



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 8 January 2015

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Scottish Parliament

Thursday 8 January 2015

[The Deputy Presiding Officer opened the meeting at 11:40]

General Question Time

The Deputy Presiding Officer (John Scott): Good morning, everyone. The first item of business is general question time. As always, short questions and answers would be appreciated.

Public Sector Recruitment (North-east Scotland)

1. Richard Baker (North East Scotland) (Lab): To ask the Scottish Government what action it is taking to support public sector recruitment in the north-east. (S4O-03871)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): The recruitment of staff is a matter for individual public sector organisations and the Government provides a strong level of public funding to them to support that task. The Government also has a range of policies to support those who are finding times difficult financially. Our pay policy focuses resources on the lower paid by promoting the Scottish living wage alongside distinctive measures to address low pay.

Richard Baker: The cabinet secretary agreed to discuss an Aberdeen weighting for salaries with public sector employees in the city and region last May to aid recruitment. What steps have been taken as a result of that undertaking? I understand that one Scottish Government agency in the city has already uplifted wages to reflect the high cost of living in Aberdeen. Does that make the case for the Scottish Government to support other public sector employees in the city in the same way?

John Swinney: Under the current arrangements, an element of Scottish public sector pay policy enables public sector organisations to make specific arrangements when they find it challenging to recruit individuals because of a particularly competitive labour market. Those provisions exist and have been used, and I know that that has been the subject of public comment in Aberdeen in relation to Marine Scotland. Those arrangements exist for public bodies that operate under the Government's public sector pay policy so that they can take appropriate steps if they can demonstrate the market issues that have to be addressed by paying the support that is required to recruit for key vacancies.

Christian Allard (North East Scotland) (SNP): Does the cabinet secretary agree that the development of affordable housing at the Craiginches prison site for a target market of public sector workers demonstrates the Scottish Government's commitment to the recruitment and retention of public sector staff in the north-east?

John Swinney: Mr Allard makes a good and strong point. The Government acted in collaboration with NHS Grampian—in concert with the local authority into the bargain—to identify and take forward the site of the former Craiginches prison as a location to provide accommodation for key workers in the city, as we recognise the challenges with access to the housing market. Of course, that is in addition to the £47.6 million for affordable housing support that the Government makes available to assist Aberdeen City Council and Aberdeenshire Council in developing a broad range of affordable housing units.

Using the former Craiginches prison site was an initiative that the Government took to recognise the difficulties and challenges for key public sector workers in accessing affordable housing. I am delighted that we have made progress on that.

The Deputy Presiding Officer: Briefly, Nanette Milne.

Nanette Milne (North East Scotland) (Con): I am sure that the cabinet secretary will agree that a very important concern in Aberdeen is the difficulty in recruiting senior health professionals and retaining them in their posts once they discover the cost of housing in the area. I know about the Craiginches proposals, which will not necessarily provide what is wanted uniformly, and I know that the Government has been considering what could be done to alleviate the situation. Will the cabinet secretary give me any information about whether suitable housing might be available for incoming staff to purchase or rent?

John Swinney: A range of housing providers are active in the market in north-east Scotland. The investment that the Government is making in the Aberdeen western peripheral route will also open up new opportunities for significant housing developments on the city's periphery.

I reiterate to Nanette Milne the point that I made in response to Christian Allard, which is that, when the Government was able to take the opportunity to expand the availability of affordable housing through the Craiginches site, we acted quickly and decisively to secure that for the public good. That is in addition to the strong programme of investment that the Government has made in supporting the housing market in north-east Scotland.

Care Sector Staff (High Standards)

2. Nigel Don (Angus North and Mearns) (SNP): To ask the Scottish Government how it ensures that consistently high standards are maintained by staff in the care sector. (S4O-03872)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): Consistently high standards are maintained through the regulation of the social services workforce by the Scottish Social Services Council. Social care staff must register with the council and comply with its codes of practice, which set out the standards that workers must meet.

The quality of staffing in care services is also assessed as part of all Care Inspectorate inspections. The Care Inspectorate has a range of enforcement powers, with which services must comply or face closure. In 2013-14, 91 per cent of care services were awarded grades of good, very good or excellent for the quality of staffing.

Nigel Don: I thank the cabinet secretary for her response, which dealt directly with the quality of staff. In the second of the 2014 Reith lectures, Dr Atul Gawande focused on systems in healthcare, from simple checklists to complex mechanisms and processes. He argued that they could be better designed to transform care, from the richest parts of the world to the poorest. Does the cabinet secretary agree that simple systems of checklists in our care settings for elderly patients would have a significant impact on the wellbeing of those patients, such as my constituent's mother, who suffers from advanced dementia and does not receive regular and adequate hydration, while her caregivers have regular and legislated-for rest breaks?

Shona Robison: We have in place a range of national care standards that describe what individuals can expect from a care provider. They focus on the quality of life that the person who uses a service experiences. The standards for care homes for older people, for example, cover day-to-day life, including keeping well and eating well, and, on hydration, include the standard that an individual can have hot and cold drinks whenever they like.

It is up to service providers to ensure that they meet such standards. Ways to do that could include the use of checklists, but the focus must be on caring for the individual and their needs.

Mary Scanlon (Highlands and Islands) (Con): Is it fair that many councils fund the council care sector at a rate that is up to 80 per cent higher than the independent sector rate, yet the same high-quality standards are—rightly—expected of all care providers?

Shona Robison: This is a long-standing issue, which was regularly raised when I was the public health minister. We have good discussions through Scottish Care about how we can better support the sector to respond in the way that we need it to respond, which covers not just care homes but care at home. I would be happy to keep Mary Scanlon updated on how those discussions are going.

South Ayrshire Council (Accounts Commission Report)

3. Chic Brodie (South Scotland) (SNP): To ask the Scottish Government what action it will take as a result of the statutory follow-up to the Accounts Commission report on South Ayrshire Council of February 2014. (S4O-03873)

The Minister for Local Government and Community Empowerment (Marco Biagi): Local authorities must use resources as efficiently as possible and deliver services effectively to ensure that taxpayers get the best possible value. The Accounts Commission published a best-value report on South Ayrshire Council in February 2014 and a further report in December 2014. The latter report notes that the council has made a good start on developing an improved framework to help it to demonstrate best value. The council now needs to continue the improvements that it has started in order to deliver improved services and achieve better outcomes for the people of South Ayrshire.

The local government minister normally writes to the relevant council leader when a best-value report is published, and I did so in the case of South Ayrshire. In my letter, I noted the progress that has been made and reiterated the Accounts Commission's findings on the need for effective implementation and sustained improvements. I will take a close interest in the council's progress and in the further report that the controller of audit has been asked to prepare within 18 months.

Chic Brodie: I, too, welcome the December update of the Accounts Commission review, which indicated some improvement in South Ayrshire Council's performance. Does the minister agree that the council—and possibly all other councils—should have a limited number of key performance outcomes that are made widely known to its citizens and that all would benefit by ensuring that reports on the council's performance against those key indicators are produced quarterly and communicated appropriately to those same citizens?

Marco Biagi: Councils must publish performance information that the Accounts Commission specifies. Under the 2014 direction, which was published in December, there are three headline indicators regarding corporate

management, service performance and how much reporting is taking place against the requirements of the local government benchmarking framework. A lot of that is published online with support from councils.

The Scottish Government supports that approach, but any council is free to be proactive in publishing and promoting such performance data, especially when it is already collected. That could only help to ensure greater transparency, to ensure that local citizens have an idea of how their council is performing and to ensure that local government is paired with an informed local democracy.

Smith Commission (United Kingdom Legislation)

4. Bill Kidd (Glasgow Anniesland) (SNP): To ask the Scottish Government what recent discussions it has had with the United Kingdom Government regarding the publication of draft legislation arising from the recommendations of the Smith commission. (S4O-03874)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): There have been a number of contacts with the UK Government at official and ministerial level to take forward implementation of the conclusions of the Smith commission. I have been assured by the Secretary of State for Scotland that the Scottish Government will be fully involved in further work to develop draft clauses for publication later this month.

Bill Kidd: What discussions have been had or plans made by the Scottish Government regarding early action on transferring powers that do not require primary legislation?

John Swinney: The Scottish Government has set out to the UK Government a number of areas where we believe that it is possible and practical for powers to be transferred in early course. One of the most significant priorities that were advanced by the First Minister in her discussion with the Prime Minister in December was the issue of 16 and 17-year-olds being able to vote in the 2016 Scottish Parliament elections. Progress is being made in that respect.

There are a number of other areas of activity where we would like to see swifter progress, not least of which is on the devolution of the work programme, which the Smith commission said should be the subject of early devolution and which the Scottish Government is concerned is the subject of contract extension, which we believe breaches the spirit of the Smith commission report.

Duncan McNeil (Greenock and Inverclyde) (Lab): I am sure that the cabinet secretary will be

aware of Scottish Labour's call yesterday for a section 106 order to be brought forward to transfer the responsibility for the job-creating powers of the work programme to the Scottish Government ministers. We have had positive comments of support for that, particularly from Glasgow City Council and the City of Edinburgh Council. Will the Scottish Government also support that call?

John Swinney: With the greatest respect to Duncan McNeil, he has obviously not been listening for some considerable number of weeks, because we have made that point to Parliament, consistent with the Smith commission report, in which the Smith commission said that the work programme was one of the areas that could be the subject of early devolution. We as a Government have been concerned that, at the same time as that report was being finalised, the Department for Work and Pensions was consulting about extending the existing work programme contracts and not enabling early and timeous devolution of the responsibility to the Scottish Parliament.

I welcome Mr McNeil's support for what the Scottish Government has been trying to do. I encourage him to use every opportunity he has to say to the United Kingdom Government, consistent with the spirit of the Smith commission, that there should be early devolution of the work programme so that we can ensure that it is configured in a fashion to meet the needs and expectations of individuals who want to access employment in Scotland.

Annabel Goldie (West Scotland) (Con): Like many in Scotland, I look forward to the launch and publication of draft clauses later this month. I hope that the cabinet secretary will respond in a far less curmudgeonly manner to that exciting development than he did to the Smith agreement, which seemed to frazzle in his hand within 24 hours of the agreement being published.

Everybody now accepts that the political debate in Scotland has moved on from what powers this Parliament has or will get to what we do with the powers. If the cabinet secretary is given the power over air passenger duty, which he is so enthusiastic should be devolved here, will he abolish the duty or will he just reduce it?

John Swinney: If I can be so ungallant to Baroness Goldie on a Thursday morning, being accused of being curmudgeonly by her is a bit like the pot calling the kettle black. [*Interruption.*]

The Deputy Presiding Officer: Order.

John Swinney: Air passenger duty is one of the topics that we have said to the UK Government merits early devolution. We also made clear in the white paper exactly what our proposal would be on reducing air passenger duty. I have reaffirmed that position to Parliament, as have other ministers,

and I urge the UK Government to take speedy and timeous action to devolve the responsibility to allow the Scottish Parliament do something different from the current regime that has been put in place by the UK Government.

Health and Social Care Integration (South Lanarkshire)

5. Linda Fabiani (East Kilbride) (SNP): To thank the Scottish Government—sorry, although I hope that I might thank the cabinet secretary after her answer. [*Laughter.*] To ask the Scottish Government what progress has been made in integrating health and social care in South Lanarkshire. (S4O-03875)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): Good progress has been made in South Lanarkshire to integrate adult health and social care. A shadow chief officer and shadow integration joint board have been appointed and are making significant progress in line with their agreed work plan.

Linda Fabiani: I thank the cabinet secretary for her answer. There is concern in my East Kilbride constituency about hospital discharge delays because of the lack of home care packages. I have many constituency cases in which people's wellbeing is being disadvantaged. Is she confident that matters are progressing well towards 1 April, which is the date of full implementation? What dialogue is being held with South Lanarkshire Council and NHS Lanarkshire to ensure that they are working towards an integrated care package?

Shona Robison: I thank the member for her question. The health board and the local authority in South Lanarkshire are making good progress towards submitting their integration scheme for approval by 1 April. I am confident that they are on track to put in place their integrated arrangements during the coming year.

As I have said many times, tackling delayed discharge is my top priority. We have been working hard with partnerships over the past few weeks and will continue to do so.

We recently allocated £300,000 to the partners in South Lanarkshire. The council and the health board are matching the allocation so that they have the services in place to ensure that patients flow through the hospital and return home or to a care home place. At the latest delayed discharge census, 16 South Lanarkshire residents were delayed in hospital for more than four weeks. However, recent local information indicates that the delays are considerably reduced. I hope that the member will welcome that.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): Delayed discharge is not just a problem in Linda Fabiani's constituency.

Will the cabinet secretary meet the Opposition health teams to give an update on health and social care integration, particularly in relation to budgets? Will she ensure that the integrated resources framework for each local authority and health board area is published now, so that the budget can reflect the frameworks?

Shona Robison: I am very happy to provide such a briefing. A lot of work is going on with individual partnerships—first, to help them through the winter period, when there are obviously significant challenges and, secondly, to take advantage of integration from 1 April. I am happy to give Richard Simpson and the other Opposition spokespeople a full update on the plans that are being put in place to ensure that we do that.

NHS Lanarkshire and NHS Forth Valley (Meetings)

6. Margaret Mitchell (Central Scotland) (Con): To ask the Scottish Government when it last met representatives of NHS Lanarkshire and NHS Forth Valley. (S4O-03876)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): The Scottish Government regularly meets representatives of NHS Lanarkshire and NHS Forth Valley to discuss issues of interest

Margaret Mitchell: Is the cabinet secretary aware the many NHS health boards, such as NHS Lanarkshire, are issuing a directive that a cheaper drug be prescribed for certain routine complaints and infections rather than the tried and tested drug to patients with repeat prescriptions? That frequently results in the patient then experiencing side effects and having to make a follow-up appointment and the original repeat prescription having to be reissued. Given all that and the cost implications involved, should the matter be looked into?

Shona Robison: Those are clinical decisions. However, I am more than happy to look into the case that she cites. If she writes to me with more information, I will have a full look at the detail of the issue that she raises.

First Minister's Question Time

12:00

Engagements

1. Kezia Dugdale (Lothian) (Lab): To ask the First Minister what engagements she has planned for the rest of the day. (S4F-02503)

The First Minister (Nicola Sturgeon): Later today, I will have engagements to take forward the Government's programme for Scotland but, earlier this morning, I spoke to the consul general of France and conveyed to him Scotland's condolences to and solidarity with the people of his country. I have also instructed that flags at Scottish Government buildings will fly at half mast for the remainder of today as a mark of respect.

The links between Scotland and France are long standing and strong. Indeed, we have a French-born member of our Parliament. Today, as we see further tragic developments taking place, we stand shoulder to shoulder with the people of France, united in our condemnation of yesterday's atrocity, deeply saddened by the tragic loss of life and absolutely steadfast in our defence of the fundamental freedoms that we all cherish so much.

Kezia Dugdale: In a democracy, we must never give in to attempts to censor the media or to curtail freedom of speech. I join the First Minister in sending the condolences and sympathies of those on these benches to the people of France and to the French community in Scotland.

This week, the newspapers in England have been full of reports about the crisis in the national health service, as accident and emergency departments come under severe pressure. How would the First Minister describe the situation in accident and emergency departments in Scotland?

The First Minister: Right now, our national health service, and our accident and emergency departments in particular, are facing significant pressures. That is very often the case during the winter months. During that period, the pressure that our hospitals are working under increases not only because of the number of attendances at A and E, but because of the severity of illness and the number of admissions to hospital, combined with factors such as norovirus. For example, over the festive period, Greater Glasgow and Clyde NHS Board had what the chair of the board described to the Cabinet Secretary for Health, Wellbeing and Sport this morning as an unprecedented level of very sick people being entirely appropriately admitted to hospital through

accident and emergency, many of them frail elderly people with respiratory illnesses.

With health boards, we prepare carefully for the winter period. Many health boards have opened additional beds and expanded staff capacity, and the Scottish Government has made £28 million available to health boards to help them to prepare for winter pressures. I take this opportunity to thank all the NHS staff who are working hard just now to deal with that increased demand.

Every occasion on which a patient waits too long in accident and emergency is deeply regrettable, and we will continue to work hard to improve performance not only in the winter months but all year round.

Finally, it is important to put winter pressures into some context. Nine out of 10 people who attend accident and emergency departments are seen within four hours. There is much work to do, but we should mark the good work that is being done.

Kezia Dugdale: The staff in our NHS do a tremendous job. It is because I value the work that they do that I am shining a light on the problems in our health service today.

The First Minister may say that there is no crisis in our NHS but, earlier this week, her officials tried to silence NHS staff. They asked health boards not to respond to press calls for details of accident and emergency department performance over Christmas.

The A and E crisis in England is public because the statistics are published every week. However, in Scotland, we will not know how our NHS performed over the Christmas period until February. Will the First Minister commit today to publishing A and E figures every week, just as they do in England?

The First Minister: First, in the interests of accuracy, the email Kezia Dugdale referred to was not an email to health boards; it was from an official to statisticians, seeking advice on the reliability of statistics. No instruction went from the Information and Statistics Division to health boards.

From the wealth of information that health boards have put into the public domain in recent days, we have seen that what Kezia Dugdale says is the case is manifestly not the case.

Before this Government came into office, Labour did not routinely collect accident and emergency statistics at all; it simply took snapshot surveys. Since this Government has been in office, there has been quarterly reporting of accident and emergency statistics. From February this year—next month—that reporting will be done monthly. I want there to be as much transparency

as possible so that we can ensure that our health boards are as equipped as they need to be to deal with the pressure that they face.

The pressure on our health service and our accident and emergency units during the winter months is obvious, and I have detailed some of the reasons for that pressure. My job as the First Minister, the job of the health secretary and the job of the entire Government is to make sure that we do everything that we can to equip our health service to meet the demands that it faces. That is what we have been doing and it is what we will continue to do.

Kezia Dugdale: Harking back to the Labour years might comfort Scottish National Party back benchers, but it will not comfort anyone who slept on a trolley last night. All across the country, patients are being turned away or are receiving unacceptable treatment. The Victoria infirmary in Glasgow is treating patients in a portakabin; Ninewells hospital in Dundee admitted delaying treatment because the hospital is too busy; and in Aberdeen, the royal infirmary has had to cancel 80 operations this week, including another 15 this morning. The list could go on and on. Does the First Minister believe that there are other instances, and does she think that that is an acceptable standard of care?

The First Minister: I will address a few of those points and will deal with the Victoria infirmary first. As I understand it, the facility that Kezia Dugdale refers to was opened 10 years ago, but that is not the point that I want to make about the Victoria infirmary. The accommodation at that hospital is not as good as it should be or as good as we want it to be, which is why the Government is investing £850 million in the construction of a new hospital on the south side of Glasgow that will open this year and will replace the facilities at the Victoria infirmary. That is the action that the Government is taking to improve the national health service.

Recording progress that has been made while acknowledging that work still needs to be done is not “harking back”; it is simply recognising the reality. Today in our national health service, there are almost three times as many A and E consultants as there were under Labour—not just a few more, but almost three times the number: there were 75 under Labour and there are 201 under the SNP Government. There are 1,700 more nurses working across our national health service, and the budget today is nearly £3 billion higher than it was under Labour.

Last, but perhaps most important in the context of the very serious issue that we are discussing, there are two accident and emergency units operating in Scotland today that would have been closed if Labour had remained in office. The

Monklands and Ayr A and E units have treated thousands of people over the festive period alone.

Yes, there are pressures, and the Government will help health boards to face up to them. However, those pressures would be considerably worse if Labour had continued in office.

Kezia Dugdale: Again, we hear about Labour’s record when Labour was in power. The First Minister needs to understand that, when Labour came into power in 1999, I was still at school. The SNP has been in power for eight years and she is responsible for eight years’ worth of Government decisions. From today, she has to take that responsibility. The problems in our NHS are not new. The Royal College of Nursing has been warning the Government for months about the problems in the NHS, and the Government has been in office, running the NHS, for eight years.

We are just one week into 2015 and a clear pattern is emerging. The workers in the North Sea oil industry are saying that jobs are at risk, yet the First Minister is posted missing. Our teachers are saying that the Scottish Government has abandoned Scotland’s pupils, yet the First Minister has nothing to say. The nurses who keep our NHS going are crying out for support, and the First Minister has plenty to say but no action to offer. At a time when our public services and industries need Government support more than ever, people in Scotland have one simple question: when will the First Minister fix this mess?

The First Minister: Of course, when I was “posted missing”, as Kezia Dugdale describes me, I was in Ninewells hospital yesterday announcing money for additional nurses in our national health service.

I am not surprised that Labour does not want to be reminded of its record on the health service in Scotland, but if Kezia Dugdale does not remember it and wants a reminder, she can look at Wales right now. It is the only part of the United Kingdom where Labour is in charge of the national health service—[*Interruption.*]

The Deputy Presiding Officer (John Scott): Order.

The First Minister: Budgets have not been protected—[*Interruption.*]

The Deputy Presiding Officer: Order!

The First Minister: Performance is considerably worse. However, it is not Labour’s record—[*Interruption.*]

The Deputy Presiding Officer: Mr Henry!

