In my experience, funding has generally come together quite well to support the Scottish tourism product—that is not a term that I like, but it is difficult to find a substitute. I believe that there are good relationships between the various parts of the public sector in what is being done to promote tourism. I am not greatly concerned about that aspect, although some of the linkages will undoubtedly be refocused, or perhaps changed, as a result of the ATB review. The questions that are being asked in the context of that review will draw on the various relationships in the sector.

The committee may have come across specific examples, but I am not aware of problems arising because one part of the public sector wants to adopt a different approach to others. Such problems have not emerged significantly during my time as Minister for Tourism, Culture and Sport.

It is important to have public sector support for what the private sector is doing, although I would prefer the private sector to take more of a lead in tourism development and to look to the public sector for support, rather than the public sector always being in the lead and trying to cajole some parts of the private sector to get up to speed.

Trying to turn things round is one of the main priorities in the "Tourism Framework for Action 2002:2005". If you are saying that there is a problem of lost opportunities, it is not a problem that I have encountered so far. I think that the various parts of the public sector pull together, although we can always improve. It is to be hoped that that will be the result of the ATB review.

Miss Goldie: I do not know the answer to this question, but what I am driving at is how you make an informed decision about whether the money that the enterprise network gets for tourism is better handled, and used to greater effect, by being spent by that network. Is that better than just giving that wedge of cash to VisitScotland?

Mike Watson: That is one of the issues that will be covered by the review. Comments have been made on that already, and some have advocated such a course of action. The area tourist boards receive representations from local enterprise companies and local authorities. My impression is that in general the current arrangements work pretty well, although they could work better in some areas. Equally, opposition has been expressed to the suggestion that all the operational money should be given to VisitScotland. The committee can imagine where that opposition has emerged from.

I intend that the ATB review and what emerges from it should deal with those issues and ensure that the practice of people not pulling in the same direction is eliminated, although I do not think that there is much of that.

Rhona Brankin: I have two questions, the first of which concerns funding. I welcome the increased funding that has been put into the industry. To what extent are you confident that you are beginning to get a handle on the return on investment? I am thinking of the investment that has been made in niche marketing. Are you confident that the measurements are in place to allow you to evaluate the funding?

In common with other sectors, there are constant calls for extra funding. The committee has become aware of the fact that the calls for extra funding are often not accompanied by suggestions of how to measure value for money. What is your thinking in that area?

Mike Watson: VisitScotland aims for a £12 return on every pound that it spends. It has its own research and monitoring department, which

undertakes the work to which Rhona Brankin referred. I am happy with that. It is difficult to be precise about what emerges from VisitScotland's spending in the short term, because it can take some time for initiatives to pay off. As far as I can be, I am satisfied that VisitScotland uses effectively the money that it is given.

I have to be careful what I say, as I may lay myself open to another fairly obvious question, but there is a good return on the money that is given to VisitScotland for marketing. If VisitScotland runs effective advertising campaigns, we can attract people to Scotland. We know that because of the way in which the double blows to tourism of 2001 were offset by some pretty quick thinking by VisitScotland and the area tourist boards to refocus some of their activities. I have paid tribute to that in the past. That meant that the situation in 2001 was less bad than it might otherwise have been and that things have begun to pick up quite encouragingly in 2002.

We can say, therefore, that VisitScotland gives pretty good value for money. If I understood Rhona Brankin's reference correctly, it is VisitScotland that carries out the research.

Rhona Brankin: My second question is about the importance of the European and British markets post 11 September. We have spent a lot of time talking about the loss of the high-value American market, but I am interested in the importance of the English and, increasingly, other European markets. Will you give us your thinking on that subject?

Mike Watson: That question refers to the "other UK" market, if I can use that terminology, although perhaps I should say "the whole of the UK". We often forget that people taking breaks in Scotland are tourists if they are not from the area in which they are staying for that weekend, week or whatever.

The UK market represents 92 per cent of tourism in Scotland. There are two points to make in relation to that figure. First, the UK market, in particular the English market, is important and we need to do more to attract it. It was in that market that the loss following foot-and-mouth and 11 September was largely made up.

Secondly, the figure shows that we can expand tourism in Scotland by attracting more overseas tourism. The US market is important and I agree that it tends to be high spending. For obvious reasons, there has been a reduction in the number of US visitors since 11 September, although not as big a reduction as might have been expected.

I remember visiting the British Tourist Authority in New York during my visit to the city for the tartan day events. I was given the statistic, which I thought was astonishing, that although there are

something like 250 million people in the US, we can realistically target fewer than 25 million of them as tourists, because that is the number of US citizens who have passports. That puts the situation in perspective. The US market is not as massive as we might imagine that it is. We undertake many initiatives. VisitScotland had to deal with some rather unfair criticism earlier in the year, when it was suggested that the US had somehow been abandoned. That was simply not the case. We continue to use various means to bring people from the US to Scotland. Golf is a major attraction that we use.

There is room for development in the European market. A fall-off in visitors to the UK from places such as Italy and Germany has taken place during the past four or five years. The strength of the pound is a reason for that. There are new markets for tourism in various parts of the world. We have not necessarily been doing anything wrong in the UK; it is simply that cheaper alternatives have emerged. We are aware that although the domestic market is important, we can make greater progress on the international market, particularly in Europe. That is why events such as Scotland in Sweden were developed.

Gordon Jackson: I am interested and encouraged by what you say about the relationship between the public sector and the private sector. In your submission, you refer to the public and private sectors having a "coherence of purpose". You state that there is no alternative to the one-team approach. You mention a sense of common purpose and the importance of contributions from the private sector. You go further and speak about the private sector taking the lead, rather than being dragged, kicking and screaming, into the process.

Such emphasis is good—I am very much in agreement with it—but I am curious about how you see that process developing. What will be the nuts and bolts of it? My instinct is that it is necessary to make a structural change to the operation of VisitScotland and to re-examine how the package is put together. It is not enough to ask the private sector to take the lead or to be an important contributor or to work with the public sector as one team. Those are wonderful slogans, but how can the structure be developed to ensure that the private sector feels that it is a genuine stakeholder and that it can take the lead? What changes to the structure are necessary to ensure that the private sector does not have a sense of being outside the game? How can we do that?

Mike Watson: I would argue that we have started that process, following on from the "Tourism Framework for Action 2002:2005", which was launched in March. Two groups have been given the task of proceeding with the action plan. I

chair the steering group, in which the ratio of public sector to private sector involvement is close to 50:50. Involvement in the implementation group, which is chaired by VisitScotland, is similarly mixed. Both groups include representatives of private sector organisations. To ensure that we have the necessary input on the routes issue that was mentioned earlier, the steering group includes a representative from an airline company. That shows that the private sector has been brought firmly within the tent. I have made it clear that I want to develop the strategy with both the private and the public sectors.

There has tended to be a dependency culture in tourism. I mentioned that tourism is a major sector of the Scottish economy. There cannot be any other sector that receives the amount of support that tourism gets. To some extent, that support has been taken for granted. I am not indicating that we will decrease the public sector input. However, rather than simply looking to VisitScotland to devise a new marketing strategy or to the local enterprise companies to devise training, the private sector should have more input. Involvement in planning and strategy will enable the private sector to get what it wants, rather than having to be content with what it is offered. That is beginning to happen.

Gordon Jackson: We are talking about the private sector taking the lead, but there is only a 50:50 balance on the steering group. I am not sure that that is right. Who picks the representatives of the private sector to participate in joint enterprises? How do those people get to be the representatives of the private sector? Are they elected by their industry? I am trying to identify how to give the private sector the sense that it is a genuine stakeholder that can drive forward the agenda with the public sector, rather than just being a consultee in the process.

12:00

Mike Watson: I identified a number of organisations, most of which are representative membership organisations, such as the British Hospitality Association, the Scottish Tourism Forum and the Association of Scottish Visitor Attractions. I do not say that Mr or Miss So-and-so will be the representative—the representation is a matter for the organisation. Some of the steering group people were invited independently. The nuts and bolts of delivering will be done through the implementation group, membership of which is based on the organisations. The groups are representative in that sense, and the views of the sector can be fed through.

I said that there was a 50:50 split between the private sector and public sector representatives on the steering group, but I have just been reminded

that 60 per cent of the membership is from the public sector.

The point that I am making is that the money that is put into tourism will come primarily from the public sector. However, we want to ensure that we are moving in the same direction as the people who are running businesses, because they make a profit from what they do. We want to ensure that they do that well, because that affects the quality aspect of the industry. We want to get them involved fundamentally in driving up quality standards, because that will determine whether Scottish tourism grows.

Mr Ingram: You mentioned the Stevens and Associates report and said that you were impressed with it. The report advocated

“Controlled, limited and focused consultation that is designed to ‘work with winners’ and avoid the pitfalls of trying to satisfy all interests.”

We see those various interests in ATBs and the like. That means close collaboration with a few key companies in the tourism industry in Scotland, whether it is Marriott hotels in the accommodation sector, or Ryanair in the airlines sector. To what extent is the Executive engaging with those organisations in its tourism strategy?

Mike Watson: We cannot, for example, involve all the airlines, which is why the representative associations are more appropriate to take forward the strategy. Once that strategy is more clearly developed, it should benefit individual companies. Companies should be aware of what is happening and they should be able to take advantage of what comes out of greater co-ordination.

You mentioned the Stevens report. One of its key lessons was that there should be more strategic co-operation between service providers to meet market demand. That includes allowing

“the private sector to take the lead with the public sector playing a support role.”

That might have been drawn from our “Tourism Framework for Action 2002:2005”, which came out six months before the Stevens report. There seems to be some agreement about the way forward.