The First Minister: A member of the Labour Party said yesterday that Labour’s treatment of the NHS was nothing more than—I think that this is an accurate quotation—a crude ploy to buy votes.

The Labour Party is displaying its cynicism in the chamber today.

However, I am focusing not on Labour's record but on the Scottish National Party's. For the benefit of Labour members, I will repeat some of that record: we now have three times the number of A and E consultants, 1,700 more nurses, £3 billion more being spent on the health service and two accident and emergency units that are open and operational but which would have been closed under Labour.

I accept that, each and every day that we hold office, we will have more work to do to ensure that our NHS cares for the patients who depend on it, but I think that the people of Scotland will want this Government to move forwards and will not want to go backwards with the Labour Party.

Prime Minister (Meetings)

2. Ruth Davidson (Glasgow) (Con): I associate the Conservative members with the First Minister's words regarding yesterday's atrocity in France. We all stand in solidarity with the people of France and journalists everywhere who reveal, report, challenge and offend. Like them, we know that freedom of speech will never be silenced by gunfire.

To ask the First Minister when she will next meet the Prime Minister. (S4F-02502)

The First Minister (Nicola Sturgeon): I have no current plans.

Ruth Davidson: Our oil industry needs our support. I welcome the United Kingdom Government's decision to cut the supplementary charge. It was outlined in the autumn statement and implemented last week. I have already written to the Chancellor of the Exchequer calling for his commitment to a new investment allowance to be implemented within months.

Those are measures of support on which we can all agree and that Oil & Gas UK has welcomed. However, the fall in the oil price would have left an independent Scotland with an £18.6 billion black hole over the next three years. Does the First Minister agree that that was a bullet dodged and that the best approach for the industry and the country is for us all to work together on a UK-wide basis?

The First Minister: No, I do not agree with that. I believe and always will believe that the best way forward for Scotland is for us to be in charge of our own resources so that we do not have to be subject to the kind of cuts that are coming at us from the UK Government and can instead be the masters of our own destiny.

On a more positive note, I very much welcome Ruth Davidson's perhaps slightly belated support

for the measures for which the Government has repeatedly asked the UK Government. The supplementary charge should be reduced. The reduction from 32 per cent to 30 per cent that was announced in the autumn statement was welcome but, of course, the UK Government that Ruth Davidson supports put the supplementary charge up from 20 per cent to 32 per cent in the first place.

Yes, we need an investment allowance but that needs to stop being talked about in vague terms and we need detail on exactly what the proposal is. We also need to have tax credits for exploration in the North Sea. When Norway introduced that measure, it saw a significant increase in exploration in the months and years that followed.

Fergus Ewing will make a statement to Parliament this afternoon and, alongside that statement, will publish information on the work that the Scottish Government is doing on skills, innovation and support for exports. He will also make very clear the kind of action that we need the UK Government to take. If Ruth Davidson wants to back us on that, I will welcome that very much indeed.

Ruth Davidson: I am disappointed by the First Minister's reluctance to endorse a UK-wide approach but not exactly surprised, as that response sits alongside the comments that her immediate predecessor made this morning. I do not know whether she has read today's papers, but Alex Salmond apparently wants to use the general election in May to sever all our UK ties apart from foreign affairs and defence.

That means that the £18.6 billion black hole that is currently borne on UK-wide shoulders would fall solely on Scotland, meaning cuts to every school, every hospital and every service that we rely on in this land. Further to that, the full fiscal autonomy plan would tear our tax system apart and dismantle the stable UK-wide regulatory regime that the oil industry relies on. It would be a double whammy for an industry that is already struggling.

Does the First Minister really think that, at this critical time when the industry is looking for stability and security and for political leadership and support, the Scottish National Party solution is to rip everything up?

The First Minister: I am just waiting for the holding of the front pages for Ruth Davidson's earth-shattering exclusive here at First Minister's questions today: "Alex Salmond backs independence." Who knew that that was the case?

It is quite admirable in some respects that Ruth Davidson, who is a supporter of a Government that has been one of successive UK Governments that have squandered our oil resources and failed to invest in an oil fund, can stand up here and talk

about oil and gas without the hint of a brass neck or a blushing face.

Ruth Davidson mentions stability. I think that we should look at some of the comments from those in the industry about the so-called stability of the stewardship of UK Governments. Malcolm Webb of Oil & Gas UK says that he has been

“truly bewildered by the way in which successive governments have treated the UK offshore oil and gas sector.”

He says that it has

“experienced repeated and increasingly aggressive tax hits”

and that we have had

“confused and confusing energy policy”

with

“a revolving door approach to the appointment of ministers”

and

“a total of 35 different Energy and Treasury Ministers given responsibility ... in the last 14 years”.

That is the verdict of the industry on the UK stewardship of the oil and gas sector.

My position is that I will do everything on the part of the Scottish Government to support the industry. The Scottish Government Cabinet will meet in Aberdeen next month. However, the UK Government has to get its act together, stop talking about supporting the industry and actually start to do it.

The Deputy Presiding Officer: We have a constituency question from Adam Ingram.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): Will the First Minister intercede on behalf of the 200-strong workforce of USC Dundonald in Ayrshire, who yesterday were made redundant without notice by their employer—part of the Sports Direct group of companies? Will she join me in condemning the actions of Sports Direct, which is of course owned by billionaire Mike Ashley, in its reprehensible treatment of this workforce, many of whom, I understand, were employed on zero-hours contracts?

The First Minister: Yes. I was extremely concerned when I became aware of developments that took place yesterday at USC clothing in Dundonald. My concern, like Adam Ingram's, is for the shock impact that they will have on the employees who are affected, their families and the surrounding area.

In terms of good practice and employee relations, I would expect there to be a consultation period with employees to provide an opportunity for all avenues to be explored. However, I am also aware of a news report that states that there is a

notice of intention to appoint receivers in the High Court next Tuesday in respect of USC stores.

I can confirm that, through our partnership action for continuing employment initiative, we have offered support to the company for affected employees. Also, our local PACE team has this morning gone to the company's premises in Dundonald to discuss PACE support. The last update that I had was that the local PACE representatives were sitting waiting in the company's reception area to see a company representative.

I hope that that reassures the Parliament that this Government will do everything that we can to support all the employees who are affected by events at USC, and also to make very clear our expectations of good practice and employee relations.

Oil and Gas Industry (Employment)

3. Jackie Baillie (Dumbarton) (Lab): To ask the First Minister what reassurances the Scottish Government can give workers in the oil and gas industry whose jobs are at risk. (S4F-02505)

The First Minister (Nicola Sturgeon): We will do all that we can to support the workers of the oil and gas industry. They can be assured that this Government is doing all that it can to help and support the industry, which is more than can be said for successive UK Governments. We have repeatedly called on the UK Government to listen to the recommendations of the independent expert commission and to the industry and bring in the stable and competitive fiscal regime that the industry needs—and to bring it in now. That is what will protect jobs in the sector.

Later today, the Minister for Business, Energy and Tourism will, as I have already said, make a statement to the Parliament making clear our commitment and setting out the actions that we believe the UK Government needs to take as a matter of urgency.

Jackie Baillie: The First Minister will be aware that the Scottish Parliament information centre has estimated that the number of job losses could be in the order of 15,750, which is more than the number of jobs that were lost with the closure of Ravenscraig that was announced 23 years ago today. That means that one in 12 jobs in the sector is at risk in Scotland.

That estimate was made when the price of oil was \$60 a barrel. Now that the price has fallen to below \$50 a barrel, what estimate has the First Minister made of how many additional jobs are at risk? What will her Government do to help?

The First Minister: We will continue to monitor the situation and to engage with the industry, as

we have been doing. We will continue to do everything within our power to help the industry through this difficult time, and we will continue to press the UK Government, which holds the fiscal levers, to do what it needs to do to support the industry.

I think that, even by its standards, Labour's hypocrisy on the issue is quite breathtaking. I heard talk of a resilience fund. The last time that the oil price was at a similar level to the level that it is at today was in 2009. At that time, one Jim Murphy was Secretary of State for Scotland. I had a look to see what he did back then, when similar concerns about jobs were being expressed, to set up a resilience fund. I could not find a single word that he had uttered. However, I found something that Jackie Baillie said quite recently. She said that to set up an oil fund would simply take money away from vital public services.

We will do everything that we can to support the industry, but we will take no lectures from a party that during its period in office raked in £93 billion from the North Sea and did not save a single brass farthing of it. We will take no lectures from Labour.

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

Although the decline in the oil price is undoubtedly bad news for the energy sector and for the north-east economy, we should not lose sight of the fact that it is good news for many other sectors of the economy and for household budgets. What assessment has the Scottish Government made of the overall impact of a low oil price on the Scottish economy?

The First Minister: Members will not often hear me say this—they may never hear me say it again—but Murdo Fraser makes a reasonable point. As well as supporting the industry to deal with the difficulties that the low oil price will present for it, we need to make sure that consumers get the benefit of that low oil price. Today, Fergus Ewing will write to energy companies to press them to make sure that savings are passed on directly to consumers. I will meet representatives of Scottish Power this afternoon, and I will make that point, too.

We will continue to look carefully at the issue to make sure that, although the low oil price is of concern for the Scottish economy, it delivers some benefits to consumers.

Free School Meals

4. George Adam (Paisley) (SNP): To ask the First Minister how many families will benefit from the policy of free school meals. (S4F-02512)

The First Minister (Nicola Sturgeon): I am very proud to say that the families of 135,000 pupils in primary 1 to 3 from all local authorities

across Scotland are set to benefit from the extension to eligibility for free school meals. That is in addition to the families of 35,000 children in primary 1 to 3 who were already registered for free school meals. The measure will save the families of every eligible child at least £330 a year, which is something that I think all members could welcome.

George Adam: The First Minister will have seen this morning's reports that Labour-controlled West Dunbartonshire Council is planning to scrap hot school dinners on Fridays. Does she agree that it is time for Labour to recognise what poverty campaigners are telling us, which is to back free school meals and stop trying to undermine this important policy?

The First Minister: Yes, I agree. I was quite taken aback by what must be one of the most absurd Labour press releases that I have ever seen, which was issued earlier this week by, I believe, Iain Gray. In it, he said that I am the person in Scotland who will benefit most from free school meals. That must be because of all the secret weans I have who nobody knows about scattered around the country.

One of the really depressing things for traditional Labour supporters to watch at the moment is the way Labour contorts itself to oppose anything that the Scottish National Party proposes. It has done so to such an extent that this week it finds itself on the wrong side of poverty organisations and trade unions, including the Educational Institute of Scotland. It finds itself actually opposing free school meals for our youngest children, which is absolutely disgraceful.

I say to George Adam, yes—it is time that Labour in West Dunbartonshire and every part of the country got behind free school meals and started acting like a Labour Party again, for goodness' sake.

Duncan McNeil (Greenock and Inverclyde) (Lab): How many families in the subset of the 75,000 families that I believe the First Minister mentioned could be considered to be low-paid families, and how many already receive free school meals?

The First Minister: The 135,000 pupils that I talked about are additional. It is clear that Duncan McNeil still thinks that he is—for all that I know, he possibly still is—in the alliance with the Tory party in which Labour spent the last two years in the referendum campaign. Surely Labour is aware of the research and evidence that says that by removing the stigma of means testing for school lunches, we will increase uptake among the very children whom we most want to benefit from them. That used to be the kind of stuff that Labour believed in, argued for, championed and advocated—but that was before the days when it

had just become a subsidiary of the Scottish Tory party.

Schools (Teacher Numbers and Class Sizes)

5. Iain Gray (East Lothian) (Lab): To ask the First Minister what the Scottish Government's position is on reports that it has abandoned its policies to protect teacher numbers and reduce class sizes. (S4F-02508)

The First Minister (Nicola Sturgeon): Those reports are wrong.

Iain Gray: If we are protecting teacher numbers and class sizes but we have lost 4,200 teachers, I would, to be frank, hate to see what not protecting them looks like.

Scotland's parents and teachers are not fooled. They know that we have lost teachers and that class sizes are increasing. The Educational Institute of Scotland, too, is not fooled. It is very clear that when Mr Swinney talked about replacing guarantees on teacher numbers with educational outcomes, he was indeed abandoning his manifesto promises on class sizes. Is not that the case?

The First Minister: No, it is not the case. I have made it very clear in my short tenure to date as First Minister that I want to prioritise raising attainment and closing the attainment gap. I hope that we can all unite behind that. Let me make it very clear that I do not believe that reducing teacher numbers is the best way to achieve that.

When I look at statistics on the record of this Government's period in office, I see, for example, that the number of primary 1 pupils in classes of 26 or more has been cut by 97 per cent and that we have been holding the pupil to teacher ratio relatively steady. I want to ensure that we work to continue to do that.

I think that all of us accept that, of all the many important and onerous responsibilities that we have—we have discussed some of those already—there is probably nothing more important than giving our young people the best start in life. That is one of the reasons why I support free school meals. I want to work with parties across the chamber to ensure that we take action to do that and to protect and improve the quality of education in our schools.

When it comes to teacher numbers and class sizes, all that I ask Iain Gray to do is to not just come here and talk to me about them, but to talk to some of his own party's councils that are responsible for cutting teacher numbers, which he complains about.

Liam McArthur (Orkney Islands) (LD): Given the resources that have been diverted into trying to meet the Government's targets on P1 to P3

class sizes and teacher numbers, can the First Minister advise members what the impact has been on class sizes for pupils in P4 to P7?

The First Minister: I do not really accept Liam McArthur's characterisation that "resources have been diverted" to trying to cut class sizes in primary 1 to 3. Doing so is good use of resources, and we made it very clear that we wanted to see class sizes being cut.

Liam McArthur has made the point, however, that we need to ensure that we improve the quality of education not just in primary 1 to 3 but throughout the education system, and not just in primary classes but in secondary classes. I accept our responsibility to take a range of actions to do that. I am determined that I will, as First Minister, lead that effort.

I said to Ruth Davidson a few weeks ago that she should feel free to bring forward proposals for consideration. To my knowledge—although I stand to be corrected if I am wrong—Ruth Davidson has not yet—*[Interruption.]* If I have been written to, I welcome that and I will consider any proposals carefully. I say the same to all members in the chamber. Willie Rennie previously made proposals on early years education for two-year-olds that we took forward. The spirit is an open one. If members have proposals to make to us, I am always ready to listen.

Housing Costs

6. Joan McAlpine (South Scotland) (SNP): To ask the First Minister what assessment the Scottish Government has made of the Shelter Scotland report finding that 25 per cent of Scots fear that they cannot meet rent or mortgage bills. (S4F-02513)

The First Minister (Nicola Sturgeon): The findings that were published by Shelter show that one in four people who are responsible for paying rent or mortgage is worried that they might not be able to do so at some point during 2015. Those are genuine concerns that are shared by many people in Scotland, and that is why the Scottish Government has been right to prioritise affordability as a key objective of housing policies. According to the Joseph Rowntree Foundation, households in Scotland spend a smaller share of their income on housing costs than those in England, but the Scottish Government is taking action to assist people who face financial difficulty to stay in their homes.

Joan McAlpine: Does the First Minister agree that the Shelter report underlines the importance of tackling in-work poverty? Will she join me in calling for all businesses to make a new year resolution to pay their staff the living wage?

The First Minister: I very much agree with that and, again, I hope that everybody in the chamber agrees with it. We know from the statistics that in-work poverty is one of the biggest challenges that we face and that one way of dealing with it is by raising salary levels. That is why the Government leads by example on the living wage and why we are funding the living wage accreditation scheme. I encourage all businesses to consider whether they can pay the living wage, and I encourage them to pay it.

Ken Macintosh (Eastwood) (Lab): Does the First Minister accept that one step that she might take to assuage the anxiety that is felt by those who pay the bills would be to prevent unreasonable rent rises in the private rented sector? Will the First Minister reconsider her position of continuing to vote with the Tories on the issue and perhaps vote with Labour?

The First Minister: I will gloss over that obvious lack of self-awareness on the part of Ken Macintosh, because he raises an important point. As he will be aware, when the Housing (Scotland) Act 2014 was going through Parliament, the Minister for Housing and Welfare undertook to explore issues relating to rents in the consultation on the new private sector tenancy. Respondents were asked for their views on rent levels. The consultation closed on 28 December and analysis of the responses is under way. I would be happy to see whether we can find a way of working with Labour on that issue in the interests of the people whom we mutually serve.

Electronic Collars

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a members' business debate on motion S4M-11431, in the name of Christine Grahame, on a shocking way to treat a dog. The debate will be concluded without any question being put.

Motion debated,

That the Parliament commends the Welsh Assembly for passing in 2010 a ban on the use of electronic collars on cats and dogs and setting a penalty of a fine of up to £20,000 or six months in prison; notes that there are bans in, inter alia, Denmark, Norway, Sweden and Germany; understands that, when the Scottish Government consulted on their use in 2007, most animal welfare organisations including the Scottish SPCA, the Scottish Kennel Club and the Dogs Trust supported a ban, as did ACPOS; considers that the Scottish Government's reliance on guidance on usage and manufacturing standards is insufficient given that a range of devices is readily available online, that many users dispense with the guidance and that, in any event, research by the Department for Environment, Food and Rural Affairs demonstrates that there are long-term negative impacts on dog welfare, and notes the view that the Scottish Government should reconsider its position and follow Wales's lead and ban the use in Midlothian South, Tweeddale and Lauderdale and throughout Scotland.

12:35

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I thank all the members who signed my motion to ban the use of electronic shock collars on dogs and cats. I convey the apologies of Claudia Beamish, who very much supports a ban but cannot be at the debate. I invite those who have not signed the motion to come along to committee room 1 today and try on a collar for themselves. Members of the press, too, are welcome to take up the challenge. People's necks will be spared, but not their wrists. If they chicken out, they are saying, "I don't want the pain of this, but it's okay for dogs and cats." That does not say much for them. Of course, if members supported the motion, they are excused—otherwise, they will certainly be on my name and shame list.

Why lodge this motion? I am the chair of the cross-party group in the Scottish Parliament on animal welfare and we put our money where our mouth was and decided that we wished to have the issue debated. Along with others, including Elaine Murray and Alison Johnstone, I have lodged a sequence of parliamentary questions in pursuit of a ban and to flush out the Government's reasons for opposing a ban. I recognise the commitment of my colleague Kenny Gibson to the issue, too.

The Scottish Government maintains its position that Department for Environment, Food and Rural Affairs research does not support the proposition

that the effect of these devices does either long-term or significant harm to dogs' welfare but the Government further takes the view that collars should be used "responsibly", as stated in a parliamentary answer on 27 June last year.

Obviously, I disagree with the Scottish Government's position, as does the Welsh Assembly, which banned the use of such collars in 2010—in Wales, usage can make people liable for quite severe penalties of up to 51 weeks' imprisonment or a fine of up to £20,000 or both. That was done by regulation under animal welfare legislation and the same could be done here. The Welsh ministers made their decision only after receiving advice from the chief veterinary officer for Wales and based the decision on evidence from consultations and DEFRA research. That legislation was challenged by the Electronic Collar Manufacturers Association, as we would expect. It lost and the ban remains.

The mystery to me is why the Scottish Government adheres to its view, for it is not just Wales that has banned the use of electronic shock collars—count in Denmark, Norway, Sweden, Austria, Germany, Slovenia and most states in Australia, which have all banned their use.

How can sending an electronic shock through a dog's or cat's neck for "training" purposes possibly be defended? Shock collars can also perversely cause further behavioural problems. A dog may associate the electric shock with other events at the same time, with unintended consequences, such as perhaps attacking other dogs.

I have had pet animals for more than 40 years and would never countenance using pain to train—quite the opposite. Despite the different temperaments of my pet cats and dog over the years, I have found that kindness and patience through understanding the animals' behaviour has allowed training to be successful. Indeed, that is a policy that has been followed by my sequence of cats, who have long since got the measure of me and, having observed my behaviour and seen what works for them, have trained me over the years without the use of a shock collar.

However, let us park personal anecdote and sentiment and go for hard facts. In its funded studies, published in 2013, DEFRA concluded that there was great variability in how shock collars were used on dogs and that owners tended either not to read or not to follow instructions, so the main conclusion was that there were significant welfare consequences for some of the dogs.

By the way, it is easy enough to buy the devices online, with prices ranging from about £20 to hundreds of pounds. Goodness knows who is buying them, whether they bother to read the manuals, and how and where the devices are

being used. I suspect that if you or I saw one being applied in public, we would be appalled. Not only does 73 per cent of the public disapprove of the use of these devices, 74 per cent would support a ban.

I know of one group in which 100 per cent of people would vote against shock collars, and they put it better than me or any other politician. Here is what they said:

"In trials 1 in 4 dogs showed signs of stress";

"It will make dogs sad";

"If you have a shock collar you are a bad person";

"Why shock a dog when you can train them to do good things";

"Stop hurting my friends";

"Imagine getting shocked for up to 30 seconds you wouldn't like it";

"The majority of people love pets, but some people take it way too far, yes dogs and cats can make mistakes just like us really but that doesn't give you the right to Zap them in the neck, does it";

and

"If I was at this debate I would vote to ban them forever".

Those are the voices of primary 7 pupils at Mauricewood primary school in Penicuik.