To some extent, larger individual operators will do what is right for them. I am concerned that we involve smaller operators to ensure that they feel part of the tourism industry and that they are not concerned only with running their own businesses. I accept that they have to do that well, but I want them to be part of the tourism project.

We might come on to the question of skills. If we want employers to motivate and train their staff so that they will stay in the industry and we will get away from the idea that tourism is some kind of part-time seasonal job, we have to make

employers feel that they are part of the bigger picture. For example, hotels that are open for only six months a year might begin to stretch to open for eight, nine or 12 months a year. That is the approach that I am trying to get and it will come through the involvement of the private sector in the two groups that I mentioned.

Mr Ingram: Earlier this morning we heard from Gordon Jackson and Alex Neil, who went to California, where there is a close partnership between the private and public sectors as well as clarity of vision and dynamism.

From what I read in the Stevens report, to get that dynamism and clarity of vision the private sector must take the lead and others, such as the smaller companies, will follow if they can see that the tourism industry is moving ahead in leaps and bounds.

There is something similar to a handover process between the public and private sectors. The public sector should be encouraging the private sector to take the lead. How are you going to achieve that?

Mike Watson: We are doing that by establishing the steering group and the implementation group.

I would not say that there is a lack of dynamism in the public sector. There have been many good initiatives and they continue to emerge from such bodies as VisitScotland, or the tourist boards, or a collaboration of tourist boards.

It is important to stress that some tourist boards are working together in a way that was not possible in the past. You might have heard that in some of the evidence that you have taken.

However, I accept your point about needing to make the private sector more effective. In my view, that can be done by involving it more directly.

Brian Fitzpatrick: I wanted to come to the issue of skills and I am pleased that you did too. I suspect that our influence on the weakness of the euro might be modest, but we might be able to do something about soft skills in tourism.

I am interested in the institutional architecture of soft skills in the tourism industry. The sector skills council is up and running for leisure and will be soon for retail. We have got Tourism People and Springboard UK Ltd. We have got the local enterprise companies and the enterprise networks. How do you see those organisations coming together in terms of tourism as a career and improving skills, particularly the softer skills at the lower end of the spectrum, if I can put it that way?

Mike Watson: The organisations that you mentioned are working in the sector. The sector skills council for hospitality, travel, tourism and

leisure will come on stream next year. Incidentally, in response to Adam Ingram's point, the larger companies tend to be involved in supporting that, which is important.

There is, however, no joined-up approach to the training for those skills that is available within the tourism industry. Some problems have been identified, one of which is status. One of the three key priorities that came out of the framework was the enhancement of the status of the industry. It is not often seen as a potential career for young people, whether they are leaving school with basic qualifications or leaving university.

Recently, I met some tourism academics to discuss co-ordination of provision. There is evidence that many people emerging from university with degrees in tourism, hospitality or related subjects are unable to find work in Scotland. That seems incredible, but it is what the evidence shows.

There is provision of training at that level, but I am more concerned about the lower level. There seems to be a perception that tourism and hospitality are not attractive jobs to do. There is talk of unsociable hours and low pay. That tends to translate into lack of motivation and high staff turnover.

That must be dealt with in two ways. It must start at the very basic level, in schools. Careers Scotland is selling tourism or hospitality as a worthwhile career path. However, there will have to be qualifications that can be gained and built up in order to make such a career path attractive to young people. We have been using the modern apprenticeships, in which we set a target of 1,000 modern apprenticeships over the three years from 2000.

We are well ahead of that target after only two years. Modern apprenticeships are under way, but there is still the question of what youngsters do after that. Are young people taken on by employers who encourage them to go through apprenticeships with a view to benefiting when those young people complete their training?

I am concerned that the system is not particularly joined up. We need to enhance the status of modern apprenticeships, we need to get careers officers on side and we need quality training. Employers must recognise that it is worth training people to retain them and to motivate them, because those are the people whom visitors to Scotland meet on a daily basis. If they are well motivated, they will put on a better face—that is only reasonable—and that depends on an amalgam of factors. Despite the good work that is being done by Tourism People and other organisations, much remains to be done. Whenever I make a speech on tourism, I stress

the need for skills and education as the basis on which to improve and uplift the status of tourism as a career.

Brian Fitzpatrick: That is heartening. The committee has already touched on that in our general work in relation to small and medium-sized enterprises, where there is a specific problem. The sector skills council may manage to rope in other people, but SMEs are another area that we might want to address.

As we have gone through this inquiry, there has been a dynamic tension between the general marketing of Scotland and the marketing of greater Glasgow and the Clyde valley and of Edinburgh and the Lothians. The tourist boards of those areas are the two big players on the scene, and then there is the rest of Scotland. How do you see that relationship panning out?

Mike Watson: City breaks and what the cities have to offer are important elements of the Scottish tourism package. The two cities do pretty well at what they do best. They are the two main gateways to Scotland, so it is natural that they should be in that position. My aim is simply to ensure that, having got to the main cities, visitors make the most of them and then go on elsewhere, so that the benefit is spread as far as possible. An interesting statistic is that more than 50 per cent of inquiries at the tourist information office at Waverley station from people arriving in Edinburgh by train are for events or accommodation outwith Edinburgh. Edinburgh and Lothians Tourist Board made that point when it told me about the job that it sees itself doing for other parts of Scotland. We must recognise that important contribution.

I do not see the importance of the cities as a problem. Of course the cities want to market themselves first and they have a duty to do so. I understand that and consider it perfectly acceptable. Whether people are coming to Scotland for weekend breaks, for a longer holiday or for business, cultural or sporting tourism, the benefits shown in the city will spread wider. The champions league final at Hampden in May was an example of that, as many Spaniards and Germans came. They may not have been here before, but they were given a very warm welcome, and the evidence shows that they are likely to come back and go elsewhere in Scotland. If we show a good example, we can spread tourism.

Tavish Scott (Shetland) (LD): I apologise for being late, minister. I had to meet some fishermen. You may recall from your visit to Shetland in August that fishing is a not insubstantial industry up there.

I have two questions. When Annabel Goldie and I were in Denmark earlier this year—on behalf of the committee, I hasten to add—[*Laughter.*]

Gordon Jackson: How ungallant.

Brian Fitzpatrick: I always thought he was a gentleman.

Mike Watson: It never occurred to me that it could possibly have been for any other reason.

Miss Goldie: Why not? [*Laughter.*]

Tavish Scott: Perhaps I should go back and talk to more fishermen.

We had a good discussion with the BTA in Denmark and were impressed by its work, but there were clearly links with Scotland that could be improved. Gordon Jackson reported to the committee on the visit that he made to California with the convener. Should VisitScotland do more in relation to the BTA overseas offices? Gordon talked about the need to piggyback the services that exist in other parts of the world—for example, he told us that the BTA office in California had not heard of either tartan day or the major events unit. That may be neither here nor there. However, do you have any thoughts on the potential for piggybacking on the good work that the BTA does, for the benefit of Scotland?

12:15

Mike Watson: Two weeks ago I visited the BTA office in Stockholm. I was very impressed by what the BTA has done there, just as Tavish Scott was very impressed by what it has done in Denmark. The BTA showed colleagues and me powerful evidence of what it has done to sell Scotland in Sweden. It has run newspaper articles, magazine articles and television adverts. As far as I could tell, the BTA in Stockholm was doing a very good job. The BTA's work is an important way of selling Scotland abroad. Although the figure is not absolute, we reckon that the BTA spends about £5 million on selling Scotland abroad. That is a not inconsequential sum.

There is always more that could be done. I have talked to Scottish Development International about other ways of—to use Tavish Scott's term—piggybacking on what it does to sell Scotland. VisitScotland is considering the possibility of establishing a presence overseas in some places, particularly the US. I am not sure whether that is a way forward. We must be certain that it would be an improvement on the service that we receive at the moment. However, it is important for the BTA to assure us that it is selling Scotland distinctively within the package that it offers. I am not familiar with the situation in California, but I have visited the BTA office in New York, which markets England, Wales, Scotland and Britain as a whole in clearly different ways. I want to ensure that that approach is maintained, because the BTA is Scotland's presence overseas and we must ensure that we are getting good value from it.

Gordon Jackson: We did not receive the impression that there was any anti-Scottish bias in the BTA office in Los Angeles. The office was very keen to market Scotland. However, my bottom-line impression was that, with the best will in the world, the BTA's job is to bring people to the UK and the extent to which it can market Scotland distinctively is limited. We formed the view very strongly that having VisitScotland piggyback on the BTA was the answer. We do not want to reinvent the wheel, as the BTA has wonderful facilities. However, we think that there should be a distinctive Scottish presence in the operation. Is the Executive at least thinking about that? We returned to Scotland with the sense that the BTA in Los Angeles is a very good operation, but lacks a Scottish dimension.

Mike Watson: I would be concerned if that were the case. Tavish Scott indicated that the BTA office in Los Angeles was not aware of tartan day, and that concerns me.

Gordon Jackson: It was not.

Mike Watson: That is truly amazing, given that tartan day has been celebrated for four years. We have not yet launched the major events strategy, so I would not criticise the BTA office in Los Angeles for being unaware of that. However, work needs to be done to promote tartan day. Whatever we think of the event, it will continue. It was invented by US citizens with Scottish heritage, and we must try to make the most of that. I am concerned that the California office is not aware of tartan day—for whatever reason.

I take the point that Gordon Jackson makes. We want to ensure that all BTA offices have clear knowledge of what Scotland has to offer. I am honest enough to say that this raises the issue of gateways. There are not many direct flights from the USA to Scotland. I have talked to Donal Dowds, the head of BAA Scottish Airports, who is trying to persuade more US operators to fly direct to Scotland, so that visitors do not have to come via London or Manchester. It is very important that all BTA offices know about the Scottish tourism product. Members have given an example of a BTA office that does not know about it. I intend to follow that up and to ensure that the gaps are filled.