I give notice to the minister that I feel a campaign coming on if the Government remains obdurate, and I have colleagues in various parties who I think would support a campaign. Such a campaign would be supported not only by colleagues in the Parliament and by the Mauricewood pupils, but—we should remember—by the vast majority of the public.

My offer remains open to members of the Parliament and their staff, the press and anyone else. If they think that a shock collar on a dog or a cat is just fine and dandy, I ask them to come and try one on themselves in committee room 1. I think that they will change their minds.

12:41

Elaine Murray (Dumfriesshire) (Lab): I congratulate Christine Grahame on bringing the debate to the chamber and drawing attention to the continued unacceptable practice of using electric shock collars to attempt to control the behaviour of dogs and—even more surprisingly—of cats.

My former colleague Maureen Macmillan proposed an amendment to the bill that became the Animal Health and Welfare (Scotland) Act 2006, in the hope of banning the devices. Ross Finnie, as a minister at the time, stated that ministers wanted instead to issue a consultation on the use of the devices, and that section 23 of

the bill would provide for Scottish ministers to make regulations to ban them.

I do not know whether the consultation that Ross Finnie suggested was ever carried out, but, almost nine years on, the devices have certainly not been banned, although they were banned in Wales in 2010. Perhaps the minister, in summing up, could indicate whether there has been any consultation on the use of electric shock collars and, if so, what the conclusions were.

The administration of pain as a training method for training dogs is predicated on an outdated view of dog behaviour, which is itself based on a misconception of wolf behaviour. Studies of unrelated wolves in captivity in the mid-20th century gave rise to the popular theory that wolf packs consisted of a pair of alpha wolves, whose status in the pack had to be continually reinforced or else they would be overthrown by one of the beta wolves who wanted their job. However, most recent studies of related wolves in the wild indicate that they live in extended family packs with one breeding pair, which would otherwise be known as parents.

The consequence of the application of the former model, based on wolves in captivity, to the behaviour of dogs with millennia of socialisation with and selective breeding by humans, has been the notion that, unless the human owner continually demonstrates that he or she is the boss, the dog will overthrow them and become the top dog and leader of the household, and so the human has continually to exert their authority by force.

In fact, dogs have evolved a surprisingly complex system of communication with humans over millennia. They are happy to accept food and warmth from us and they show no desire to undertake our responsibilities. Unless you see a Jack Russell-Chihuahua cross dog sitting in my chair some time, I suspect that they will continue in that way.

Dogs respond to positive reinforcement and reward. If a dog displays challenging or threatening behaviour, it has probably not been trained to use peaceful and acceptable methods of communication. It is most likely that its owner has used aggressive and violent methods of control. Sudden and unexpected pain such as that caused by an electric shock will frighten and confuse the dog and is likely to cause it to panic, and the dog may then become aggressive. The dog may not associate the behaviour for which it is being punished with the pain that is caused. Recurrent pain in dogs has been shown to increase levels of cortisol, a hormone that is associated with stress response.

One of the purposes of the shock collars is to control barking. Dogs bark to communicate with each other, to indicate that their home is their territory, and to communicate with people, perhaps to tell us that another dog or person is in the vicinity. The dog might want attention or be lonely or bored. Excessive barking might be annoying, but no dog intends to annoy by barking or barks from devilment. Rather than shocking the dog for reasons that it will not understand, the reason for its barking should be analysed, addressed and discouraged. There are many ways of discouraging a dog from excessive barking although they are not always successful, I have to say.

I am certain that this is an animal welfare issue. We ought to have banned these devices years ago. We must return to considering a ban either by using section 23 of the Animal Health and Welfare (Scotland) Act 2006 as was suggested back in 2006, or through any forthcoming legislation on responsible dog ownership. I believe that there will be an announcement on the results of that consultation soon.

12:45

Kenneth Gibson (Cunninghame North) (SNP): I thank Christine Grahame for securing the time to debate this important matter and Dogs Trust, the Kennel Club and OneKind for their comprehensive briefings.

I have a keen interest in animal welfare and, over the past few years in conjunction with Dogs Trust and the Kennel Club, I have organised a number of free dog-related events in my constituency and here in the Parliament.

Cruel training methods, including the continual use of electronic training devices, are abhorrent. Since my election in 2007, I have raised the matter on a number of occasions with Scottish ministers with a view to having these cruel devices banned. Frankly, I have been disappointed by the responses that I have received over the years and the debating tactics that appear to me to have been imposed. I hope that the new minister will take a fresh and more positive approach to the issue.

Electronic training devices, or e-collars as they are most commonly known, are used primarily to establish obedience, correct behaviour and prevent straying over designated boundaries. That is accomplished through administering an electric shock, manually or automatically, through the collar when the dog behaves in a way that its owner or trainer does not approve of. Although some dog owners swear by such training methods, there is no doubt that the practice is

cruel and can result in more complex and dangerous behavioural conditions.

Out of ignorance, many people assume that e-collars provide a light electrical pulse that will barely register with a dog but will provide enough of a current to be deemed uncomfortable. Sadly, that is completely untrue. If members take up Christine Grahame's offer, I am sure that they will find that out for themselves.

A small industry has sprung up around the manufacture of such devices and many products are now highly sophisticated, with multiple levels of shock and vibration depending on how stubborn the animal might be. People who have experienced the shock will know how distressing it must be for an animal that is unable to escape from a collar that is strapped around its neck. Worryingly, evidence provided by DEFRA shows that many owners who purchase the devices do not consult the instructions properly and often guesstimate their dog's stubbornness and set the electronic pulses as they see fit.

I do not favour any half measures and remain in favour of a complete ban on e-collars, but allowing untrained individuals to use them on animals is worrying and surely underpins the need for legislative action. As we know from Mr Pavlov's experiments, dogs can be conditioned and ultimately trained by introducing positive and negative stimuli. Dogs Trust and the Kennel Club are of the firm opinion that positive training methods whereby dogs are rewarded for good behaviour are the best, most efficient and most humane way to train a dog.

Evidence provided by those charities shows that the negative stimuli that are provided by e-collars can lead to serious problems. For example, dogs often wrongly associate something in the environment with the shock they have received, which can lead to them becoming aggressive towards other animals and individuals, and can result in confusion, phobia, defensiveness and ultimately non-compliance. When, for millennia, conventional and positive training methods have prevailed, it seems strange to me that owners would choose to adopt such a cruel and ineffective method of training their dog.

Many of our European neighbours have chosen to ban e-collars despite a ban being contested by the manufacturers of the devices. Unfortunately, while it is well intentioned, the guidance provided by the Scottish Government does not go far enough, and we know that the public support a ban.

Along with compulsory microchipping, I frankly do not understand why the Scottish Government is dragging its feet on this issue. Surely it is now time for the Government to follow the lead of the Welsh

Assembly and our European neighbours and introduce a ban on the sale and use of these devices in Scotland.

12:50

Nanette Milne (North East Scotland) (Con):

As this is the first time that I have met the minister in debate since her recent promotion, I welcome her to her new position.

I, too, congratulate Christine Grahame on securing this members' business debate and commend her on-going work in the area. Although a well-known cat lover, Christine Grahame has long taken an active interest in dog welfare issues. It is clear from various recent debates held in the Parliament that there are a number of important issues relating to dog welfare and the responsible ownership of dogs in Scotland, and I thank the many organisations, including the Scottish Kennel Club, Dogs Trust and OneKind, that have provided briefings for us.

As we have heard, the use of electric collars on cats and dogs has been controversial for some time now. Indeed, the Scottish Government consulted on their use as far back as 2007, although at that time it did not recommend a ban. More recently, as has been mentioned, DEFRA has conducted research into the effects of shock collars. Although the research did not reveal any evidence that electric collars caused dogs long-term harm when used appropriately, it highlighted a number of issues about the manufacture and regulation of collars that need to be addressed to ensure a high standard and proper use.

The DEFRA report highlighted that the use of e-collars

"can lead to a negative impact on welfare, at least in a proportion of animals trained using this technique."

It also found that a large number of owners who used the devices did so without adhering to the accompanying instruction manuals. It is my understanding that, since the publication of the study, DEFRA has started work with the Electronic Collar Manufacturers Association on guidance for dog owners and trainers on proper use of the collars, and it is also working with the Department for Business, Innovation and Skills on a manufacturers charter to ensure that the devices are made to high welfare standards.

As a dog owner, I have no experience of training collars; in fact, I have never considered using them. I note that a study undertaken by the University of Lincoln that involved the ECMA found that they were no more effective than other methods of training, such as giving rewards. Of course I understand the concerns that have been expressed by many animal welfare charities that electric shock collars might fail to address

underlying behavioural problems or, indeed, might cause further behavioural complications in dogs, and I emphasise the advice that anyone considering their use should seek professional advice—for example, from their vet—beforehand.

It is up to individual dog owners to ensure that pinch, prong or shock collars are used appropriately, and anyone who uses them to inflict unnecessary suffering can be prosecuted under animal welfare laws. However, it is a controversial issue. For example, I know a number of very responsible dog owners who have used electric dog collars for many years and have found no problems with them. To an extent, I feel that the jury is still out on the issue, but I hope that the Scottish Government will keep a watching brief on emerging research and experience in other countries and consider further action if it seems appropriate.

As I have said, a significant number of dog welfare and ownership issues have recently been raised in Parliament, and I was pleased that the Scottish Government agreed to my request for a consultation on the compulsory microchipping of dogs in Scotland and other relevant matters. That consultation, which took place following an excellent and well-attended summit meeting early last year, resulted in one of the largest responses to any Scottish Government consultation, which clearly demonstrated a high level of public concern. A report on the analysis of the responses was published in October, but I am disappointed by the lack of progress that has been made since then on taking forward further measures to promote responsible dog ownership in Scotland. I know that many organisations and constituents also want action on issues ranging from dog welfare to the indiscriminate breeding of dogs in socially rented properties and the sale of puppies via the internet, and the issue of electric dog collars could be considered in that context.

It would be helpful if, in responding to the debate, the minister outlined the Scottish Government's assessment of the consultation on promoting responsible dog ownership in Scotland and its plans to address the many issues of concern to dog lovers, given that no mention was made of any such plans in the Scottish Government's programme for government, which was announced recently by the new First Minister.

12:54

Dennis Robertson (Aberdeenshire West) (SNP): I, too, thank Christine Grahame for bringing the debate to the chamber.

Nanette Milne referred to the appropriate use of electronic dog collars, but in my opinion there is no such thing. I know that the jury is out on electronic

dog collars, but as far as I am concerned any infliction of pain on an animal is abhorrent and should never happen. There is no need for it to happen: regardless of a dog's behaviour, there are many other methods of trying to ensure that dogs respond positively to their owners' wishes.

I have been very fortunate: I have had six guide dogs. Guide dogs are generally well trained before guide dog owners such as me take responsibility for them. However, we must keep up training and positive reinforcement, which is generally done through reward but can also be done by good voice management or just a cuddle, a pat or the occasional dog biscuit. That is the sort of behaviour that we would all expect of responsible dog owners.

Like Kenny Gibson and others, I have spoken to the Cabinet Secretary for Rural Affairs, Food and Environment about microchipping. I feel that he is sympathetic to that, but we need action rather than sympathy. We should have no half-measures: there should be a complete ban on the use of electronic dog collars—there is no need for them.

Inflicting pain as part of any kind of control to try to change behaviour is not right. We know that through our children, because we think it abhorrent to smack a child or use corporal punishment, which is banned in schools. I am not trying to draw a parallel between dogs and children, but dogs respond positively to good, positive reward. I have never had to use any negative control over any dog that I have owned, partly because they are well trained and partly because I reinforce their positive behaviour. My safety when I am out with my guide dog is my priority. If I neglect to give the dog positive reinforcement and reward, I am impairing my own safety.

I remember making a training video many years ago to show how a deafblind person could be trained to use an assistance dog. The police were called because the person in the video who was giving the dog positive reinforcement at the edge of a kerb by patting it on the chest was thought by a member of the public to be hitting the dog.

I believe that out in the wider community, the public respond to poor dog control or poor ownership of any pet. The public support a ban on electronic dog collars and I, too, support a ban. However, I am not convinced that we need to go down the route taken by the Welsh Assembly and have the penalties that it has in its legislation, because any penalties need to be appropriate. If we are going to ban the collars, they will need to go, but my problem with the penalties is how that aspect would be policed or monitored.

I know that the Presiding Officer does not like stunts in the chamber, but this is not a stunt—it is

a positive reward: Mr Q is going to get a treat. [Applause.]

The Deputy Presiding Officer: Thank you.

12:58

Cara Hilton (Dunfermline) (Lab): I congratulate Christine Grahame on securing the debate, which is on an extremely important animal welfare concern. I add my congratulations to those of other members to the Welsh Assembly on its action to ban the use of electric collars for cats and dogs. It is leading the way in the United Kingdom.

As Christine Grahame pointed out, electric shock collars are already banned in Denmark, Norway, Sweden, Austria, Germany, Switzerland, Slovenia and many Australian states. It will come as no surprise to hear that most animal welfare organisations support a ban, including the Scottish Society for the Prevention of Cruelty to Animals, the Scottish Kennel Club, the Guide Dogs for the Blind Association and Dogs Trust.

The public, too, are behind a ban. A Kennel Club survey found that three out of four Scots are against the use of electric collars, and the same proportion support a Scottish Government ban on their use. I believe that the time is right for the Scottish Government to follow in Wales's footsteps, listen to the concerns of animal welfare organisations and respond to the public demand to take action to ban these cruel and unacceptable devices in Scotland.

Across the United Kingdom, an estimated 500,000 dog owners use inhumane collars, which can deliver an electric shock to their pets that lasts as long as 30 seconds. Christine Grahame has invited MSPs and members of the press who want to experience the pain for themselves to pop along to committee room 1 after the debate and try a collar out.

When I was researching my speech last night, I did a quick search on Amazon that revealed that I could buy a fully rechargeable, wireless, remote-controlled shock collar for less than £25. If I wanted a deluxe model, I could get one for £59.95 that has 50 groups of warning tones and 99 different levels of what is described as "static pulse stimulation correction". Both models are described as a safe, reliable and humane way to train dogs. The deluxe model even boasts that it takes the human element out of what it describes as "the correction", letting people control their dog from 1,200m away.

The reality is that electric shock collars are not safe or reliable, and they are certainly not humane. The devices rely on painful punishment, causing dogs to live in constant fear of being

electrocuted for normal dog behaviour such as barking. They train dogs to respond out of fear of punishment rather than a natural willingness to obey, and they cause unnecessary suffering. All the evidence suggests that dogs that wear shock collars can suffer from physical pain, injury and psychological distress, resulting in severe anxiety, emotional harm and displaced aggression.

Animals' pain thresholds vary, and what is a mild shock to one dog might be a severe shock to another. Scientists at the Universities of Bristol and Lincoln and the Food and Environment Research Agency concluded that the use of electric shock collars

"can lead to a negative impact on welfare, at least in a proportion of animals trained using this technique".

They found that many owners use the devices without reading or following the instructions and that many are totally unaware of the high levels of pain that they are causing their dog. A follow-up study by the University of Lincoln team, in conjunction with the Electronic Collar Manufacturers Association, found that the devices are no more effective than other methods of training dogs, such as rewarding good behaviour, as Dennis Robertson demonstrated.

The Association of Pet Behaviour Counsellors advises that the use of devices that rely on pain or discomfort to control behaviour is inappropriate and that they

"have the potential to seriously compromise the welfare of dogs, and ruin their relationship with owners".

All the evidence shows that electric collars are not only both inhumane and unacceptable but counterproductive and that they undermine the relationship between owners and their pets.

I hope that the minister will listen to the genuine concerns that have been expressed across the chamber today. We need a lot more than guidance; we need concrete action to protect Scotland's dogs. We need a ban in Scotland on the sale, use, distribution and possession of these cruel, harmful, inhumane and, above all, totally unnecessary electric shock collars.

13:02

Alison Johnstone (Lothian) (Green): I am very grateful to Christine Grahame for bringing the debate to the chamber. As deputy convener of the cross-party group on animal welfare, I have enjoyed working with parliamentary colleagues, member organisations and individuals on a variety of issues, and I am really pleased that this important issue is being discussed in the chamber. I support a complete ban on electric collars and I thank all those who are involved in campaigning on the issue: the Kennel Club, Dogs Trust,

OneKind and many other organisations and individuals.

Animal welfare greatly concerns many people in this country. I had the pleasure and privilege of growing up alongside a variety of rescue cats and dogs and I take their physiological and psychological welfare very seriously. There is a very large body of evidence that highlights the detrimental impact of electric shock collars on dog and cat welfare. We really need to follow the example that the Welsh Government has set, and do so as quickly as possible.

The issue has been raised in Westminster, too. An early day motion in 2013 pointed out that DEFRA-funded research showed that electric shock collars on dogs not only

“caused negative behavioural and physiological changes in a portion of dogs,”

but

“were not more effective than positive reinforcement methods which is the main argument for their use”.

Why on earth do we persist? Surely it is more effective and humane to build a relationship of mutual trust and liking, which can be done by positive, reward-based training, as we have heard.

We can ask, as Conservative MP Matthew Oxford did, why DEFRA continues to ignore its research, but in the Scottish Parliament we do not have to continue to go along with that. We can do something different: we can put into legislation our commitment to animal welfare.

In recent months, we have been debating the kind of Scotland that we want to be. I think that we want to be the kind of Scotland that puts animal welfare at the top of the agenda. Responsible dog ownership will never include the use of shock collars, in which the presence of the owner announces the reception of a shock and of pain. What sort of relationship is that? We need to change the law. We cannot simply ignore the fact that dogs are being subjected to short and sharp, or prolonged, electric shocks to correct what some people might see as undesirable behaviours. Elaine Murray pointed out that some of those undesirable behaviours, such as barking, are perfectly natural. I would suggest that anyone considering using a collar should educate themselves first.

The briefings that we have received today say it all. The Kennel Club tells us that

“Unwanted behaviour in dogs is best resolved by positive training methods”

and that

“the Welsh Assembly agreed that there was enough evidence to prove that banning the devices would improve animal welfare.”

If that is the case in the Welsh Assembly, I would like to understand what is different here.

The studies that have taken place highlight the physiological and psychological effects and the impact on learning, and none is positive. It is time that we thought about the message that we want to give in Scotland. It is fair to say that colleagues have outlined the many issues surrounding the collars. OneKind highlights the fact that an electric collar is a tool with the potential to cause an animal significant pain and distress, and it is available without any follow-up control whatever.

I would like us to bear in mind the words of Mahatma Gandhi who said that

“the greatness of a nation ... can be judged by the way its animals are treated.”

I want to live in a Scotland in which unnecessary animal cruelty is intolerable and unacceptable.

13:07

The Minister for Environment, Climate Change and Land Reform (Aileen McLeod): I thank Christine Grahame for securing the debate and allowing me to clarify the Scottish Government's position on the use of electronic training aids on dogs in Scotland.

I thank also all of those members who have spoken in the debate for their thoughtful and passionate contributions, to which I have listened carefully, and the various animal welfare organisations, such as the Scottish Kennel Club, Dogs Trust and OneKind, for their helpful and comprehensive briefings.

As members are aware, in 2007 the Scottish Government conducted a public consultation on the use, sale, distribution and possession of electronic training aids. The results of that consultation showed that this is a sensitive and controversial issue, with some animal welfare organisations being strongly opposed to the use of those aids and other organisations being strongly in favour of them.

The arguments against the use of electronic training aids are based on the fact that the devices can cause pain and distress; that, as we have heard, the devices fail to address underlying behavioural problems and leave the root cause of some problems, such as barking, suppressed; and that the devices can malfunction or can be used irresponsibly or in an abusive way.

Kenneth Gibson: I am wondering which animal welfare organisations are in favour of retaining electronic shock collars.

Aileen McLeod: I will come on to discuss the arguments in favour of electronic training aids and

the arguments against them. I know that a number of organisations are very much against their use.

Arguments in favour of the use of those aids are that much of the research has used a type of collar that is no longer in production; that modern devices use a lower voltage and can produce a mild tingle or a warning noise; that collars can be fitted with an automatic “time-out” so that the shock or pulse does not continue; and that, in some cases, training aids have been used to stop dogs worrying sheep, saving those dogs from having to be put down.

The responses to our consultation indicated that arguments for and against the use of the training aids were finely balanced with anecdotal evidence on both sides.

Dennis Robertson: If we are talking about dogs worrying sheep, surely it is the dog owner’s responsibility to ensure that their dog is on a lead. A shock collar is not required.

Aileen McLeod: My colleague makes a very good point, which I accept.

As Christine Grahame points out, the Welsh Assembly banned the use of electronic training aids in Wales under the Animal Welfare (Electronic Collars) (Wales) Regulations 2010. The legislation, which came into force in March 2010, followed a review of the existing science on the topic conducted by the University of Bristol in 2006, three consultations and discussions with the European Commission. The legislation was unsuccessfully challenged by the electronic collar industry in a judicial review.

As members have highlighted, DEFRA commissioned further research from the universities of Lincoln and Bristol in the form of project AW1402 “Studies to assess the effect of pet training aids, specifically remote static pulse systems, on the welfare of domestic dogs” and the add-on project, AW1402a, which was a “field study of dogs in training”.