Gordon Jackson: Has thought been given to establishing a distinctive Scottish presence in BTA offices, instead of just having them know about us?

Mike Watson: As I said, the matter is being considered. We need to decide whether such an approach is cost-effective. We may be able to benefit in other ways, either through Scottish Development International or through the first secretary at the British embassy in Washington with specific responsibility for Scottish affairs. We

can pursue various strategies in the US, although I suspect that Gordon Jackson is speaking more broadly. I am up for any suggestion to market Scotland abroad more effectively.

The Convener: So you certainly have not ruled out the suggestion.

Mike Watson: Absolutely not. However, it must be borne in mind that the BTA funds what it does abroad from its own funds. I mentioned around £5 million of value to Scotland. I think that there are around 23 BTA offices worldwide. If VisitScotland wanted to do something on its own and have a presence where the BTA does not—

The Convener: The specific point under discussion is whether there should be a VisitScotland representative in BTA offices. You have not ruled that out, but you have not ruled it in.

Mike Watson: No. The matter is being considered. If I thought that it would bring benefits, it could be worth doing.

Tavish Scott: The committee pursued the question of the relationship between a minister and organisations—such as non-departmental public bodies—for which they are responsible with Wendy Alexander when she was minister with responsibility for enterprise. It strikes me that in case studies that we have considered, the relationship between government and representative bodies is important. Do not take this the wrong way, but is there a possible danger that a minister will seek to second guess the board of VisitScotland, for example, simply because the minister wants to be seen to be working for the industry? What is that board responsible for? Is it responsible for strategy or for delivering the minister's objectives for a particular industry? I am interested in the relationship.

Mike Watson: The board is responsible for delivering the minister's objectives. I set out the strategy annually to Peter Lederer, who is chair of VisitScotland, and the parameters within which I expect it to operate. Obviously, I largely reinforce the strategy, as it is not reinvented every year. It is the job of the board of VisitScotland to take forward the strategy. VisitScotland has industry professionals and some of them are very senior. Most have considerable experience.

That is the setting. I do not see my role as being particularly hands on. I do not micro manage any of the NDPBs for which I have responsibility—I set out strategic direction for them and then expect them to get on with things. I do not speak to them only once a year; I regularly speak to Peter Lederer and to Philip Riddle, who is the chief executive. That is how I approach my ministerial role with all the NDPBs.

Tavish Scott: I have a supplementary question. In Denmark, there are important strategic partnerships between the Scandinavian Airlines System, which is the main airline and domestic flag carrier, and the low-cost carriers to bring people to that country. There was a strong move to ensure partnership funding to attract new airlines—this ties in to the point that was made earlier about the need for direct flights to the United States. Would you instruct VisitScotland to ensure that partnership funding was made available to, for example, low-cost carriers bringing people into Scotland from new destinations if you thought that that was a particular need and priority?

Mike Watson: I could do so. I would have to consider the benefits and relationships with flight operators. If you are asking whether doing so is within my power, I understand that it is. However, I would have to consider the case on its merits and reach a decision. VisitScotland speaks to carriers regularly to try to encourage them to come here. Whether they can be enticed through financial inducement is another matter. I imagine that state-aid rules, for example, would need to be negotiated if that were to be contemplated. However, as a general principle, I expect VisitScotland to do what it can to attract more flight operators. I would tend to encourage it rather than to force its hand.

Tavish Scott: Fair enough.

Mr Davidson: The minister and members have commented on the industry's taking more of a lead, but a definition of how the industry is seen is needed. Not all the industry is in the private sector—much of it is in the public sector. For example, local authorities and the National Trust for Scotland, which has charitable status, deliver tourism services in one way or another. Minister, if the industry is to take more of a lead, I presume that that means that you are not seeking to have the area tourist boards or their new equivalents—the city-region partnerships or whatever—become branch offices of VisitScotland at an early stage. However, in relation to your comments about your role not being hands on, your written submission seems to suggest that you want the industry to take more of a lead. You want the public sector to support that, but not to kick bottoms all over the place. That is for the industry to do as it gets up and gets on with the job. Does that mean that you would be open to a change in the status of VisitScotland, albeit you would have input into that through the public sector?

Mike Watson: No, I do not see the need for that just now. VisitScotland operates well as a non-departmental public body. There have been significant changes in VisitScotland over the past 18 months, which have been positive and have re-

focused the organisation. The appropriate status for VisitScotland is that of an NDPB and I have seen no evidence to suggest that that should not be the case. The input from those members of the board who have private sector experience gives a public-private balance that can take forward tourism in Scotland.