The welfare experts have been advising the Scottish Government and DEFRA, which have considered the research in full detail and context. They confirm that, although the research project AW1402a found some behavioural signs associated with stress during the training of dogs with electronic collars, the full range of other behavioural and physiological monitoring that was done did not at that point show significant differences compared with dogs trained without electronic collars. That part of the project also did not provide evidence of long-term adverse effects in dogs trained with electronic collars in accordance with manufacturers’ instructions.

Christine Grahame: The Government keeps returning to usage in reference to the

manufacturers’ instructions. I am opposed to the collars in principle, but even if one were to accept that they should be used appropriately, who is monitoring and policing their use? Who is going into someone’s house to check whether they are using a collar occasionally for training purposes or using a collar perpetually or at a high voltage? As Cara Hilton said, the collars come with different voltage ranges. Their use cannot be policed. That is the issue.

Aileen McLeod: I thank Christine Grahame for that point, which I will take on board.

I am conscious of time, so I will move on. A report from the Companion Animal Welfare Council entitled “The Use of Electric Pulse Training Aids (EPTAs) in Companion Animals” was prepared and published in June 2012. That consisted of a systematic review of peer reviewed scientific publications. The report made some useful recommendations on the design and use of electronic aids that can be considered. The Scottish Government supports DEFRA’s work to take forward some of the recommendations.

The Scottish Government and DEFRA concluded that a ban on electronic training aids cannot be justified on welfare grounds at this time but that improved guidance for owners and trainers is the appropriate way forward.

We fully support DEFRA’s work with the Electronic Collar Manufacturers Association to draw up guidance for dog owners and trainers advising how to use e-collars properly. We also support DEFRA’s work with the UK Department for Business, Innovation and Skills to develop a manufacturers’ charter to ensure that any e-collars on sale are made to high standards. I have listened carefully to the issues raised, and I emphasise that we will be keeping a close eye on the uptake and the effectiveness of the guidance once it is published. We are also watching what is happening in other countries.

Having listened carefully, I want to give some reassurance to members that the Government takes animal welfare seriously. As a new minister, I am sympathetic and open to us having further discussions on the issue. Today, I have asked my officials to arrange a meeting for Christine Grahame, animal welfare organisations and ministers to discuss what further action we can take on this important issue.

13:14

Meeting suspended.

14:30

On resuming—

Oil and Gas

The Deputy Presiding Officer (John Scott):

Good afternoon, everyone. The first item of business this afternoon is a statement by Fergus Ewing on oil and gas. The minister will take questions at the end of his statement. There should therefore be no interventions or interruptions.

The Minister for Business, Energy and Tourism (Fergus Ewing): The oil and gas industry has been, is now and will continue to be an enormous asset to Scotland. It has contributed more than £300 billion in tax revenues to the United Kingdom and has turned Aberdeen into a global hub of innovation and engineering ingenuity.

With fields such as Clair and Mariner expected still to be producing beyond 2050, the sector will continue to operate for decades to come. Although the North Sea is a mature basin, there are also frontier regions such as the west of Shetland with huge prospects and a diverse range of development opportunities. However, the current fiscal regime is a barrier to such development.

In 2011, I asked industry and academia to help us devise a modern oil and gas strategy. That strategy set out a clear vision for the industry's long-term future and it set priorities for future action. It has guided this Government in its actions in relation to its on-going support to the industry.

I will summarise the progress that has been made. First, on enterprise, Scottish Enterprise has already achieved the target set in the strategy to engage with an additional 100 oil and gas companies for account management in the period from 2012 to 2015. SE now has 344 oil and gas companies within its account management portfolio. In addition, Highlands and Islands Enterprise account manages more than 50 companies.

Secondly, on innovation, working with industry leaders such as Paul de Leeuw and Ian Phillips, as well as Professor Albert Rodger of the University of Aberdeen, we launched the oil and gas innovation centre in November 2014. The centre has £10 million of funding over five years, and it is already up and running, developing and delivering solutions to the key challenges that are faced by businesses.

Thirdly, on internationalisation, Scotland's oil and gas supply chain is an international success story. Total international sales grew to £10,000 million—not £10 million but £10,000 million—in 2012-13. That is an increase of 22 per cent on the

previous year. International activity now accounts for just over half of the total oil and gas supply chain sales.

Scotland is now an international hub for oilfield services. For example, we have led the way in areas such as subsea, safety, integrity and supply chain management, giving us a significant competitive industrial advantage. I have led two trade missions to Houston, and I am confident that, due to the support of Scottish Development International, SE and HIE, our supply chain companies are well placed to capture new high-value activity.

Fourthly, we continue to support skills development in the sector. The Scottish Government, Skills Development Scotland and the Scottish Further and Higher Education Funding Council are all working with OPITO and the industry to deliver the immediate and long-term skills needs of the sector. Progress has been made with the establishment of energy skills Scotland and the publication of the energy skills investment plan, which is currently being refreshed and will be published in the coming weeks, taking account of the recent Ernst & Young report, "Fuelling the next generation: A study of the UK upstream oil and gas workforce", and identifying key actions to be taken forward collaboratively by industry, academia and Government.

Fifthly, on infrastructure, the Scottish Government is targeting investment in local infrastructure in the Aberdeen area—city and shire. For example, the £745 million project to upgrade the Aberdeen western peripheral route will benefit communities and business and remove a serious impediment to economic growth in the area.

Sixthly, on decommissioning, we are committed to supporting infrastructure that will help offshore activity. For example, this Government and our agencies contributed £2.4 million to the nearly £12 million quayside project at Dales Voe South. That will enable Shetland to become a leading decommissioning hub.

I have summarised some of the measures that this Government has taken. We are making the best use of our devolved powers, and we continue to examine every further way in which we can possibly do more. However, it is crystal clear that it is the fiscal regime that needs to change, and the responsibility for that rests with the UK Government.

We have consistently called for a competitive, predictable and stable fiscal regime. In 2011 we published proposals that included the introduction of an investment allowance to help to mitigate the Chancellor of the Exchequer's shock tax grab in

which he raised the supplementary charge from 20 to 32 per cent.

In 2013 we published “Maximising the Return from Oil and Gas in an Independent Scotland” in which we set out the approach that we would take to stewardship. Following the publication of Sir Ian Wood’s interim report in 2013 and the Wood commission’s “Education Working For All! Commission for Developing Scotland’s Young Workforce Final Report” in 2014, we made clear our full support for his recommendations, which included the recommendation that a shadow body should be set up immediately. That did not happen.

We commissioned an independent expert commission to consider how best to maximise the value from the sector. It recommended that the Government consider the total contribution that the industry makes to the economy and society: the total value added. I sent the commission’s recommendations to the chancellor.

Today we have published a paper that sets out the fiscal changes that we believe are necessary to support investment, encourage exploration and ensure that the North Sea is a competitive investment location. That reflects the range of challenges such as declining production efficiency, rising costs and premature cessation of production.

First, we are calling for an investment allowance, as recommended previously by the Scottish Government in 2011 and by the expert commission in 2014. That will simplify the fiscal regime and potentially boost investment by between £20,000 million and £37,000 million.

Secondly, we are calling for a phased reversal of the increase in the supplementary charge alongside a clear timetable to provide clarity for investors. That will provide a strong signal to investors that the North Sea is open for business and could encourage more than £7,000 million of investment. Scottish Government analysis based on industry data shows that those measures can potentially support up to 26,000 jobs and 5,600 jobs respectively.

Thirdly, we are calling for an exploration tax credit. Exploration is already at an historically low level, and failure to address that will mean that we do not maximise the economic recovery of oil from the North Sea.

We will now consult stakeholders on those proposals, but I make it clear that speedy action from the UK Government on those areas is vital. Put simply, those measures must be delivered in the budget this March.

There is a long-term sustainable future for the North Sea, and the Scottish Government is

committed to using every lever at our disposal. It is time for the UK Government to follow suit.

The Deputy Presiding Officer: The minister will now take questions on the issues that he raised in his statement. I intend to allow around 20 minutes for questions, so it would be helpful if members who wish to ask questions could press their request-to-speak buttons now. We are extraordinarily tight for time this afternoon, so short questions and answers would allow us—I hope—to get everyone in.

Lewis Macdonald (North East Scotland) (Lab): I thank the minister for advance sight of his statement. When Jim Murphy and I met representatives from Oil & Gas UK in Aberdeen on Tuesday, they told us that 2,000 jobs had already gone and that many thousands more were at risk. The word “crisis” was used at meeting after meeting with operators, service companies, trade unions and local government, yet there is little sense in the minister’s statement of the potential crisis that we face.

There are many things in the statement on which we can agree, but there is almost nothing that is new. The price of oil has fallen by almost half during the past few months. It is now slipping below \$50 a barrel. That is a new feature of the issues facing the oil industry and it must be a new feature of the Government’s response. We cannot simply have business as usual.

Mr Ewing has today published an assessment of the fiscal impact of changes in the tax regime at Westminster but we have not yet seen or heard the Scottish Government’s assessment of the impact of the falling price of oil on the Scottish economy. Can Mr Ewing tell us what assessment he has set in train of the impact of \$50 oil on jobs and business in the Scottish economy? Will he tell us whether he intends to assess the potential impact of \$40 oil on jobs and business in the Scottish economy?

The minister has said today that the Government will examine every further way in which it can do more, and I welcome that. Will he undertake to assess the value and contribution of Scottish Labour’s proposal for a resilience fund to help industry in exceptional circumstances such as these? *[Interruption.]*

I note from the Scottish National Party back benches a sceptical response to that suggestion. I want to hear from the minister in the spirit of what Nicola Sturgeon said to Kezia Dugdale just before Christmas about the SNP Government being open to ideas from other parties. I do not want SNP members laughing at the possibility of examining other parties’ ideas about how to save jobs and business in the Scottish economy.

The Deputy Presiding Officer: You must come to your question.

Lewis Macdonald: It is not the Government's duty to say to Westminster what Mr Ewing thinks Westminster should do; it is the Government's responsibility to provide proper stewardship for the Scottish economy, and that should start here today.

Fergus Ewing: Perhaps I could start with the resilience fund that has been mentioned. It is reasonable to say that Mr Murphy did not say how much the fund should be, so it is, as yet, an unspecified sum for unspecified beneficiaries from an unspecified source. If, in the little that he has said about this fund thus far, Mr Murphy is now a convert to an oil fund, we welcome that, no matter how late in the day.

It is important not to work ourselves up into a panic as Mr Macdonald seems so intent on doing. We should remember that, as he well knows, Aberdeen has been here before. The oil price went down to \$10 in 1986 and 1999. More recently in 2007 and 2009 it was also as low as the \$40 to \$50 mark.

The price of oil fluctuates. We have always said that; we have always recognised that. None of us here controls the oil price any more than any of us here is able to predict the price. If we did, we would all be multimillionaires, would we not, Presiding Officer?

The fact is that Labour had 13 years in which to set up an oil fund. During that time, it had £93 billion of revenue from oil. That is three times as much as the annual Scottish Government budget and 10 times as much as was spent in Iraq, and Labour did not invest one bawbee. Meanwhile, back in 1999, when oil was \$10 a barrel, Norway was just setting up its fund. How much is that fund worth now? Around £540 billion sterling.

There is a tale of two countries' stewardship of an enormous and invaluable asset: the poor stewardship of successive Labour and Conservative Governments that has resulted in no oil fund; and the successful stewardship of a smaller country that has managed over that period to build up a fund that helps to stabilise their figures.

With respect, therefore, I do not think that the proposal for a resilience fund can be taken too seriously, especially as Jackie Baillie has not signed up to it. As the First Minister pointed out, in August this year, Jackie Baillie said:

"Setting up an oil fund will take money away from public services."

What an utter shambles.

The Deputy Presiding Officer: That is a sufficient answer for the time being, Mr Ewing. We are now five minutes into the 20 minutes that I allocated for this part of the afternoon. Can we have short questions and answers please?

Murdo Fraser (Mid Scotland and Fife) (Con): I thank the minister for his statement and, indeed, for advance sight of it, although I note that in more than 1,000 words he did not once mention the fall in the oil price.

We are all aware of the serious challenges facing the oil and gas sector and, in particular, the economy of north-east Scotland. Those involved in the industry want Scotland's two Governments to work together on this issue to try to find practical ways of helping those affected. What they did not want to hear today from the minister was a repeat of his previous performances in the chamber, in which all he did was grandstand and try to score political points against Westminster. Sadly, they will have been disappointed this afternoon. What we have had today is yet another example of the minister refusing to take responsibility and trying to pass the buck entirely to Westminster for action. That is not good enough.

The minister knows that we support the call for the introduction of a new investment allowance, and we have made that clear to our colleagues in the UK Government. However, what we want to know today is what this minister and this Government are going to do to help the industry, because this statement is totally devoid of a single practical new measure in that respect.

Fergus Ewing: Okay. Over the past 18 months, Highlands and Islands Enterprise has supported developments in 23 companies, which, it is estimated, have created more than 1,000 jobs, and Scottish Enterprise has invested £9.7 million against total project costs of £68 million. Over the past couple of years, we have invested around £6.5 million in energy skills, and we have invested £10 million in innovation. Nearly 100,000 companies in Scotland receive our small business bonus; and we work ever more closely with the universities and colleges involved in oil and gas.

I myself have set up two joint meetings between the Scottish and UK Governments to arrange sessions for small and medium-sized oil and gas businesses to access finance. We did not do that with a fanfare of trumpets or publicity—we just did it—and hundreds of companies were there, many of which, we believe, were helped. Over the past three years, I have attended five PILOT meetings, and I have worked constructively as far as I can and to the best of my ability with the UK Government.

However—and this, I am afraid, is what Mr Fraser does not seem to get—the trouble is that it

is not just us in the Scottish Government who are saying that there is a pressing need for these fiscal changes and that they are urgently required to tackle exploration, which is at an all-time low, and address the desperate need to instil and reconstitute confidence in the industry. The industry itself is saying it, too. Malcolm Webb has said:

"We have experienced repeated and increasingly aggressive tax hits ... All of this has weakened the international competitiveness and resilience of the industry".

Over a period of 57 days in the past three and a half years, I have met more than 110 oil and gas companies in and around Aberdeen. I can tell the chamber beyond any shadow of a doubt that the clear consensus of all businesses in Aberdeen is that these proposed tax changes, which will bring back exploration, as has happened in Norway, which will reconstitute confidence in the UK and which will undo the damage of the Danny Alexander tax—the Danny tax—in 2011, are what the industry wants and needs, and it needs them this March.

Kevin Stewart (Aberdeen Central) (SNP): Companies have told Aberdeen and Grampian Chamber of Commerce that the current fiscal regime is unpredictable, unnecessarily complex and simply too burdensome. Jeremy Cresswell, *The Press and Journal's* energy editor, has said today that

"the London Government ... doesn't grasp the immense strategic value of our offshore oil & gas resource."

Does the minister agree that, in order to help the oil and gas industry, the chancellor should follow Mr Cresswell's advice to get a move on and slash the tax burden now?

Fergus Ewing: I do agree, and I pay tribute to Aberdeen and Grampian Chamber of Commerce. I have been reminded by my office that I met it formally on 8 February 2013, but I have met it and its members on many other occasions. I also pay tribute to *The Press and Journal*, whose coverage of the oil and gas industry in Scotland is second to none.

This is simply not a matter of party political claim and counter-claim; it is just a matter of fact that what the industry now needs—and by this March budget—is implementation of the tax changes that are necessary to help address the very serious predicament that it faces.

Jackie Baillie (Dumbarton) (Lab): There is nothing new in the statement and no actions have changed or appeared since the dramatic fall in oil prices in the past few months. So, I will ask the minister again about the risk of job losses and hope that he treats the question more seriously than the First Minister did. The Scottish Parliament information centre has an estimate of 15,750 job

losses, which is one in 12 jobs in the industry and on a scale that is worse than when Ravenscraig closed. Given that the oil price is now below \$50 a barrel, what will the Scottish Government do to help to ensure that we do not risk those jobs?

Fergus Ewing: If Jackie Baillie has read the Ernst & Young report "Fuelling the next generation: A study of the UK upstream oil and gas workforce", she will be aware that between this year and the end of the decade there will be between 10,000 and 20,000 extra job opportunities and requirements for new entrants into the industry. This is a complex and fluid situation, and therefore we are working with the industry and academia to ensure that the future requirements for recruitment, especially of young people, are met—that is clearly set out. If Jackie Baillie had read the Oil & Gas UK report, she would see the large number of projects that are going on stream that will require people to work both onshore and offshore.

We are working with the industry, Oil & Gas UK, Subsea UK and all the other representative bodies to tackle their recruitment needs. We will continue to do everything that we possibly can to address the needs of both the industry and the people who face redundancy at this time. That includes working with bodies such as Scottish Engineering and the manufacturing sector to see what opportunities there are for the traditional industries in the north-east to provide a solution by taking on young people. Of course, the work that we are doing is part of the solution. I agree that it is not new; we have been doing it for the past three years and we will just carry on doing it.

Tavish Scott (Shetland Islands) (LD): I thank the minister for an advance copy of his statement. Does he accept that Chevron's west of Shetland Rosebank field was not sanctioned at \$110 a barrel because the cost of production in the oil and gas industry has risen by 62 per cent over the past four years? That is one major factor that needs to be confronted. Does Sir Ian Wood need to be called into action to challenge on that issue?

Does the minister accept that as well as his writing to the energy companies, as the First Minister made clear this morning the minister is doing, his Government should undertake to write to shipping companies and airlines, such as Loganair, to ensure that the lower fuel bills that they now face are passed on in lower ticket prices for those of us who use their services?

Fergus Ewing: I have spoken to Chevron on numerous occasions and have met its representatives twice, and Tavish Scott is absolutely correct to say that the major Rosebank field, which is one of the largest fields that there will ever be, was not going to go ahead even before the oil price fall. He makes a reasonable

point with regard to Loganair, and I will look into that with the Minister for Transport and see what action requires to be taken. Of course, we will continue to work very closely with the likes of Sandra Lawrenson of Lerwick Port Authority and Murdo MacIver of Peterson SBS to continue the good work that they are doing to exploit the opportunities of Lerwick and Shetland's excellent position for doing decommissioning. On shipping, which Tavish Scott also mentioned, we will work with Douglas Craig of Craig Group, who provides leadership in Aberdeen and opportunities to a great many young people.

To deal with the serious question about the real threat to many people's jobs, I should say that if we can bring in exploration tax credit measures to do what Norway did in 2005, we can emulate its success, which saw a fourfold increase in exploration and appraisal drilling. After Norway introduced its tax breaks, there were four times as many drilling rigs as hitherto. That is the way to tackle the jobs difficulties that we face.

The Deputy Presiding Officer: We have nine questions left and five minutes.

Alex Salmond (Aberdeenshire East) (SNP): I thank the minister for detailing the six streams of action that the Scottish Government has taken and I ask him for assurance that those actions will be intensified as the need arises, given the threat of job losses in the industry.

Of the tax changes that he proposes, I commend the exploration tax credit, which the minister rightly said had a dramatic effect in Norway when it was introduced in 2005. Will he say how we can impress the urgency of this matter on the Treasury, given its tendency when prices are high to move like lightning to increase tax, as in 2011, and when prices are low to move at a snail's pace to reduce the tax burden and offer an incentive such as the exploration credit, which would do a massive amount to protect and expand jobs now and to help discover new fields for the future?

Fergus Ewing: Alex Salmond is exactly right. I will relay those points to the PILOT meeting that I will attend on Tuesday, which I believe the industry minister, Mr Hancock, will attend. I will put those points very clearly to him.

It is instructive to remember that as a result of the enlightened exploration tax credit policy in Norway—which had 78 per cent uplift, I believe—some of the largest ever discoveries were made, including the Johan Sverdrup field. In fact, some of the discoveries were made in the midst of existing fields; people had not known them to be there. If that can be done in Norway, it can be done across the other side of the international boundary very well.

The day rates of the rigs are at a far lower level than they were, so commercially this is the right time to stimulate such activity. I will, therefore, highlight the point that exploration tax credit measures are absolutely essential if we are to address the jobs challenge that Aberdeen and Scotland face. It is absolutely essential that this is not delayed beyond March. If there is one message that I want to convey, it is that one.

The Deputy Presiding Officer: Thank you. Point made.

Richard Baker (North East Scotland) (Lab): Given the significance of this issue to Aberdeen's economy, will the minister agree that the proposal for an oil and gas summit, made by Aberdeen City Council leader Jenny Laing, is important and will he and appropriate colleagues agree to attend? Does he agree that governments at every level must examine what more they can do to bring forward new, vital infrastructure investment in Aberdeen?

Fergus Ewing: I have always sought to work closely with representatives of Aberdeen City Council in a number of ways and, at my behest, I have met them on various occasions to address some of these matters. Of course we want to work extremely closely with Aberdeen City Council and we will continue to do so, as we do with all local authorities.

I am extremely pleased that my colleague Shona Robison has been able to announce an increase in the proportion of health budget spending in the north-east. That is not my responsibility, but I know that the matter has been raised by north-east members over a long period.

I remind Richard Baker of the commitment to the peripheral road in Aberdeen, which is not just another road project; it is a project that will address in part the worst road transport problems in Scotland, as I can say from my observation in Aberdeen on 57 days in the past three and a half years. Let us not beat about the bush. The measure that we are bringing forward in Aberdeen—the western peripheral road, which, at a cost of £745 million, is one of the largest schemes in Scotland—is seen by Aberdeen and Grampian Chamber of Commerce and people in all circles, not just businesspeople, as the key infrastructure change for that city. I am proud that a Scottish National Party Government will deliver it.

Dennis Robertson (Aberdeenshire West) (SNP): In his report, Sir Ian Wood, one of the world's leading experts on the industry, encouraged young people to seek careers in the oil and gas sector. Does the minister agree that they should continue to seek careers in the sector?

Fergus Ewing: Yes I do, and I pay tribute to the work that Sir Ian Wood has done in the youth commission, working with Angela Constance. I was struck by the passion, determination and knowledge that he brought to the task, and that work is being taken forward by colleagues.

As Dennis Robertson has mentioned Sir Ian Wood, I point out that he has said that he expects, as I think most leading commentators do, that the oil price will recover—towards the end of this and the beginning of next year, I believe. The Organization of the Petroleum Exporting Countries has predicted that the oil price will recover to around \$110 a barrel and, in the long term, \$100 a barrel.

Aberdeen has been here before. It is big enough and strong enough to survive. What it needs is the support of the UK Government that it has never had.

Duncan McNeil (Greenock and Inverclyde) (Lab): As we have heard today, there may be inevitable cost cutting in the jobs and earnings of Scotland's offshore workforce. I expect that the minister will readily agree that, whatever pressures that cost cutting brings, they should not extend to cuts in health and safety. We forget Piper Alpha and the 167 dead, five of whom were from my constituency, at our peril.

Will the minister give a commitment that he will bring together trade unions, contractors, operators and the Health and Safety Executive to confirm categorically that, whatever the pressures that befall the oil industry, there will be no compromise on the safety of the offshore workforce?

Fergus Ewing: Mr McNeil makes an important and valid point. The standards of safety apply irrespective of the oil price. They must be of the highest order.

In response to Mr McNeil's question about working with trade unions, I meet trade unions regularly. I met several trade union representatives in the final parliamentary week before Christmas. As a result, we agreed to do further work in engagement with the Health and Safety Executive. Although the standards that apply are extremely high, we need to be constantly vigilant in Scotland.

I point out that some key areas, such as specialist and small businesses and the skilled workforce, are exporting our standards to many other parts of the world.

Linda Fabiani (East Kilbride) (SNP): The Scottish Government has again called for a competitive, predictable and stable fiscal regime. Does the minister agree that reckless decisions by UK Governments over the years, such as the supplementary charge hike in 2011, have

damaged the prospects of the oil and gas industry? Does he further agree that the devolution of powers over the North Sea fiscal regime to Scotland would deliver the best outcome for the industry and the public finances?

Fergus Ewing: One particular company, whose name I will not mention, described the 2011 Danny Alexander tax increase as "expropriation". Just before Christmas, another leading company in Aberdeen said that the UK has

"the worst tax regime in the world."

Colleagues in the UK parties represented in this place may think that that is politics. However, that is what the industry says and that is what it thinks. That is wrong. We need confidence to get the jobs back—we need to win back that confidence. The way that I have set out, with the exploration tax credits, the investment allowance and a phased reversal of the Danny Alexander tax hike of 2011, is quite simply what the industry wants, what it needs and what it deserves in March this year.

Patrick Harvie (Glasgow) (Green): Yet another discussion of fossil fuels without the words "carbon" or "climate" being so much as uttered; and this, just one day after yet more evidence, this time from University College London, demonstrates that the bulk of the world's fossil fuels are unburnable if we are remotely serious about climate change. How can the minister fail to acknowledge the vulnerability of a Scottish economy that is overexposed to the carbon bubble? How can he want to get back to business as usual when business as usual is what brought us to this perilous position?

Fergus Ewing: I strongly suspect that Mr Harvie and I will not see eye to eye on all of these matters. I respect his position but I do not agree with it.

I would point out one simple fact: the opportunity for us to meet the carbon emissions targets can be achieved only if we are able to deal with carbon emissions and store them. According to the International Energy Agency, carbon capture and storage is the only means by which that can be achieved. The depleted oilfields in the North Sea are the only place where that carbon can be stored and, therefore, the opportunity for carbon capture and storage in the North Sea, combined with enhanced oil recovery, is, in one sense, the greenest policy of them all.

Patrick Harvie: Absolute rubbish.

Mark McDonald (Aberdeen Donside) (SNP): This morning, Mike Tholin, Oil & Gas UK's economic director, told BBC Radio Scotland that the single biggest beneficiary of high oil prices has been the UK Government, because more than 60 per cent of profits go to it in taxation. Given the

vast benefit over the decades, does the minister agree that it is vital that the UK Government puts in place the fiscal regime to ensure that the industry remains strong?

Fergus Ewing: I appreciate what Mark McDonald says. I am sad to say that the oil and gas industry in Scotland has been regarded by the UK Treasury—of whatever hue—as a gigantic cash machine instead of as an excellent industry. That approach, mindset and attitude must change.

The Deputy Presiding Officer: Many thanks. I offer my apologies to the several members whom I have been unable to call, but we must move on.

Economy

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-11993, in the name of John Swinney, on boosting the economy. I invite members who wish to speak in the debate to press their request-to-speak buttons. Deputy First Minister, you have 13 minutes but, today, less would be more.

15:05

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): This is a welcome debate to set out the Government's actions to achieve our twin objectives of boosting economic growth and tackling inequality.

We enter 2015 on a sound economic footing, notwithstanding the current challenges in the energy sector to which I will return. Our economy has recovered beyond pre-recession levels of output and we have entered a new phase in the economic cycle where we must ensure that growth is both balanced and sustainable, and that the benefits of economic success are shared by everyone.

It is well understood that a strong economy is essential in building a fair and wealthy society. However, the reverse is also true: a society that is fair and equitable underpins a strong economy into the bargain.

A recent Organisation for Economic Co-operation and Development working paper estimated that, between 1990 and 2010, rising inequality in the United Kingdom knocked more than 9 percentage points off total gross domestic product per capita growth. Analysis by the International Monetary Fund has also found that more unequal countries tend to have lower and less durable economic growth. Those studies by respected international agencies suggest that equality and cohesion are good for growth, as well as for individuals.

The challenge that we face is not returning simply to pre-recession levels of growth, but tackling the underlying issues in our economy and labour market, boosting competitiveness and reducing inequality. We want to create a stable and balanced economy that is outward looking, confident and based on the core strengths of our people, and that is innovative and supported by investment.

We are currently updating the Government economic strategy, which I intend to publish in the coming months. The strategy will not only pursue the successful actions that we have already taken, but focus on how we can ensure that the recovery

is sustainable and of benefit to all. It will combine the three strategic themes set out in the programme for government of ensuring sustainable economic growth, building a fairer society and tackling inequality, and protecting and reforming public services. In particular, it will set out an economic approach that is focused on tackling inequality, boosting investment and innovation and maintaining a focus on internationalisation.

Scotland's economic recovery is well established. Our economy has grown continuously for two years, GDP is above pre-recession levels and the economic outlook is the strongest that it has been for many years. Independent forecasts indicate that the Scottish economy expanded by 2.8 per cent during 2014, well above its historical average growth rate.

The recovery has also been evident in the labour market data. Our inactivity and unemployment rates are lower than in any other country in the UK and the employment level has been at all-time records in recent months.

Longer-term trends in Scotland's economy also show the success of the Government's approach. Since 2007, the value of Scottish international exports has increased by a third; business research and development has increased by 29 per cent; Scotland is ranked in the top two areas outside London for foreign direct investment in every year; and the number of registered businesses in Scotland has grown by 10 per cent. There is much to be positive about and encouraged by in the economic data as we see it today.

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

The Deputy First Minister has rightly identified the growth in the economy in Scotland, which has been matched throughout the rest of the UK. He has cited individual programmes that he has promoted in Scotland. Which UK programmes would he give credit to for also boosting the Scottish economy?

John Swinney: Mr Rennie is familiar with my view that the recovery in Scotland has happened despite the activities and the austerity agenda of the United Kingdom Government. In case he has not heard me make that point before, I simply repeat it for the sake of absolute consistency and clarity.

Notwithstanding the economic indicators that are positive, the Government is aware that structural challenges remain within the economy. The recovery has brought improvement in the headline measures of output and employment, but recessions typically leave a structural legacy. That is particularly true in some segments of the labour market, where challenges have arisen or become

amplified during the recovery. For example, underemployment remains a continuing concern. Working hours, levels of full-time employment and real wages also remain below pre-recession norms. That is a legacy of the recession, and tackling those issues will provide key areas of focus for this Government.

Of course, those challenges are not unique to Scotland, and it is worth remembering that the Scottish economy has shown resilience in the context of the global recovery. For example, although our youth unemployment rate remains too high at 15.9 per cent, it is lower than the rate in the United Kingdom as a whole and should be viewed in the context of an average youth unemployment rate of around 22 per cent across the European Union and rates in excess of 40 per cent in southern Europe.

Further, in addition to the structural challenges, sector-specific challenges will remain in the economy, as is currently the case in the oil and gas industry, which we have just heard about in the statement from the Minister for Business, Energy and Tourism. Recent volatility and low oil prices have helped to reduce costs for some industries and have provided a boost to households, but they have also caused uncertainty for North Sea operators. Although expectations are for prices to start to rise again, reforms to the North Sea tax regime are required to support long-term growth in the sector.

The 2 per cent reduction in the supplementary charge that was announced by the UK Government does not go far enough in helping the industry, which has seen its competitiveness damaged by a high historical tax burden.

Claudia Beamish (South Scotland) (Lab): I am sure that, today, we are all in agreement that the immediate responsibility of us all is to ensure that jobs in the oil and gas industry are secure. However, alongside that, we must bear in mind the enormous potential to exploit marine renewables. Will the cabinet secretary briefly outline what will be happening in terms of plans to support that, with regard to transferable skills?

John Swinney: As Claudia Beamish knows, the Scottish Government has pursued a consistent approach in relation to the support of renewable energy in Scotland. In recent months, we have seen mixed news on offshore renewables. We have seen the tidal sector gain in strength and we are confident that the development path of that sector, reinforced by some of the support that the Government is making available and the commitments of many companies and investors—and the fact that some of the projects, particularly the MeyGen project, are emerging into a much clearer form—will lead to significant progress.

As Claudia Beamish knows, the situation in the wave sector has been more challenging. However, the actions that the Minister for Business, Energy and Tourism has taken to establish wave energy Scotland and on Scotland's intellectual capital and capability to take forward the wave sector and realise its economic benefits will ensure that the sector remains a central part of the Government's renewables strategy. The policy framework and the financial support that are available from the Government are designed to do exactly that. We will, of course, ensure that Parliament is kept up to date on the steps that we take on wave energy Scotland.

As we consider the challenges that the oil and gas industry faces, I want to assure Parliament and reinforce what the Minister for Business, Energy and Tourism has said by saying that, although the Scottish Government will do all that we can do within the powers that are available to us—whether it is through support for innovation, for skills, for infrastructure or for enterprise—the crucial point that must be addressed just now is the cost base of the North Sea oil and gas sector, and the principal area of public sector activity that can make a difference in that respect is the taxation and fiscal regime that is presided over by the United Kingdom Government.

I hope that, with regard to this debate and the debate that is going on in Scotland at this moment about the oil and gas sector, the United Kingdom Government listens to the clear call that we make today, first, for the introduction of an investment allowance; secondly, for a planned and phased reversal of the increased supplementary charge; and, finally—probably most crucially, in terms of long-term development—for the development of an exploration tax credit to encourage and incentivise development in the years to come. Those measures are essential to the strengthening of the oil and gas sector and to meeting the challenges that we face.

The Government will continue to be supportive of the work of business within our economy and will seek to work with business on many of our shared challenges and priorities.

The Cabinet Secretary for Fair Work, Skills and Training will be taking forward the recommendations of the report of Sir Ian Wood's commission for developing Scotland's young workforce, which outlined a range of actions that will be pursued in conjunction with Skills Development Scotland, local authorities and our delivery partners in association with the business community to ensure that we effectively support the development of our young workforce. In addition, the Government will maintain a competitive approach on business rates to provide support to over 90,000 small businesses in our

country and to ensure that we have the most competitive framework for business taxation in the United Kingdom.

One of the central features of the Government's economic strategy will be encouragement for the development of innovation in our economy. Last year's research excellence framework found that each of Scotland's 18 higher education institutions undertakes research of "world-leading" quality. That will be central to developing the focus on innovation that will emerge from the Government's economic strategy. We will also place particular importance on encouraging the internationalisation of the Scottish economy, with Scottish Enterprise and Scottish Development International supporting up to 10,000 more businesses to develop the skills to go international by 2015.

The other element of the Government's economic strategy that will be fundamental in taking forward our agenda is activity to tackle inequality. What we have seen emerge from the recession are the significant challenges that exist in tackling in-work poverty. The Government is working closely with the Poverty Alliance to expand awareness of and commitment to the payment of the living wage among Scotland's company base. Evidence indicates that around 80 per cent of those who are in work in Scotland earn more than the living wage, so we owe it to the remainder to improve the quality of their remuneration. I am delighted that more than 90 companies across Scotland are now accredited as living wage employers that pay the living wage, with 32 of them having gained accreditation since the living wage week in November. We are beginning to see the fruits of the collaboration that is taking place between the Government and the Poverty Alliance to raise awareness of the issue.

Duncan McNeil (Greenock and Inverclyde (Lab): We all welcome initiatives to promote the living wage and tackle inequality, wherever they come from, but are there clear objectives in the strategy? Does it anticipate a number of employers paying the living wage or a percentage of the remaining people in Scotland not receiving the living wage? Are there such targets that we will be able to monitor progress against, and is the strategy linked to other Government policies such as those to do with the costs of transport and rent?

John Swinney: We have not, to date, set specific targets on the payment of the living wage but we have committed to open reporting to Parliament on the success of our partnership with the Poverty Alliance. I reinforce our commitment to do that, and I reassure Mr McNeil that the Government will put all the energy and pace that it can into encouraging and motivating more employers to sign up to the initiative. We will

consider Mr McNeil's point about our creating a framework around which to do that.

Neil Findlay (Lothian) (Lab): Will the cabinet secretary give way?

The Deputy Presiding Officer: The cabinet secretary is in his last minute.

John Swinney: I am happy to give way to Mr Findlay.

The Deputy Presiding Officer: You are in your last minute, cabinet secretary.

John Swinney: As I am not allowed to do so now, I will give way to Mr Findlay when I respond to the debate.

In taking forward Mr McNeil's point, the Government will encourage more companies to sign up to the living wage through the Scottish business pledge that we included in the programme for government. The pledge will encourage more companies, as a consequence of their discussions and work with our enterprise agencies and their being in receipt of support from those agencies, to commit to paying the living wage. That will become a more central part of the dialogue that the Government has with business.

We are seeing progress being made in the development of the Scottish economy, but the Government is determined to ensure that we progress along the route to economic recovery both in a sustainable way and hand in hand with tackling the inequality that exists in our society. That will be at the heart of the Government's economic strategy, which will be introduced to Parliament in the next few months.

I move,

That the Parliament welcomes the continued growth of Scotland's economy and the fact that Scotland's unemployment rate is the lowest in the UK; further welcomes the fact that, since 2007, Scottish exports have increased by a third, business research and development has risen by 29% and that the total number of registered businesses in Scotland has grown by 10%; agrees that delivering sustainable economic growth and addressing longstanding inequalities are reinforcing, and not competing, objectives, and welcomes the actions that the Scottish Government is taking to foster a supportive business environment, invest in infrastructure, support entrepreneurship, innovation and internationalisation, and to help to ensure that economic growth is characterised by income, regional and social equality.

15:19

Jackie Baillie (Dumbarton) (Lab): I welcome the opportunity to participate in this debate in my new brief, and I look forward to working with the Scottish Government and other Opposition parties in the months and years ahead on the challenges and opportunities that face our economy.

There is no doubt that recent times have been tough for businesses across the country. Whether someone is in a large or small business, in manufacturing or in retail, or in urban or rural Scotland, the economic downturn has had an impact. Markets were tighter, turnover declined and the workforce contracted. In short, the economy struggled, businesses suffered and working people experienced the worst cost-of-living crisis in decades.

As John Swinney said, things have improved. I am thankful that the economy is growing. Employment is increasing and confidence is starting to improve. However, there is still a way to go. The statistics in the Scottish Government motion are a little selective and do not measure things over the same period, but let me be generous and not dwell on that. Although overall growth has improved and the economy has continued to recover, the most recent quarter shows a marked slowing down.

Let us recognise the achievements of our businesses in growing our economy, while equally recognising that we have nothing to be complacent about. Despite the growth, the recovery is not shared by everyone who is in work. Too many people are caught in one of the worst cost-of-living crises in decades. There is continuing uncertainty, with zero-hours contracts, low wages and underemployment.

That matters, if we are to address inequality. It is not just a matter of fairness; it is an economic issue. The Organisation for Economic Co-operation and Development, the International Monetary Fund and others point out that countries that have relatively high degrees of wealth and income inequality have lower levels of economic growth. It is in the interests of us all to address the issue. I am glad that the Scottish Government recognises that, but actions speak louder than words. I regret that the Scottish National Party did not take the opportunity to secure the living wage through procurement.

There is no greater danger to our economy just now than the falling price of oil. I will spend my remaining time focusing on that. Without doubt, oil is crucial to the Scottish economy. The United Kingdom is the largest oil producer in the European Union, and the reality is that around 90 per cent of production is here in Scotland. We rely on oil revenues to run our public services, so the price of oil is not abstract but central to our budgets and fundamental to how much we have to spend on public services such as schools and hospitals.

We all spent a lot of time in the past year contesting what oil means for the Scottish economy. I do not want to rerun the referendum debate, but I will make a couple of observations.

First, the white paper estimated the price of oil at \$113 a barrel. As of yesterday, the oil price fell below \$50 a barrel—less than half the estimate.

Let us be clear: oil is not an optional extra that is nice to have. We need it to sustain our spending. Let me share a quotation:

“Scotland has run a net fiscal deficit in 20 of the past 21 years.”

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Smaller than the UK’s.

Jackie Baillie: I continue:

“There has only been one year since 1990 when tax receipts have exceeded total public spending. This suggests that over this period North Sea receipts would have been required to fund public services in Scotland.”

John Mason (Glasgow Shettleston) (SNP): Will the member give way?

Jackie Baillie: I heard some SNP back benchers howl in protest. Perhaps Mr Mason will tell me whether those are indeed the words of John Swinney’s senior civil servants in a leaked Cabinet paper.

John Mason: Does the member accept that it was a mistake not to set up an oil fund, which would have made us less susceptible to ups and downs in the oil price?

Jackie Baillie: All that I will say is that we cannot spend the money twice. I will come on to talk about the oil fund and the resilience fund.

It is clear that, despite the howls of protest from the SNP back benches, the words that I quoted came from the Government’s own civil servants.

Fergus Ewing: Will the member give way?

Jackie Baillie: No. [*Interruption.*] I will let the minister in later, but he would do well to listen.

What would a halving of the oil price mean for Scotland? A price of \$50 a barrel means an 85 per cent decline in revenues—almost £6 billion less on an annual basis, which is another £500 million on top of the figure in the Treasury analysis that was released last week. Members will remember that the Treasury analysis said that there would be a 77 per cent loss in revenue over the first three years of an independent Scotland. I accept that people might not always trust the Treasury, but the Scottish Parliament information centre today confirmed its analysis.

I take no pleasure in that, but if we are to be trusted, and if we are to demonstrate fiscal responsibility, we absolutely owe it to the people of Scotland to think about the issue.

Fergus Ewing: Is not the key issue now not to argue about who was right in the past but to agree what to do right now? In that regard, I do not

expect Jackie Baillie or the Labour Party to respond to the proposals that we set out in the statement right now but, as we are planning to attend the summit that they have raised, will she respond to our tax proposals to make it an all-Scotland proposal for the tax measures that are required?

Jackie Baillie: I hope that the intrusion into my time will be reflected, but I am happy to give the minister that commitment, because none of the proposals that he has come forward with is new. We need a greater sense of urgency from this Government to protect the North Sea.

I want to talk about the cost to us. What would having £6 billion less to spend in our budget mean? That figure is more than our total schools budget in Scotland. It is the cost of all the nurses and doctors in hospitals and community health settings. It is the entirety of the infrastructure investment programme for next year. How many schools and hospitals would we need to close?

The Deputy Presiding Officer: You must close too.

Jackie Baillie: How many teachers and nurses would we have to make redundant?

The Deputy Presiding Officer: Forgive me—your time is not up.

Jackie Baillie: It is fine.

It is that serious. For John Swinney simply to dismiss this as he did earlier, saying that we would not have been independent by now, is frankly laughable. Having said that, I am pleased that both he and Nicola Sturgeon now seem to recognise the strength of being in the United Kingdom.