VisitScotland has reinvented itself and is beginning to have an effect. I was not around in the days of the Scottish Tourist Board, but my positive view of VisitScotland has come from visiting 12 of the 14 area tourist boards, most local authorities and all the cities. There is a generally positive view of VisitScotland and what it is trying to do.

Mr Davidson: I have a further small question on an issue that has been hinted at throughout the meeting, which is not marketing, but the dispersal policy once people arrive in Scotland. What initiatives are you considering to deal with the big problems of getting people out into the rural and coastal communities, where tourism could have a major benefit? I do not expect you to give a full commitment on any initiatives today; that is not what ministers normally do when they come to committee meetings.

Mike Watson: One of the best and most important developments this year is the Rosyth to Zeebrugge ferry service. That brings more people in cars into the centre of Scotland and enables them to travel around. Incidentally, the ferry service provides an example of the tourist board collaborations that I mentioned earlier. The tourist boards around the Rosyth ferry service try to sell what they have to offer to those arriving on the ferry. That is important.

My view is that tourists will be spread more widely around Scotland if we offer them some of the products that we have highlighted, such as the walkingwild initiative and the green tourism initiatives to get more people into rural areas. That is how dispersal will be done. The more that that is done before people arrive in Scotland, the better, because I would like people to have an increasingly clear idea of what they want to see in Scotland before they leave home.

When people go to the visitscotland.com website they can see what Scotland has to offer and can book not only their travel, but their accommodation and some visitor attractions. That is the developing way to do those things and people expect that facility. Therefore, we must be able to do that so that the benefits of travelling throughout Scotland are more fully appreciated. When that is the case, we will get the kind of spread to which Mr Davidson referred.

Mr Davidson: Are you suggesting that it would be more effective to have things such as touch

screens in shopping centres in America, for example, than just scattered around Scotland?

Mike Watson: I am not sure that I understand that question. What I am saying is that more and more people book their holidays, not by going into a travel agent in their own country or picking up a telephone, but by going online. Booking online is important as is also, increasingly, the ability to pay online before a person leaves home. The United States is probably the best example of a market for that kind of facility because it has the highest per capita percentage in the world of people who are online. We must sell hard on that basis. However, we can also do that in other countries, particularly in Europe.

We must ensure that as many of the Scottish accommodation providers, visitor attractions and so on are offering online what they have to sell so that people can book by the most convenient means possible. I am happy if visitors to Scotland, when they get off a plane at Glasgow, Edinburgh, Inverness or Aberdeen airports, have an idea of where they will stay and what they want to do, so that if they have a two-week stay, they will know when they are going to the theatre, when their golf tee times are and when their tour of the Highlands or wherever is happening. They can fit the rest of their holiday around such activities. We can achieve such a package approach through online booking and payment. That will have all sorts of benefits for tourism in the future.

Mr Macintosh: I have two brief questions. First, will you update us on the major events strategy? Secondly—I return to a point that Rhona Brankin raised earlier—how confident are we that the structures are in place to enable us to measure the success, or lack of success, of the major events programme? Obviously, we wish the Executive well in its bid for Euro 2008. It has already been confirmed that the Ryder cup will be coming to Scotland. The formidable potential of those events is there for us to see. You also mentioned the potential for working with the private sector. What is not clear is the way in which we can measure public investment in those events. One of the criticisms of niche tourism marketing is that genealogical tourists come to Scotland anyway and it is not always possible to have the robust information to measure the additional value of the public investment. Will a structure be in place for the two forthcoming events to enable us to measure the value that the public investment and participation will add?

12:30

Mike Watson: Let me use Euro 2008 as an example. Before deciding how we would support the bid, we undertook a rigorous economic analysis that was based on the preparation

undertaken by other countries that have held similar events, including the Olympic games, to try to measure the value that accrues from hosting a major sporting event. It was difficult to be precise.

The evidence showed that, aside from the event itself, which would obviously provide benefits, there would be economic benefits in the long term. I believe that there would also be benefits in the short term. If, in December, we are successful in getting Euro 2008, we will have the best part of six years in which to sell Scotland as a destination. Scotland's status will be enhanced not only by our wanting to host a major event, but by our being able to do so. As I said earlier, European football fans do not follow the traditional model of sports fans. They tend to be older and travel with their families. They take the view that they want to get more from visiting a destination than just the event for which they have come. We are trying to build on that. To a different extent, golf offers the same benefits. Five of the eight open championship courses are in Scotland, which brings benefits.

My aim in developing a major events strategy is to position Scotland as the sort of country that is capable of staging major events well. If we can achieve that, there will be spin-offs. If you had asked me how many tourists would come to Scotland as a result of Euro 2008, I could not have told you. Even the best economists in countries that have staged such events could not give you precise figures. However, clearly there would be a benefit. How could there not be a benefit? The country's status would be enhanced; its infrastructure would be improved; and the standard of our hotels would be improved. I am clear that there would be those kinds of benefits.