There are significant employment consequences, too. Oil & Gas UK suggests that as many as 35,000 job losses would occur, including jobs supported by employee spending across the UK. SPICe calculates that 15,750 of the job losses would be in Scotland. That is one in 12 Scottish jobs in the industry, and that does not fully reflect the most recent fall in oil prices. The lower the price, the greater the potential job losses.

Twenty-three years ago today, the closure of the Ravenscraig steelworks was confirmed by British Steel. The challenge that we face in the oil industry today threatens a larger loss of jobs than Ravenscraig. Given the economic devastation that that would cause, I genuinely do not understand the Scottish Government’s reluctance to do anything urgently. This is one of Scotland’s most significant industries. These are exceptional circumstances. The future of families across the north-east and across Scotland needs exceptional thinking.

John Swinney: Will the member give way?

Jackie Baillie: I have taken enough interventions. I am sorry.

To simply say that the matter is reserved demonstrates a Government lacking in ambition. The SNP has been listed missing in action not just by me but by the oil industry. I am always happy to make common cause with the Government, but why were the First Minister and Deputy First Minister not at the oil summit in Aberdeen this week? Why have they not yet confirmed that they will join a cross-party delegation to make the case for help to the UK Government? Will they support Labour's call for a resilience fund and work with us to put something in place? [*Interruption.*]

The Deputy Presiding Officer: Order.

John Swinney: Laughable rubbish.

The Deputy Presiding Officer: Mr Swinney.

Jackie Baillie: It is truly depressing that the Government and SNP tweeters deliberately choose to misunderstand a resilience fund and instead talk about an oil fund. I have had this conversation with John Swinney. He knows fine well that those are two different things. Frankly, with almost 16,000 jobs at stake, they should be ashamed of themselves for playing these games.

A resilience fund would not just be for the oil industry. It is for times of economic shock—exceptional circumstances where there are large-scale redundancies or an unexpected crisis in a particular industrial sector. It would be a sensible intervention on the part of the Government, which should care about sustaining the Scottish economy. I say to the Government, “Don’t spend all your time blaming people—do something.” It is not too late for John Swinney and the SNP to work together with us to deliver this.

Finally, there is the oil and gas bulletin. The Scottish Government published bulletins on a couple of occasions prior to the referendum, but we are advised that there are no plans to produce them in future. Let me ask one simple question—for goodness’ sake, why? Forecasting and estimating such a valuable commodity, which matters so much to our public finances, makes sense.

The Deputy Presiding Officer: You must close, please.

Jackie Baillie: The Scottish Government has to stop hiding. Our oil industry is on the brink of a crisis. The Government cannot simply say that a big boy did it and then ran away, because the people of Scotland deserve better.

I move amendment S4M-11993.3, to leave out from “and the fact” to end and insert:

“; recognises, however, that the Scottish Government needs to ensure that the benefits of economic growth improve the prospects of the workforce at large and address increasing inequalities; calls on the Scottish Government to recognise the fundamental importance of the oil and gas industry to the success of the Scottish economy; notes that the current oil price is less than half that predicted by the Scottish Government in its white paper on independence; notes the calls for cross-party talks on sustaining the future of the oil and gas industry, and further calls on the Scottish Government to work in partnership with the UK Government and local government to address the current risks to that sector, to establish a resilience fund to be used in exceptional times of crisis to deal with the consequences on local economies of large-scale redundancies and to publish an updated Oil and Gas Bulletin.”

The Deputy Presiding Officer: Before I call Gavin Brown, who will have up to six minutes, I advise the open debate speakers other than those who have already been advised of the cutting of their speeches to three minutes, whose speeches will remain at three minutes, that their speaking time will be reduced to five minutes.

15:30

Gavin Brown (Lothian) (Con): I welcome Jackie Baillie to her new role and I look forward to working with and against her in the coming months and years. I enjoyed her contribution, but it is certainly a new new Labour when even Jackie Baillie says that we cannot spend money twice. Those are words that I thought I would never hear her utter. My goodness, I am impressed.

I welcome Mr Swinney's announcement that an updated economic strategy will be published in the coming months. Things have changed since 2011, when the current economic strategy was produced, so it is appropriate for us to have an updated strategy, and I look forward to seeing it. It would be helpful if, when he closes the debate, he could be a little clearer about when we will get that strategy. I hope that it will be a strategy that contains genuinely new initiatives and genuinely new approaches—I hope, in other words, that it will indeed be an updated strategy, rather than one with just a fresh cover and a lick of paint, if you like. I will take it on its merits. I welcome the announcement and look forward to hearing more.

We can support the first half to two thirds of the Government's motion, in which it makes some perfectly reasonable points about a number of matters, including unemployment, exports, business research and registered businesses. Those items are good news and should be celebrated. We should acknowledge where the economy is performing well.

Over the past year, particularly in the past three months, most of the statistics have been healthy and positive in their own right and have moved in the correct direction. Growth was pretty good for

2014 and it is looking good for 2015; the outlook beyond that is perhaps a little lower. Employment is higher than anyone had anticipated. Unemployment did not grow by as much as we thought it would during the heart of the crisis, but there have been some pretty swift falls in unemployment. Although there is still some distance to go, progress has been good.

Although we have had a lot of positive statistics, I must make the point that Willie Rennie made in his intervention on John Swinney. The Scottish Government has delivered some good policies, such as the small business bonus scheme, but most of the main macroeconomic levers are operated at UK level. Therefore, when there is an upturn and things are going positively, it is right to give credit to the UK Government as well. I know that Mr Swinney is a fair man, who must be itching to make amends for failing to provide such acknowledgement in his speech. I will give way to him if that is what he seeks to do.

John Swinney: Mr Brown is absolutely right—I am a fair man. I put on record the fact that I deeply appreciated the compliment that the Chancellor of the Exchequer paid to the Scottish Government when he said that we were presiding over the most significant employment growth in the UK. I thought that that was a very decent compliment.

Gavin Brown: Even when he has been asked to make amends and to say something positive about the UK Government, all that Mr Swinney can do is mention something positive that the UK Government said about his Government. Perhaps he will have something more positive to say in his closing speech.

Let us be realistic: the actions of the UK Government have made a significant difference. The chancellor had a tough job to do in holding the line, but we are seeing the fruits of that now and we will continue to do so in the months and years ahead.

One gripe that I have with the Scottish Government is that it paints a good public relations picture when things are going well but ignores bad news to the extent that it does not do anything about it. There are pieces of bad news that have come out over the past few months that the Scottish Government needs to take on board seriously. Its publication “Businesses in Scotland 2014” showed that the number of private sector enterprises decreased by 2.4 per cent between March 2013 and March 2014. Its monthly economic brief showed that the growth gap between the UK and Scotland is probably going to be bigger in 2015 than it was in 2014. In 2014, growth in Scotland was 2.8 per cent compared with 3 per cent in the UK; in 2015, growth in Scotland is projected to be 2 per cent compared

with 2.4 per cent in the UK. Therefore, the gap is growing.

We saw a small drop in manufacturing over the course of the year, whereas the UK saw growth of 3.6 per cent and, of course, in the retail sales index, volume and value were flat over the course of the year in Scotland—actually, value fell slightly—whereas in the UK, volume grew by 2.9 per cent and value grew by 1.9 per cent.

I do not put those figures forward to say that the UK is great and to try to paint a gloomy picture; I think that where there is less positive news, the Scottish Government needs to acknowledge it, explain it and, most important, provide some form of response about what it intends to do about it. There may be blips at this stage, but if they are ignored and action is not taken, they can become problematic for our economy.

Much has already been said about oil, but I find it staggering that, in an eight-minute speech of 1,000 words or so, the energy minister did not mention price once. I did not expect him to dwell on price or to make it the key focus of his speech, but not to mention it at all when oil is down at \$50 a barrel and may go lower was a little bit unusual.

The Deputy Presiding Officer: You must close, please.

Gavin Brown: I also found it a bit strange that the energy minister criticised the fiscal regime incessantly as the biggest barrier to development although, only a few months ago, the Government policy were we to become independent was to adopt the entirety of the UK fiscal regime on oil and gas and most other things, too.

I am happy to close there.

15:36

Mark McDonald (Aberdeen Donside) (SNP): I have said before that the way to address inequality is to create a strong and fair economy in which businesses perform exceptionally, which leads to job creation and lower unemployment. Moving people into quality, well-paid jobs should be an aspiration of the Government and business alike.

I note from information that Aberdeen and Grampian Chamber of Commerce provided to me that its 2014 workforce survey indicated that two thirds of businesses in the north-east expected to grow their workforce over the coming 12 months. That is welcome in the context of my opening remarks and the cabinet secretary's remarks about the increased confidence in the Scottish economy.

I note further from Aberdeen and Grampian Chamber of Commerce's 2014 oil and gas survey

that 29 per cent of operators and 55 per cent of contractors expected an increase in total employment. That was looking ahead to 2015 in November 2014. I am unclear about whether that view has altered significantly as a result of what has happened to the oil price, but we have to bear in mind and reflect on the fact that the oil and gas industry has had low oil prices before and has come back strongly. It was only five and a half years ago, in 2009, that the price dipped below \$50 a barrel. We have been in such a situation previously in the north-east, and the oil and gas industry has come back strongly.

On the comments that have been made that the Government's approach of looking at the fiscal regime is somehow wrong, I will quote from the oil and gas survey's opening remarks, from the chief executive of Aberdeen and Grampian Chamber of Commerce, Robert Collier. He said:

"We know that the fiscal regime needs to be addressed. Nearly two thirds of respondents told us this—Immediate action from the Government is required."

Further on, the survey clearly states:

"62% of all firms believe that the government's top priority should be a revision to the fiscal regime to ensure it encourages exploration and extraction."

That was before the current dip in the oil price. If it was vital for that revision to happen then, it is surely even more vital for it to happen now.

The Labour Party has put forward proposals. I am always interested to see proposals, but I am unclear about the total sum that would be committed to a resilience fund—if Jackie Baillie wants to say something about that, it will have to wait for the closing speeches. I am also unclear about who the beneficiaries of that sum would be, how that would be determined, whether Labour is looking to have the fund recur annually and, if so, what difficulties might arise from that if Labour is basing it purely on consequentials, which, as we know, require spending to be recurrent rather than to end in a particular financial year.

I will focus on the wider north-east economy and some of the challenges and opportunities that lie ahead. There is a vibrant economy in the north-east. We should not get too bogged down in talking simply about the oil and gas industry, because other sectors are performing exceptionally, such as the life sciences sector in Aberdeen. I have visited a number of life sciences companies in my constituency to see some of the strong work that is being done.

According to Aberdeen and Grampian Chamber of Commerce's food and drink sector survey, 36 per cent of respondents are exporting, which is up from 29 per cent in 2011, and a further 24 per cent are looking to export over the next two years. We have a strong story to tell about the economy in

north-east Scotland and we should not be afraid to tell it.

That said, there have been long-standing challenges relating to the area's infrastructure. I welcome the investment in the western peripheral route and the Haudagain improvement, which will take place in my constituency. Those measures will be of enormous benefit to connectivity. I have always thought that a third Don crossing would be a vital part of the infrastructure in the north-east and I am glad that the Labour administration in Aberdeen City Council is now behind that completely.

The redevelopment of the terminal at Aberdeen airport is a welcome step, but there are two key issues that need to be dealt with and on which we must continue to press the case. First, we need early devolution of air passenger duty and action to reduce the duty, which causes difficulty in maintaining some routes and attracting new ones to Aberdeen airport. Secondly, we need to continue to have slots at Heathrow for flights from Aberdeen airport, which are vital for businesses in the north-east. I hope that the Government will continue to press that case.

15:41

Siobhan McMahon (Central Scotland) (Lab): I welcome the fact that Scotland has the lowest level of unemployment in the UK. That is of course good news, but it would be wrong to think that a lower rate of unemployment tells the full story. In fact, the unemployment rate for men in Scotland is higher than the rate in the rest of the UK, and those aged between 50 and 64 in Scotland are more likely to be unemployed than those in the rest of the UK. That is just one reason why boosting the Scottish economy is so important.

Another key reason is the underemployment rate. According to a SPICe briefing, an estimated 58,600 people aged between 16 and 24 are regarded as underemployed, which equates to about 19 per cent of 16 to 24-year-olds who are in employment. That is an extremely important statistic, as the fact that we are not using our workforce in the best possible way means that our economy is not working to its capacity. Given the importance and significance of that problem, what plans does the Scottish Government have to solve it?

We must have a more concentrated effort on women and employment. The rate of women in employment in Scotland is better than that in the rest of the UK, which is welcome, but there is still a lot more to do. Given that, in 2013, it was estimated that more women than men were underemployed—the figures were 119,600 and 114,500 respectively—we have to begin to

address the type of work that is on offer to women. That is of course a historical problem that many Governments have wrestled with, but we are now in 2015 and it is simply not good enough to continue with warm words rather than action.

The fact remains that there is a 17.5 per cent pay gap between men and women in Scotland. That was highlighted today at the joint UK Government and Scottish Women's Convention gender pay gap event. I hope that from that event comes a solution to that unacceptable statistic.

According to a SPICe briefing on earnings in Scotland in 2014,

"The difference between men's and women's pay is ... a complex issue that is difficult to cover using one indicator."

However, one measure that SPICe uses to provide a useful comparison of male and female pay is hourly pay excluding overtime. That is used because men are more likely than women to be in full-time employment and to work overtime, so annual or weekly pay does not provide a fair comparison. On average, females earn £10.63 an hour, compared with £12.88 for men. Additionally, although median full-time hourly earnings excluding overtime have increased for men and women in Scotland, only men's earnings have had a real-terms increase.

That is the situation that women in Scotland face today. The majority of those who find themselves in work have less pay than their male counterparts, and that may be compounded by a failure to use them in the correct way, which leads to higher rates of underemployment. As a member of the Equal Opportunities Committee, I have heard evidence from women and representative bodies on the need for more meaningful work for women and for the work that they do to be recognised financially. They were clear that we need more flexible working patterns but that we should not replace the word "flexible" with "part time".

I urge the Government to produce a plan for flexible working in the public sector for men and women. I believe that, if we had such a plan, our underemployment rates would fall, women would be able to do more hours of work and would not be restricted by part-time hours, and earnings would rise. That would mean that the situation in which 14 per cent of men and 20 per cent of women earn less than the living wage, as was the case last year, was a thing of the past. As a result, we would see great benefits to our economy.

It has been widely reported today, although not on the Scottish Government's website, that there has been a record underspend of some £440 million by the Government. That is simply unbelievable, given the challenges that many in Scotland are facing day to day.

Of course, having an underspend is not something new. Governments of all natures, local and national, have underspent their budgets in the past. People understand that. However, we do not understand it when we have people queueing at food banks, people unable to heat their homes, a crisis in our national health service and our teachers having to pay for materials for their classrooms while paying more in their pension contributions. The Government has failed to spend the money that it has and has failed to spend it in a considerable way. All of that has an impact on our economy. It is not the way to achieve the social equality that the Government talks about in its motion.

It is clear that that money could have been put to greater use if it had been devolved locally. Given that the Smith agreement recognises the need for greater local devolution to achieve greater empowerment of our communities, I ask the Government what action it has taken on that recommendation and how it will involve our local authorities in plans that it might have started work on.

When I started my speech, I welcomed the fact that our unemployment rates are falling. I welcome that and I wish to see the rates decrease further but, without the ambition and plans to do that, I fear that that might not be achievable, given the other challenges that I mentioned. As a result, our economy cannot reach its full potential. The Government must address that now.

15:46

Linda Fabiani (East Kilbride) (SNP): First, on the carry-forward money from the Scottish Government budget, the Labour group should look to its time in office, when money was put aside every year, never spent and almost lost back to the UK Treasury.

The motion explicitly links the delivery of sustainable economic growth with addressing long-standing social inequalities. That is really welcome because, in this new year of 2015, we have already held debates that are relevant to that very subject—debates on health inequalities and on mental and physical wellbeing.

We know that mental and physical wellbeing is generally reduced the lower the socioeconomic position is. That is why I will comment on Gavin Brown's amendment, which says that the UK economy is growing. Aye, but for who? Child poverty and inequality rates are on the rise, and a recent report by the OECD made it very clear that growing income inequalities have acted as a brake on economic growth—that has happened under Tory and Labour UK Governments.

The Scottish Government's approach is much more appropriate on many counts—not least, for example, in regard to the appointment of Harry Burns, the former chief medical officer for Scotland, to the Council of Economic Advisers. The focus on health and wellbeing when considering the economy is welcome, and that appointment is excellent news, because Harry Burns's knowledge and experience and his deep interest in health inequalities will enable him to provide valuable input into building a strong and sustainable Scottish economy that leads to a fairer and more equal society.

Neil Findlay: Does the member agree with Gerry McCartney that the quickest way to deal with health inequalities is to introduce the living wage across the board?

Linda Fabiani: I suggest to Mr Findlay that he gets on to his colleagues, who will be talking about the Smith commission proposals, and backs the minimum wage being devolved to this Parliament, because that is a way to really start looking at inequalities.

As I said, the focus on equality as well as the economy is important. We have a good basis on which to build and—what is most important—we have a Government here in Scotland that has an ethos to deliver. We have increased exports by almost a third since 2007, and inward investment is at a 16-year high. We have increased productivity, business research and development spending, and investment in innovation centres. That all links to our communities and to the mainstay of many cities, towns, villages and districts across the country—the mainland and the islands—which is small and medium-sized enterprises: sole traders, entrepreneurs and innovators.

The latest figures show that the number of businesses created in Scotland is up by almost 50 per cent since 2009. That has been helped very much by the small business bonus, which our First Minister has pledged to continue. Those businesses contribute hugely to the Scottish economy by providing services from retail to biosciences and by providing employment of all sorts.

In my constituency of East Kilbride, we have a plethora of businesses of all types: exporters, importers, manufacturers and distributors. That is a good base on which to build not only nationally but locally, as our town makes the transition from new town to major industry employer. A task force has been set up in East Kilbride to look at the situation, but yet again I have been waiting for months to hear from the local authority about how that is going.

The Deputy Presiding Officer (Elaine Smith): You are in your final minute.

Linda Fabiani: There are many ideas for how infrastructure and development can work together. That can involve not just massive infrastructure projects, the success of which has been demonstrated by the Government, but smaller projects with a bit of innovation—possibly on brownfield sites rather than always outside towns—to boost local economies and provide skills and training.

To go back to the Smith commission's recommendations, I am concerned about what has been given to us on job creation. We are doing good work with colleges and on skills and training. However, although we are getting the ability through workfare to put people into jobs, we are not getting the ability to create those jobs. That is extremely important, and it ties in with the precept in the motion that we are discussing, which I absolutely support. It is about the partnership approach in which the Government, business, trade unions, the third sector and local government all work together for equality and prosperity.

Neil Findlay: Will the member give way?

The Deputy Presiding Officer: The member must close now.

Linda Fabiani: We should be partners and we should work together on that. Equality and the economy should go hand in hand.

The Deputy Presiding Officer: I ask for strict five-minute speeches, please.

15:51

Willie Rennie (Mid Scotland and Fife) (LD): The oil industry is a different beast from what it was in the past. It is now a global business with connections around the world. Although we are looking for many of the solutions in the tax base to incentivise exploration in the North Sea and other fields, we must recognise the impact on businesses such as FMC Technologies in Dunfermline and Oceaneering in Rosyth.

I welcome the action that the UK Government has taken. Alistair Carmichael is up in Aberdeen today to meet representatives from the industry and, along with him, I have agreed to attend the oil summit in Aberdeen that Aberdeen City Council has set up.

The UK Government is not just waiting for a summit; we are getting on with action now. Following the Wood review, which the UK Government set up, the recommendations on regulation and tax are being taken forward, and many of the reforms have been announced

already. They include basin-wide investment allowances, offshore exploration through seismic surveys, cluster area allowances and a reduction in the supplementary charge. All those areas have been explored already, and further discussions with the industry are under way, with a report due in the spring budget.

Having spoken to Danny Alexander and Nick Clegg in the past few days, I know that the UK Government is seized of the issue and is keen to ensure that the industry continues with the investment that it needs in order to support the jobs that it provides in Scotland.

Chic Brodie (South Scotland) (SNP): Will the member take an intervention?

Willie Rennie: No, not just now.

The UK Government is active. I find it difficult to listen to John Mason implying that we are all idiots for not recognising that the oil price goes up and down when the SNP has been denying that fact for the past three years in its campaign for independence.

I know that it is an inconvenient truth, but the reality is that, if the decision in September had been different, today's debate would not be just about the jobs issues that we face in the north-east and the rest of Scotland; we would also be facing a financial crisis that would directly affect the public services that every member in the chamber supports. I am grateful that we did not vote yes in September.

The news on the wider economy is more positive. In the liberal centre ground, we know the value of building a stronger economy alongside a fairer society in order to create opportunity for everyone. We are making progress on both aspects. In Scotland, employment is up by 168,000 since 2010, and in the past year alone, the unemployment level has fallen by 44,000. The SNP complains that it does not have the economic powers in the Parliament to make a difference but, as soon as there is any growth, any improvement in employment figures or any reduction in unemployment, it is quick to claim the credit.

The progress in Scotland is matching progress in the rest of the United Kingdom. In the second quarter of 2014, Scottish GDP grew by 0.9 per cent, which matched the growth in the rest of the UK. That was up 2.6 per cent on the previous year, and the figure for the rest of the UK was 3.2 per cent. Those are broadly similar growth figures.

Manufacturing is growing faster than any other sector, and investment is set to increase by 11 per cent this year. The sector is growing faster in the UK than in any other major advanced economy. Britain was one of the countries that were hardest hit by the financial crisis, but it now has the

strongest recovery in the European Union and the best recovery in the G7. We have the best job creation rate in Europe; more jobs have been created in the UK than in the whole of the rest of the European Union combined.

The SNP and Labour said that our plan would not work. I am glad that we ignored their advice. It would be to their credit if they were to stand up now and apologise for giving us the wrong advice and if they were to admit that they were wrong, because they were wrong. We have got growth, and 168,000 jobs cannot be wrong.

We have delivered that by making significant investment changes in the UK. Sixty-eight thousand businesses have the national insurance allowance, which is a big business boost for small businesses. Corporation tax is down to 20 per cent. We have made work pay by cutting tax for 2.2 million people and taken 236,000 Scots out of tax altogether. We have given a big boost by cutting regulation and addressing the supply of finance, with the Green Investment Bank and the British Business Bank. On technology, we have invested £1 billion in broadband and mobile infrastructure. The Technology Strategy Board has invested in the Offshore Renewable Energy Catapult in Glasgow.

It would be good if the Scottish Government recognised the progress that the UK Government has made to provide 168,000 extra jobs in Scotland since 2010. That is progress, which the Government should recognise.

15:56

Bruce Crawford (Stirling) (SNP): As a starting point, I reflect on the chief economist for Scotland's report "State of the Economy—December 2014" that was issued towards the end of last year. The opening statement of that report was hugely encouraging. It said:

"Against a relatively subdued global economic environment, growth in output in Scotland in 2014 will record its strongest performance since 2007."

The same report tells us that, during 2014, in many ways, the Scottish economy

"surpassed pre-recession levels, with continued growth ... rising employment, and falling unemployment and economic inactivity."

That report's positive findings were also reflected in recent positive economic reports for 2014 from the Scottish Building Federation, Scottish Chambers of Commerce and the Bank of Scotland.

The chief economist's report was also right to reflect on the fact that real wages still remain below pre-recession levels. We all recognise that that tells us that while many people and families

are prospering in the current economic climate, there are others who are in work and are working hard who feel trapped and frustrated by a life on a low income.

Some of the reports that I mentioned a few moments ago also tell us about some key skills shortages in construction, retail and tourism that could hamper growth in 2015. The findings of the chief economist's report on real wages in the economy, taken together with the skills shortages that are outlined in the other reports, present a real opportunity for the upskilling of our workforce.

That is not all down to the Government. Companies can help themselves by finding better ways of developing skills within their own workforces in order to help employees to move into more skilled and better-paid jobs. Of course, companies and the Government can work together so that the Government can tailor the interventions that it has at its disposal to best effect. It would be good to hear from the cabinet secretary about what more the Government can do to better tailor its interventions in that area.

From my time in the Government, I know that the cabinet secretary has a strong personal commitment to building a fairer, more sustainable and balanced economy. With that in mind, I want to make a point to him today about how we invest in our infrastructure in the future. I know that the Government will spend about £4.5 billion on infrastructure during 2015-16, and that is certainly something to be applauded.

I also know that it is important to make the big investments—the southern general hospital in Glasgow, the new Forth road bridge and the Aberdeen western peripheral route—that are necessary for making vital and required improvements.

However, I believe from experience in my constituency that we might have more of an opportunity to create the fairer and more sustainable economy that is sought by the Government by shifting the emphasis from capital-hungry big projects to spending on projects that are more modest but which are just as vital. I have seen at first hand in my constituency the transformations that have been achieved by organisations such as Historic Scotland, the Loch Lomond and the Trossachs National Park Authority and Forth Valley College with very modest amounts of capital expenditure. The more modest but nonetheless important projects that those organisations have invested in have, I believe, created more local jobs with resulting significant improvements in the local economy. In the main, those organisations employ more locally based contractors, thereby ensuring greater added value from Government spending for both the local and the Scottish economies.

I do not have as much time as I thought I would have, so I will quickly make two other points. First, we must ensure that rural Scotland benefits as it should from the roll-out of faster broadband speeds. As the cabinet secretary will be aware, I have written to him to express my concern about that and, in particular, to outline what I believe could be done to improve the situation in my Stirling constituency. I look forward to receiving his response.

Secondly, I must highlight the collapse in the price that dairy farmers get per litre of milk. For some, it has fallen from 28p per litre to 18p per litre. I believe that one of the longer-term solutions must be the development of a stronger processing industry in Scotland, which would help to create the more sustainable Scotland that the Government seeks. In this year of food and drink, development of the milk processing sector should be a priority for the Government.

From the series of reports, I think that it is fair to say that the Government is on the right track, but is far from complacent. That is why I warmly welcome the cabinet secretary's announcement of his intention to bring forward an updated economic strategy for Scotland, which I look forward to debating in Parliament.

16:02

Neil Findlay (Lothian) (Lab): I welcome the fact that we now have growth in the economy and reducing unemployment, and it is a very good thing that more people are in work. However, as always with this Government, it claims credit when things go in the right direction and blames anyone else—indeed, everyone else—when things go in the wrong direction. We have just come through a period of several years in which we heard that growth and jobs could be created only with independence, that a new oil boom was just around the corner and that all would be well in a land where oil would fund the new dawn at \$113 a barrel. Today, oil is trading at about \$50.

In his predictions, forecasting and overgenerous estimates, the cabinet secretary might well have been listening a bit too much to the former First Minister—a self-proclaimed expert in the economics of oil. After all, Mr Salmond is a man who never sees a molehill without proclaiming it to be Ben Nevis.

However, I digress. This is an important debate, not least because it gives us an opportunity to examine what has happened to the benefits of the growth that we have seen and on which the Government is congratulating itself. Whether those benefits have been passed on to working people is a different matter, because one thing is for sure: they are not being shared fairly. At UK level, we

see Osborne redistributing cash from the poor to the rich, with tax cuts for his City friends and benefit cuts for the poor. Across this country, eye-watering record-breaking levels of wealth are being accumulated by the super-rich, while at the same time working people are under immense pressure. Since 2010, wages have fallen in real terms by £1,600 a year, there has been an explosion in food banks, health inequalities are growing year on year and, for many of our people, youth unemployment, underemployment, insecurity at work, unfairness and low pay are still the hallmarks of our economy.

The Scottish Government has failed to take the opportunities that are available to it to create fairer and more secure work, and it has failed to develop redistributive policies that would help to share our economic growth more equitably. We need look only at the rejection last year of all the Labour amendments to the Procurement Reform (Scotland) Bill—the mask slipped during the progress of that bill, all right. When the SNP had the chance to support our amendments that would have ensured that contractors that bid for public contracts would have to pay the living wage, the now First Minister instructed her party to vote the proposal down. When we tried to take action against companies that avoided paying their corporate taxes, the SNP voted that down too, even though SNP members in the UK Parliament had demanded that very action of the UK Government.

The same thing happened to our amendments on ending exploitation by contractors that employ people on zero-hours contracts. Not one of the Government's back benchers had the backbone to line up with us and vote for amendments that would have helped thousands of ordinary Scottish workers. More faces than Big Ben is what the SNP has.

Sandra White (Glasgow Kelvin) (SNP): Will Neil Findlay take an intervention?

Neil Findlay: I will not, at the moment.

In the past year in Scotland, the number of people who earn less than the living wage has risen by 32,000 to 427,000. Had the Scottish Government accepted our amendments, many of those people would be earning more than they are now. The Scottish Government failed those people. The truth is that this Government talks about growth but never talks about redistribution. The only redistribution that it has in mind is that from the poorer members of society to the already well off. The Scottish Government showed that with its planned corporation tax cut and it is showing it with its continuing underfunding of the council tax freeze, which disproportionately helps better-off people at the same time as councils are left with no option but to cut services.

Sandra White: Will the member take an intervention?

Neil Findlay: Yes.

The Deputy Presiding Officer: Be brief, as the member is in his last minute.

Sandra White: Does Mr Findlay support his new leader Jim Murphy's membership of the Henry Jackson Society? Would he say that that was a good move?

Neil Findlay: I thought that we were discussing the economy. Ms White would have made a better contribution by telling us how her Government is going to help the poorest people in our society. That would have been a better intervention.

The reality is that it is only Labour that is proposing redistribution and growth. We will grow the economy by investing in our people and by sharing the benefits more equitably. That is why we will raise the top rate of tax to 50p, why we are introducing the mansion tax, why we will freeze energy prices, why we will offer tax breaks for those who become living-wage-paying employers and why we will tax the bankers to help to create jobs for young people. Those are all policies that the Scottish Government opposes.

16:07

Chic Brodie (South Scotland) (SNP): I support the motion. Whatever vision we have for Scotland and whatever hopes we have for people's health, or for education, social infrastructure or welfare, all roads of course lead to a strong economy: "It's the economy, stupid."

Some have argued that the title for this debate should have been "Boosting Scotland's Economy Further", because despite the limited economic powers at our Government's disposal, one cannot deny the relative strength of Scotland's economic performance: the facts are stark. Even in the current subdued economic and political environment, it is reckless not to recognise that growth in output in Scotland in 2014 was the strongest for seven years. That, along with regularly balanced budgets, means that we now have a labour market that is drawn by rising employment and a situation in which business and consumer confidence is more upbeat, and focused investment offsets difficult trading conditions.

All of that and more in measurable outcomes is married to an environment that has highly skilled people, a wealth of natural resources and international recognition for our innovation. We also have an international brand that is second to none. However, we have a legacy of the recession, as has been said, in that real wages are still below those of 2008 and there is spare capacity in the labour market. I agree that that

provides us with a challenge but—more important—it provides us with an opportunity to address an imbalance in the income gap and to close the capacity black hole.

An Organisation for Economic Co-operation and Development report just two months ago indicated that growing inequalities are a brake on economic expansion, so we must have a seismic shift towards a high-wage, high-productivity economy in which there is a clear alignment of activity in both the public and the private sectors with the Government's national economic strategy. In that regard I, too, welcome the cabinet secretary's announcement on updating the strategy. We must also consider where employee participation might help growth—not just in financial terms, but in decision-making terms.

So we know what we want to achieve, but we want an answer as to how. If time allows, I will dwell briefly on just a few things that will answer. The small and medium-sized enterprise sector in Scotland is huge: there are 335,000 businesses, 98 per cent of which employ fewer than 50 people, which represents 42 per cent of Scotland's private sector employment and 24.5 per cent of its turnover. The 46 per cent increase in business start-ups—21,540 in 2013, which was up from 14,725 in 2009—shows that small businesses are rising to the challenge, aided and abetted by the Government's small business bonus scheme. The Federation of Small Businesses confidence index showed that in quarter 4 of last year, the balance of Scottish small businesses planned to increase capital investment over the next 12 months.

With existing financial support and the encouragement to pursue funding opportunities through the €70 billion horizon 2020 SME engagement scheme, we can support Scotland's SMEs with greater participation and help in research and innovation. Together with further alignment with the national economic strategy, which I mentioned earlier, and a supportive business environment to grow markets, develop sectors and grow companies—and therefore employment—that makes the SME sector and, alongside it, the third sector, the bedrock of long-term economic and jobs growth.

Other major areas through which we can boost the economy—which we must do to be stronger when the global slowdown reverses, as it will—are capital investment and exports. On capital, we should emphasise more localised spend and encourage councils to consider use of their reserves and disposal of unutilised fixed assets to inject capital and borrowing into local capital spend projects.

We must also use the next period to further internationalise Scottish products and services. For example, we can build on manufacturing

exports' positive performance last year, which was good news for my area of Ayrshire. That performance took place notwithstanding the strength of sterling and the weakness of some markets, which bodes well.

With the right focus and the right alignment, we can and will boost Scotland's economy further.

16:12

Graeme Pearson (South Scotland) (Lab): For those who are unemployed and on low incomes, the challenges of the economic downturn have been particularly difficult, but it should be remembered that very few families have come through the downturn unscathed.

This Government regularly hails the benefits of initiatives such as its small business bonus scheme and the new Glasgow city deal, which are designed to encourage an uplift. Indeed, positive aspects arise from such schemes. However, the truth is that they are not enough. Key economies are in the doldrums, concerns remain about Greece and potential impacts on the rest of the EU, there are trade hostilities with Russia and a slowdown in China's growth, which all add to the lack of confidence that affects international trade.

One direct result of that—to remind the energy minister—is the plunging value of crude oil. Since July, the value has halved to about \$50 a barrel. In terms of public tax revenues that is a loss of more than £6 billion per year from public finances: nearly a quarter of the cost of running Scotland's public services. It is on that basis, as well as appreciating that continued pressure is likely in the longer term, owing to the geopolitical tensions that affect so many regions of the world and the reality that America is becoming a net exporter of energy for the first time in decades, that we need to ensure that we have new ways to boost the economy.

We must involve the private sector in innovation and the application of enterprise, together with the development of new businesses that are ready for the needs of the 21st century world. Unfortunately, there are few signs of the radical changes that we need to see across communities, largely due to the Government's failure to boost confidence by creating an environment that enables businesses to develop and grow.

For many communities across the country, the notion of an economic upswing is an illusion. Employment in those communities is spasmodic, low paid and often in zero-hours and short-term contracts.

The SNP Government must come forward with a plan that reflects the dire need of our people to

be employed, while enabling the very vehicle for employment—the private sector—to benefit.

In that context, Mr Ewing may remember that I raised with him nearly two years ago the frustrations that are faced by SMEs in navigating the public procurement process. There are so many different application processes throughout the public sector that small businesses lost days, and sometimes employed “consultants” in applying for contracts, then, after incurring great expense, found that they were either not accepted as accredited contractors—

Fergus Ewing: I am pleased to inform Mr Pearson that the vast majority of contracts that are won in public sector procurement are won by SMEs. Just for clarity, does the Labour Party now support the small business bonus scheme, and should it be continued to the end of the next session of Parliament?

Graeme Pearson: I am afraid that the minister missed the point that I was making about the procurement process. The reality is that many contracts are won by companies from outwith Scotland that use UK or EU support to win the contracts. Contracts are often won by companies that are ill-supported to deliver on those contracts, usually because they offered the lowest price. As a result, they leave behind work that has not been completed to sufficient quality and which ends up being fixed by legitimate, competent and professional local companies, which are left to do difficult work at no profit, when they should have been given the opportunity to win the contract in the first place.

I hope that the minister will assure us that he will give some thought to the procurement process, in order that our local companies, apprentices and communities can benefit from such contracts.

Finally, the Government must give thought to the need for capital support for trade throughout Scotland and Europe. It should give serious consideration to establishing a resilience fund for the future.

16:17

Christian Allard (North East Scotland) (SNP): I congratulate the Scottish Government on its ambition to boost our economy further. I say “further” because this Government has been working hard for the past eight years and has had great successes. Scotland’s economy continues to grow and our unemployment rate is the lowest in the UK. Those successes are the result of a Government that understands businesses and uses the economic levers at its disposal.

The north-east knows that it has a great role to play in further boosting Scotland’s economy. With

a multi-award winning chamber of commerce, Aberdeen and Grampian have been leading the way for many decades. I thank Rachel Elliott, the chamber’s policy executive, for sending us a copy of the latest oil and gas survey and two recent north-east business week surveys. I apologise to Rachel because I have had several meetings with her and her colleagues at the chamber of commerce and I have always pushed the chamber of commerce to diversify and not always to talk about oil and gas. However, because we are quite short of time today, I might talk only about oil and gas.

The chief executive of Aberdeen and Grampian Chamber of Commerce, Bob Collier, is very clear about the oil and gas sector. He says:

“Although confidence levels are at a 6 year low, the industry has a clear idea of what it needs to do following the studies chaired by Sir Ian Wood and Melfort Campbell.”

I wish that the Opposition would read the surveys provided to us—I do not know whether they read them or even receive them. The number 1 recommendation that the industry wants the Government to act upon, which Mark McDonald spoke about—although he did not say that it was the number 1 recommendation—is as follows:

“We know that the fiscal regime needs to be addressed. Nearly two thirds of respondents told us this—Immediate action from the Government is required.”

What do we get instead? A mere 2 per cent decrease in the tax rate.

Prior to 24 March 2011, the tax rate was 20 per cent, and the Tory Lib-Dem coalition increased it to 32 per cent. We have heard all that before today, of course, and the minister talked about it in his statement, but it needs to be repeated because I do not think that the message is getting through. The two political parties paid the price for that at the 2011 elections. Has the UK Government reversed the increase? No. Instead of decreasing the tax rate, at 30 per cent, it is still 10 per cent higher than it was in early 2011. That is not how to boost growth, but how to destroy an industry. In a few months, the Conservatives and the Liberal Democrats will pay the price at the ballot box for that, just like they did in 2011.

The chamber of commerce oil and gas survey is telling us that confidence about the United Kingdom continental shelf is significantly down in comparison with previous years, with 46 per cent of respondents reporting that they are less confident. In addition, 49 per cent of respondents report that they have been working at or above optimum levels in the United Kingdom continental shelf, which is also down on previous years.

Business confidence is higher in overseas markets than in relation to the UK continental shelf. Those on the Opposition benches fail to

understand that we need to be competitive worldwide whatever the price of oil. The Deputy First Minister mentioned internationalisation. We learned that lesson in the 1980s, when the crisis was a lot bigger than the one we have today. Consequently, half of the sector's sales are abroad.

As Mark McDonald said, the chamber of commerce's report mentions that half of the operators are reporting a reduction in contractor staff, with almost two thirds expecting further reductions in 2015. There are two points there that many in the chamber fail to understand. First, we have had a skills shortage in the north-east for many years, so many of those contractors were struggling to find staff to work in any case. Secondly, much of the skilled workforce is working abroad. If the UK Government does not act immediately, we are going to lose our workforce, and most of those who come originally from the north-east will end up settling abroad.

Major companies need to be incentivised. We must ensure that the oil and gas industry has confidence. I share the industry's optimism. It knows the situation that it is facing and is acting on that. I simply ask the UK Government to do the same.

I will vote with the Government and against the Labour Party's shameful amendment. The North Sea is open for business.

16:22

Patrick Harvie (Glasgow) (Green): I am grateful for the chance to participate in the debate, although I fear that I might be painfully predictable. Indeed, just as I mentioned climate change during Fergus Ewing's oil and gas statement, it is possible that I will have something to say about GDP during a debate on the economy. My boring predictability will not surprise the Deputy First Minister.

The Deputy First Minister set out an argument in his opening speech that is also reflected in the motion—the notion that equality and cohesion are good for growth. In fact, the motion refers to “sustainable economic growth”, and the Deputy First Minister said that such growth and tackling inequalities are not opposites. I will explore whether that argument, which has been growing globally, is useful.

It is certainly a step forward from the central argument in previous generations, when the myth of trickle-down economics was being peddled—the notion that a rising tide lifts all boats. That has been shown to be false not just in this country, but around the world. Far from trickle-down economics, we had hoover-up economics, whereby the wealthiest absorbed the lion's share

of the material and economic proceeds, while the social and environmental consequences of generating that wealth were heaped on those who did not enjoy the proceeds.

Now we have the notion that equality is good for growth and that if we want GDP growth, we need to close the wealth gap—the income gap and wealth inequality. That argument has been advanced not least by Thomas Piketty, Joseph Stiglitz and other significant global figures. It is interesting that the Government seems to be foregrounding that argument. It is one that we tried to draw out in a recent debate on wealth and income inequality.

I would argue that, yes, the argument is a step forward from the trickle-down nonsense that we saw before, but it is only one step forward, and I would like once again to encourage the Deputy First Minister to complete that journey.

It is not just that equality, social justice, wellbeing and environmental protection do not undermine growth rates; it is that there is no simplistic link between them at all. There have been periods of time when GDP grew relentlessly yet there was growing inequality, worsening health and increased environmental destruction and there have been periods of recession, in GDP terms, in which exactly the same problems have continued to get worse. Similarly, there have been periods—good and bad, in GDP terms—in which those problems were reduced by an act of political will. In good times and bad, in GDP terms, it is possible to overcome, tackle and reduce these social problems.

The question is, what matters most to us? Does it matter most that we achieve the wellbeing of our society, its people and the ecosystem that sustains us all, or that we measure the amount of money that is swirling around the economy? That is all that GDP does—it does not tell us how it is being generated, how it is being used or in whose interest the economy is functioning.

The second weakness in the argument that we need equality to achieve economic growth is the question of what happens if we return to a period of lasting economic growth. What happens to the case for building a more equal society, improving environmental protection and achieving the wellbeing of our society if it is predicated on the notion that those things are good only because they are good for economic growth? We will end up losing that argument once again, and the political pendulum will swing back in the other direction. Let us not win the argument for a more equal society simply on the ground that it is the best way of becoming richer; let us argue that a more equal society is an objective in its own right.

The issue comes down to what we believe in and what kind of society we want to build. After that, we can achieve an economy that functions in that interest, and does so within technological limits.

The Deputy Presiding Officer: I can give the next two open-debate speakers four minutes each.