You asked about the major events strategy. The report is now in its final stages and I hope that it will be launched soon—perhaps by the end of next month. That is the sort of time scale that we are looking at. Do not forget that the strategy will project forward to 2015. We are not expecting a chart to shoot up in two or three years; it is all about getting the message across that one of the ways of selling Scotland as a tourist destination is to show that it is capable of staging major events successfully.

The Convener: We are all disappointed by the news about Inverness.

Mike Watson: It is disappointing. I feel sorry for the people of Inverness and the Highlands, who put in a great deal of work and created an impressive package for their application. I have been in touch with David Green of Highland Council, and the matter was discussed in the Cabinet this morning. We are going to consider how we can take forward some of the best aspects of the bid, not least the way in which the people there got 23 agencies to back the bid and work

together in a co-ordinated way. Several initiatives deserve to be developed even though the Inverness bid did not make the shortlist.

The Convener: It is now a year since we first had a minister with responsibility for tourism in the Cabinet. There was a great clamour to have one. What difference does it make to the tourism industry to have a minister in the cabinet?

Brian Fitzpatrick: A big difference.

Mike Watson: The convener's assertion is not strictly true, given that in their former roles Wendy Alexander and Henry McLeish were in the Cabinet as well. Members will notice that, in my ministerial title, tourism, culture and sport are not in alphabetical order. Tourism is clearly the major thrust of what I have been given responsibility for. Therefore, I can give it more attention and, I hope, more time than my predecessors could, for perfectly understandable reasons—it was not the major part of their portfolios. That is what the First Minister has done in creating a tourism ministerial post. No doubt members know—it has been said to me several times—that the post was created just two weeks after the Scotland United conference last year, at which the First Minister said there should be a minister for tourism.

The role gives me the ability to argue the case not more articulately, but perhaps in greater detail, because I can give it more time and I have officials who know the industry and who work closely with me and VisitScotland. I do not think that I am letting the cat out of the bag by saying that John Brown meets one of VisitScotland's directors weekly, so there is regular contact, not just to let each other know what is going on, but to develop parts of the strategy as well. I regard that as a positive step. I can be more hands on, simply because I do not have the other responsibilities that Wendy Alexander and Henry McLeish had when they were nominally tourism ministers.

The Convener: You obviously recommend that John Brown does the same next year. Thank you very much, minister.

Work Programme

The Convener: Before everyone rushes away, we have one other item, which is our work programme. A paper has been circulated, which falls into two parts. The first part concerns the time scale that the committee previously agreed for the completion of the tourism inquiry. People may disagree, but I think that the real issue is what we should do early next year, because we have to be finished by the end of March. We are not able to leave anything hanging; we absolutely must complete any additional work that we intend to do after the tourism inquiry. It would be helpful if we could focus our minds on that. I know that Annabel Goldie has a few ideas.

Miss Goldie: I was conscious of the time scale and of our bitter experience that it is so easy to take on too much. Given that we now have a tight time scale, we should be capable of focusing on whatever we decide to do in reasonable detail and of producing a report before the time is up in March. I looked at the list of suggested work and some of the topics are fascinating, but to do them justice, it would take six months to take the necessary evidence. The challenge in my own mind was to think of something that the committee could usefully grasp in the time available. I wondered about entrepreneurship, simply because I noticed recently that Jim McColl has called for the formation of an—

The Convener: Elite school.

Miss Goldie: Absolutely. That may be a good thing to do; I have no idea. We know that in Scotland we suffer from a lack of a positive entrepreneurial culture. I wondered whether there would be any merit, in the short time that is available, in speaking to the people who are involved, which means the business community, the universities and colleges, and maybe even schools. What is it that stops a proportion of our younger people transforming into entrepreneurs? We know about the aspiration. A couple of years ago, a survey was done, which showed that there was an astonishingly high aspiration to run a business among primary school children. However, the next question was, "How many of you think you will end up running a business?" and the percentage plummeted to a very small proportion. That intrigues me. That is one thought that I had.

The Convener: I will just go round the table, because I think that everyone has indicated that they wish to speak.

Gordon Jackson: I could not help noticing on the list the idea of focusing on the skills gap in tourism. I know that we are doing a tourism

inquiry, but I wondered whether that would not be a nice wee addendum. We will mention in our report on the inquiry the fact that there is a skills gap problem, but that is not the thrust of what we have been doing. We have not considered that issue, and I do not think that we will. We have considered the marketing of Scotland rather than the skills gap. It would be easy over a few weeks to do a wee, separate addendum that would link in with what we have been doing. I agree that if we only have four weeks, we should pick something that we think we can do in three weeks, because four weeks will become five weeks. I thought that that topic fitted in, rather than just doing something random for the sake of doing it—not that I am suggesting that that is what has been suggested.

The Convener: If this was just a normal yearly work programme discussion, I would advocate that we examine population change, for example, and the major effect that it is having, but we cannot do that justice in the time scale that we are talking about.

Tavish Scott: I worry about what we are getting into. Annabel has made a good suggestion but it is a big study and I do not believe that we would have time to do it justice. Possibly the committee skims over issues too much rather than giving them the weight that they deserve, although we gave lifelong learning its due weight.

I was taken with the suggestion of having a series of hearings to tidy up some of the issues that have emerged during the past four years. We could consider some of the issues that we have examined. For example, we could have one meeting to consider the Scottish credit and qualifications framework.

The Convener: You are talking about having an update rather than an inquiry.

Rhona Brankin: As you know, I am interested in bioscience and biotechnology, which are increasing sectors of Scottish industry. I would like to know whether we could consider those subjects.

Brian Fitzpatrick: The topics that I have suggested to coalition partners—and I am happy to have Annabel on board as well—centre around the hearings suggestion.

As far as the work programme is concerned, the skills gap in tourism is an issue that is missing from the tourism inquiry. If we were prepared to do a piece on that, it would use up some of the time.

I have suggested a smörgåsbord of issues for the hearings. The legacy paper is something else that might be touched on. I omitted that, but it strikes me that we might spend a bit of time reflecting on stuff that we have come across during the inquiry. I am still not happy—and I know

that David Mundell shares my view—about the way in which we take evidence. The tourism inquiry was interesting but, again, people just came and told us what we knew they were going to tell us. We do not have sufficient opportunity to interrogate people properly about what they are saying.

Our adviser has also pointed out a very valid question, which we know is useful because it is right. All these folk tell us that they want more funding, but none of them tells us why they should have it, what they would do with it or what the arguments are for it. We never seem to get to those hard questions, so it would be useful to discuss that.

I think that we should do something about the RAE. That would lend itself to a one-day slot.

The Convener: Do you mean the research assessment exercise?

Brian Fitzpatrick: Yes. I was not suggesting that we embark on an inquiry into city regions as drivers of economic development. I remember Andrew Wilson and I asking about the existing literature. That might be an area that we could consider further down the road.

Mr Macintosh: I echo my colleague's points, and the point that Tavish Scott made. We certainly cannot start a new piece of work, so I would welcome referring back to some of the work that we have done already. It is important that when the committee does work—and I am conscious that only Annabel Goldie and the convener have been here from the beginning—

The Convener: No, I have not. I am fairly new. I have only been on the committee for two years. Marilyn Livingstone and Annabel Goldie are the original members.

Brian Fitzpatrick: He gave up the front bench for this committee.

Mr Macintosh: Rather than do pieces of work and never return to them, I think that it is important that we return to the work that we do. We have only just published the report on the lifelong learning inquiry, but it is the most important of such issues. Frankly, I would like to revisit any of the issues that we have touched upon.

I would also like to agree with Brian Fitzpatrick's point about the way the committee works. If we leave a legacy paper for the next committee, that will be crucial. We should spend a little bit of time on it. The Procedures Committee will be considering such issues, but if we could feed into that, that would be vital.

Mr Ingram: I think that it has all been said. As a non-coalition partner, I go along with what has been said.

Rhona Brankin: I want to refer to what members have said about research. I know that the committee has considered research. I would find it interesting to consider research in Scotland that is specifically related to an issue such as bioscience, to see how effective commercialisation is.

The Convener: We are all agreed that one-off hearings during that two-month period are the right way to go, rather than launching an inquiry.

Gordon Jackson: You had a drinks reception planned for the last meeting. The party has to be taken into account.

The Convener: Absolutely, and you have already agreed to fund it, Gordon.

Are we agreed that the one-off hearing should be our *modus operandi* for February and March next year?

We also all seem to be agreed on the need to devote some time to a legacy paper. There is also a consensus that tourism skills should be the subject of one of the hearings.

Beyond that, there have been a number of suggestions for topics: the RAE; the city regions review, on which the Scottish Parliament information centre is just about to produce a research paper; and biotechnology, which is extremely important.

I suggest that we agree to hold hearings and that the legacy paper and tourism skills be included in those hearings. We will make a list of the other suggestions and ask the clerks to circulate it. Some members are not here today, so we will ask members to feed their preferences back to the clerks. We will then deal with the most popular subjects. Is that agreed?

Members indicated agreement.

The Convener: Very democratic.

I have one final point to mention. Members might remember that, at the start of the tourism inquiry, we agreed to co-operate with our colleagues, particularly our colleagues in Northern Ireland, whose inquiry is now suspended. The National Assembly for Wales and the House of Commons Select Committee on Culture, Media and Sport are both starting or are in the middle of tourism inquiries. There is a request for us to have a joint meeting.

My view is that a joint meeting of the full committees would involve more than 50 people and would become a bit farcical. We have agreed in principle to co-operate. I suggest that four or five people from each committee should go to a meeting. We can decide later who goes. Is that acceptable in principle?

Members indicated agreement.

Meeting closed at 12:46.

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