16:27

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): One of the great achievements in the Scottish economy in recent years has been the great uplift in our exports. Of course, Scotland has been an exporting nation for an extremely long time. I remember standing on the shores of Lake Titicaca, looking at the ferry from Peru to Bolivia, which was built on the Clyde. I visited the biggest Buddha in the world, which is just outside Rangoon in Burma, and saw that it sits on a frame that proudly says that it was manufactured in Kilmarnock. Further, everywhere one goes in the world, one finds bottles of whisky awaiting an appreciative audience to drink them. Exporting credentials are long established and exports continue to be an important and growing part of our economy.

Many of my constituents and those of others who represent the north-east export skills that are based on their experience of the oil and gas industry and, whatever the vicissitudes of the short-term difficulties, that will undoubtedly continue. However, one of the things that I am most delighted about is that we are no longer exporting people in any substantial sense. It is quite ironic that the new memorial to the clearances at Helmsdale, which has a little child holding his mother's hand and looking back down the glen to a place that they will never see again, is within sight of the oil field just off the coast—the Beatrice field, which has, of course, been a pioneer in the offshore wind industry.

The wind industry is going to be an important part of our future. Harbours in my constituency—in Buckie, Fraserburgh and Peterhead—want to get some of the action from offshore wind. However, the UK Government's dithering delay and damaging changes to the regime put at risk those new jobs, which are long term and sustainable. Even when oil has ceased to be part of our economy, those will be important to us.

I have heard some interesting things in the debate. It is always a great pleasure to hear Neil Findlay speak, if only for the excitement of watching him wrestle with the internal contradictions in the arguments that he puts forward and wondering which side of him is going to win. When he criticises the suggestion that Scotland should have control over corporation tax,

as Northern Ireland will before the general election, he ignores the fact that Gordon Brown cut corporation tax more often than anyone. Clearly, given that Mr Findlay criticises Gordon Brown, I can only assume that he is a Blairite.

In my remaining 60 seconds, let me touch on what Mr Findlay said about employment. I am delighted to hear him argue for our having full powers over employment law. I will join him in campaigning for that at every opportunity. His recent campaigning against the policy, however, was not so good.

Jackie Baillie seemed to celebrate the drop in the oil price, although the price that the UK Government was given by the Department of Energy and Climate Change is exactly the same as the one that the Scottish Government used. We hear that, in a year's time, the price will be back to that level. Nevertheless, the long-term future of oil is as a feedstock for our chemical industries, so we must get off burning it—that is important.

I look forward to future prosperity and growth in our economy.

16:32

Alex Rowley (Cowdenbeath) (Lab): A briefing from the Scottish Council for Voluntary Organisations states:

"We are heartened by the Scottish Government's recent and on-going rhetoric about tackling inequality and appreciating that doing so is part of growing a strong economy."

It goes on to state that the SCVO

"is keen to hear more about practical measures"

and that it hopes that the debate today

"will highlight some of the ways in which the Scottish Government will look to achieve its aims."

Sadly, the SCVO will be disappointed, because we have not heard today how the Scottish Government intends to tackle inequality. However, although the Government's track record over the past seven years has not been very good, I appreciate that John Swinney kicked off the debate by saying that we enter 2015 on a sound economic footing and recognised that the more unequal an economy is, the less successful that economy will be. There is a real opportunity in 2015 to start to tackle inequality in Scotland.

I look forward to the economic strategy that John Swinney talked about bringing forward and updating. I hope that he will not only involve all parties in the chamber but talk to local government and all the partners out there, including the third sector, the SCVO and many more. If we are to create a prosperous and fairer society, we need to start to tackle poverty.

It is worth looking at the Scottish Government's figures on relative poverty that were produced in 2014. In 2012-13, 820,000 individuals were living in relative poverty in Scotland, which reversed the reduction that we had seen in recent years, with 110,000 more people living in relative poverty compared with in the year before. I suspect that the figures for this year will be even higher, as there is an on-going increase in relative poverty in Scotland. In 2012-13, the rate of people living in absolute poverty increased by 17 per cent, or some 880,000 people. Again, that was an increase on the year before of 100,000 in the number of people living in absolute poverty. We need to be able to attack that.

I suggest to Mr Swinney that he starts looking at policies such as reversing the £61 million real-terms cut in college funding that has been made over the past few years. That would be a positive step, because if we are serious about tackling inequality and poverty, we need to do a lot more to get people the skills that will enable them to get the jobs that are available and that we should be creating.

In-work poverty is a major issue. The Scottish Government's statistics show that 45 per cent of all people in poverty—nearly half—are in a household in which at least one person is working. More than half of working-age adults in poverty—52 per cent—are in working households. Six out of 10 children in poverty in Scotland—59 per cent—live in a working household. There has been an increase in in-work poverty in the past year.

We need to tackle in-work poverty and raise the minimum wage. I will certainly stand on such a platform as we approach the general election. We need to end zero-hours contracts and raise the living wage, which would benefit more than 400,000 workers in Scotland.

The Deputy Presiding Officer: I am afraid that I must ask you to come to a close.

Alex Rowley: I hope that we can not only grow the economy and celebrate its success but ensure that more and more people can share in that success, by tackling inequality and poverty. This Parliament has the power to do that and we need to get on with it—now.

16:36

Murdo Fraser (Mid Scotland and Fife) (Con): As Gavin Brown said, there is much in the SNP motion with which we agree. We agree that we should celebrate the successes of the Scottish economy.

The successes are not limited to Scotland but apply throughout the UK. We have one of the fastest rates of growth in the developed world and

we are the fastest-growing major economy in the world today. Since 2010, net employment has gone up by 1.75 million and 2.2 million new private sector jobs have been created, three quarters of which are full time. Inflation is coming down and wages are rising faster than prices.

That is a good-news story. Of course, the SNP likes to claim all the credit for the good news. Christian Allard did just that in his speech. There are at least two reasons why we need to take that with a pinch of salt. First, the SNP has been telling us for years that it does not have the power to make a difference, because it does not have the economic levers, so it can hardly claim all the credit for the success.

Secondly, as Willie Rennie reminded us, the SNP opposed the approach that George Osborne and the UK Government have taken, which has delivered the success. The SNP was not alone in doing that; it stood shoulder to shoulder with the Labour Party in its critique of the coalition Government's approach. Mr Swinney and Ed Balls could virtually have been twins, so close was their critique of the coalition Government's approach—*[Interruption.]* I remember Mr Swinney's colleague calling for a plan B and saying that the chancellor's plans would never work. He has been proved completely wrong: they have worked and they have delivered success.

There have been a few flies in the ointment in Scotland, which we should not ignore. The retail figures for Scotland in quarters 2 and 3 last year showed a decrease, although retail figures went up elsewhere in the UK. The Royal Institution of Chartered Surveyors residential market survey showed a decline in property sales in September, which it said was due to market uncertainty. The Federation of Small Businesses confidence survey showed a fall in the final quarter of 2014 that was greater than that in the UK as a whole. That means that Scotland is the third lowest-placed part of the UK for business confidence, behind only the north-east of England and Northern Ireland.

What could be the common factor? Could it be anything to do with September's independence referendum and its impact on business confidence? The SNP should not claim credit for all the good news when its own obsession has potentially set us back. The Mackay Consultants monthly economic report for December concludes that there are increasing signs that growth in 2015 will be significantly lower than in 2014, and we have not even talked about the oil price yet.

I want to address an issue that the cabinet secretary raised in his speech and that a number of other members, including Alex Rowley, picked up on—the living wage. We agree with the ambition of raising wages and living standards. I do not think that any member in the chamber

would disagree with that, but it needs to be done in a manner that is affordable. I will give two examples of industries where there might be difficulties.

The first is the hospitality sector, which is a low-wage industry in many areas. The introduction of the living wage would undoubtedly increase the pay of many of the staff, but if the staff pay goes up, prices will go up, and if prices go up, that will hit people in their pockets and also hit the competitiveness of Scotland's tourism offer. When we have debates in the chamber about tourism, we always hear that we are already seen as a high-cost destination, so we need to be careful about that.

Margaret McCulloch (Central Scotland) (Lab): Does the member agree that, if hotels and other businesses introduce the living wage, they will see a more settled staff and fewer staff moving about?

Murdo Fraser: Indeed. I do not disagree that there would be advantages in bringing in the living wage. All I am saying is that to bring it in too rapidly or without being aware of some of the consequences might turn out to be disadvantageous.

Neil Findlay: Will the member take an intervention?

Murdo Fraser: No. I want to move on because there is another point that I want to make about the living wage.

The other industry that I give as an example is the care sector. We know that there are many low-paid employees in that sector. Care providers that I speak to say that they cannot afford to pay more and budgets are already tight. In many cases, patients who pay privately are, in effect, cross-subsidising those who are local authority funded. If the Government decides that it wants to pay the living wage, it will have to pay more for care. That will mean funding local government more so that it can pay the care providers more. Let us not suggest that this is a cost-free option for either public spending or household budgets.

Neil Findlay: Will the member take an intervention?

Murdo Fraser: I think that I am in my final minute.

The Deputy Presiding Officer: I am afraid that you are.

Murdo Fraser: What we need is a more competitive Scotland. There is good news out there, but more could be done. We support the small business bonus, which is continuing. We oppose the retail levy, which is now being scrapped—that is good news. There are benefits

to retailers south of the border in relation to rates that have not been introduced in Scotland. We are seeing a proposal to reintroduce rates on sporting interests, which would put Scottish rural businesses at a competitive disadvantage compared with the rest of the United Kingdom, and we are seeing rates of land and buildings transaction tax being imposed in Scotland from the spring that, again, will put us at a competitive disadvantage compared with the rest of the United Kingdom.

All those matters are under the Scottish Government's control and it could be dealing with all of them now if it wanted to do so.

The Deputy Presiding Officer: I am afraid that you must come to a close, please.

Murdo Fraser: We have had economic successes, and we have had help to secure those successes from people voting no in the referendum in September. Let us not now put them at risk.

16:43

Lewis Macdonald (North East Scotland) (Lab): The debate has been wide ranging, as a debate on the economy should be, but in closing for Labour I come back to the critical issue of the challenges that our oil and gas industry is facing, which is the single most urgent, immediate issue facing the Scottish economy today and is entirely absent from the Scottish Government's motion on boosting the economy.

SNP ministers will say that oil is a bonus and not the basis of Scotland's economy, as if that made it all right not to talk about it in tough times. I am glad that Mr Ewing came to the chamber earlier this afternoon to make a statement about oil and gas, reflecting at least some degree of recognition that the industry is indeed of fundamental importance to Scotland's economy. I was disappointed that he had so little new to say, but the critical thing is that oil and gas are hardly a bonus when the industry accounts for up to one sixth of our GDP and an even larger share of our export earnings.

Some 50,000 men and women work offshore in what can be one of the toughest working environments in the world, especially on a night such as tonight. Many thousands more earn their living in the oil and gas industry onshore and tens of thousands of jobs depend indirectly on the boost to the economy from oil and gas.

Fergus Ewing: I am very grateful to Lewis Macdonald for giving way. To make progress, will Labour support the tax reforms that we have brought forward today, which we believe should be implemented in the March UK budget?

Lewis Macdonald: Mr Ewing refers to tax reforms that he has brought forward today, but he will be aware that the tax reforms that he is lobbying for are tax reforms that we are lobbying for, tax reforms that the industry is lobbying for and tax reforms that are supported by trade unions in the sector. The proposition that there should be support for development and exploration and that the field allowances should be reformed is not a new one that Mr Ewing has brought forward, albeit that I welcome his support for those measures; it is a proposition that has very broad support in the sector and the industry.

The point has been made by Mr Ewing and his colleagues that we have seen low oil prices before. That is only too true, but it is too easy to forget just how damaging those falls in the price of oil were for the regional economy of the north-east and for Scotland's industrial health in general. In the oil price recession of 1986-87, for example, houses that had previously gained in value from month to month suddenly became unsellable and thousands of hard-working people learned for themselves the meaning of negative equity.

Twelve-dollar oil in 1999 was damaging, too, and it prompted the then Labour Government to set up PILOT in recognition of the need for the industry and the Government to work together to overcome the potentially damaging effects of a prolonged period of low oil prices. Mr Ewing is vice-chair of PILOT, so he should be better placed than most to recognise its value.

We know that a low oil price can damage businesses and jobs, and we also know that a responsible Government can make a difference if it intervenes effectively to mitigate the effects. That is why we need the Scottish Government to start by assessing the impact of \$50 oil on the Scottish economy and what the impact will be if the price continues to fall and goes down to \$40 a barrel or lower. It is a pity that the Government has not taken the opportunity that it was offered this afternoon to provide such an assessment of the wider economic impact, but perhaps Mr Swinney will be able to do so when he closes the debate.

We are not talking about just another cyclical dip in the world price of oil such as those that the Scottish economy has experienced and survived on previous occasions. Wood Mackenzie made the situation clear in its UK upstream review of 2014 and what to look for in 2015, which it published the other day. As Sir Ian Wood did in his review last year, it sets out clearly the challenges that the sector faces now that it did not face in 1986, 1999 or 2008. It finds that future prospects are at risk. At an oil price of \$60 a barrel, 80 per cent of unsanctioned projects would fail to generate a sufficient return. It says that there is real concern over future investment, with \$16

billion of investment potentially being at risk of cancellation or deferral over the next five years. New unsanctioned reserves of 220,000 barrels of oil equivalent a day could be put at risk by \$60 oil.

Those are big numbers, as I am sure that the Government will recognise, even for an industry that routinely invests billions of dollars in order to make big returns in future years. We no longer see a rising graph of production from the North Sea, and there is no realistic prospect of net production going up. A whole series of decisions are being made now in boardrooms around the world about whether to continue production from fields that are in any case in the latter part of their productive life. We know that at least 30 existing fields in the North Sea require an oil price of \$50 or more in order to be profitable. If they are not profitable, they will close down, and once a field has been decommissioned there is no going back.

Therefore, we need to intervene. It is right to say that part of that intervention must be fiscal, but we also need to intervene in relation to the economic impact of the type of changes in the oil industry that we are considering today. That is why Scottish Labour has proposed a resilience fund. That fund would not, as has been implied, be just for the oil industry but would operate for any key sector of the economy that faced the risks that the energy sector faces today.

Christian Allard: Has Jim Murphy asked Diane Abbott about the new proposal? We would not want to study a proposal that some London MPs would not agree with.

Lewis Macdonald: I am afraid that, although Mr Allard is clearly an avid follower of social media, he has confused two quite different stories, but I am pleased to tell him that Jim Murphy requires permission from nobody to bring forward important proposals for the Scottish economy. I want to know whether John Swinney has secured permission from Nicola Sturgeon in the past couple of hours to agree to the proposal for a resilience fund to support sectors of the Scottish economy that are under pressure. If he has, we would be very happy to hear that assurance from him.

Our challenge to the Scottish Government is to begin to take the crisis seriously, to recognise the fundamental importance of oil to the Scottish economy, and to get on board with all those who are calling for urgent action to save businesses and jobs. That means being serious about being prepared to work with other parties and not just talking the talk, but walking the walk. The Scottish Government needs to get on and do that now.

16:50

John Swinney: One of the obligations on a minister is to correct at the first available opportunity incorrect information that they have given to Parliament. Duncan McNeil is not here to witness a moment when I will have to do that following his intervention when I was speaking earlier on. I said that we had not fixed a target for the number of accredited employers paying the living wage that we wished to secure. However, I have been advised that buried in the programme for government is the target of 150 companies by the end of 2015, although we will, of course, endeavour to exceed that.

I am sorry that Mr McNeil was not here to witness that beautiful moment. I am sure that he will watch it on the video player endlessly to appreciate it.

Mr Brown asked about the Government's economic strategy. I can confirm that it will be published in March. What I say to him about the Government's economic strategy is that there is absolutely nothing new—[*Laughter.*] I am sorry; I meant to say that there is nothing wrong with putting in material about what we are already doing, because they are the sound and correct things to be doing in the economy. However, we will update the Government's economic strategy to reflect some of the challenges that we face and some developments in our own thinking, particularly on issues such as tackling in-work poverty, which is a more significant issue in the economy.

Murdo Fraser chastised me for not being generous in applauding the success of the UK Government's plan. I simply remind him that the chancellor is borrowing £100 billion more than what was set out in the fiscal plans in 2010. Net debt is continuing to grow and is forecast to peak at 81 per cent of GDP next year. It is funny that none of that was mentioned by either Murdo Fraser or the other fanzine for the United Kingdom Government, Willie Rennie, as it indicates that, far from working, the chancellor's plan has significantly delayed economic recovery. In 2010, the chancellor predicted that we should experience in 2012 the growth that we are experiencing now. We did not do so then.

Siobhan McMahon raised the issue of the underspend and the discussion about it that has taken place. I made a full parliamentary statement in June on the end-of-year financial position, in which I made it clear that the Government's fiscal departmental expenditure limit underspend was £145 million, which represents 0.5 per cent of our fiscal DEL budget. The fiscal DEL budget is the budget that we have available to spend; it is the cash that we can spend on public service projects.

The other components of the underspend include annually managed expenditure, which is not budget that I control but which includes, for example, some of the budget cover that is provided for student loans. That is entirely demand led. When the money is not spent on student loans cover, it cannot be spent on other wider public expenditure.

Finally, I reassure Siobhan McMahon that every part of the £145 million of the fiscal DEL underspend was earmarked to be utilised to support our spending plans in 2014-15. I can confirm that that is being taken forward as part of the Government's budget in the current financial year.

My friend and colleague Bruce Crawford made a substantial speech in which he considered the analysis that was undertaken by the chief economist in his most recent report, weaved together the performance in reducing skills shortages and the real wage crisis that exists in our society, and made it clear that we have an opportunity in the economy to upskill employment and improve the quality of employment in Scotland.

Mr Crawford made the essential connection that not all of that can be delivered by the Government on its own; it can be delivered only as a product of partnership between business and Government, which is what the Scottish business pledge is designed to do. It is designed to say to the business community that there are elements of improvement in the quality and sustainability of employment that the Government wishes to undertake and achieve, but we can do that only if businesses work with us to achieve that objective. I am indebted to Mr Crawford for highlighting the importance of ensuring that the business pledge is successful as an element of the Government's economic strategy.

I will give further consideration to Mr Crawford's point about decreasing the size and scale of our capital projects to provide a broader range of capital projects around the country. He will appreciate the challenge that there is to that in the capital programme, because major projects such as the south Glasgow hospital and the Queensferry crossing are fundamental parts of our programme. That makes the achievement of the objective that Mr Crawford set out rather more difficult.

My colleague and friend Linda Fabiani made a similar point to the one that Mr Crawford made, but it was about the partnership that is necessary in our economy between Government, trade unions and business to achieve shared objectives. One important element of the Government's policy-making framework is the way in which we are regularly in dialogue with the trade union

movement through the biannual meetings between it and the First Minister, which have been consistent since the current Government was elected in 2007. Regular dialogue also takes place with business organisations. The aim is to encourage the creation of a shared agenda between the Government, trade unions and the business community to achieve our objectives. That will be essential in achieving some of the points in the Scottish business pledge, to which I referred.

That shared agenda is material to securing business support for delivering the living wage, a point that was discussed by Mr Rowley and in a different way by Mr Fraser, who highlighted the fact that the living wage will be a major challenge for some parts of our economy. I accept that some parts of the economy will struggle to deliver the living wage, but we should not compartmentalise and talk about sectors of the economy that will find that difficult. Mr Fraser said that the hospitality industry will find it difficult but, this morning, I visited Rabbie's in Edinburgh, which is a successful travel and hospitality business that decided to pay the living wage to all its staff. The productivity and performance improvements that have come as a consequence have justified absolutely every bit of the investment that the company made.

In the time remaining to me, I will talk about the oil and gas sector. The important issue, and the one on which the debate has turned, is the question of what intervention will truly make a difference in challenging the oil price difficulties in the North Sea oil and gas sector today. Mark McDonald and Christian Allard powerfully set out the contribution from Aberdeen and Grampian Chamber of Commerce, which said that

“the fiscal regime needs to be addressed.”

Nearly two thirds of respondents to the chamber of commerce's oil and gas survey said that that is the issue that has to give. The four key priorities that Mr Collier, the chief executive of the chamber of commerce, highlights are the costs, the fiscal regime, collaboration and the maximisation of economic recovery. Malcolm Webb, the chief executive of Oil & Gas UK, has indicated that the two major challenges are industry inefficiency and UK Government energy policy. Improving the fiscal regime is fundamental to achieving a better future for the oil and gas industry.

Lewis Macdonald: Will Mr Swinney acknowledge that, this week, Malcolm Webb said:

“Given the need for the industry to urgently reduce its costs and increase its efficiency, Jim Murphy's proposal to introduce a resilience fund which can be used by Local Authorities to help persons affected by adverse economic conditions seems sensible”?

The Deputy Presiding Officer: Quickly, please, Mr Macdonald.

Lewis Macdonald: If Malcolm Webb thinks that that proposal “seems sensible”, can the Scottish Government not at least agree to assess its potential impact in the area?

The Deputy Presiding Officer: John Swinney—you must draw to a close, please.

John Swinney: I will draw to a close, simply by saying that Jackie Baillie has indicated to us that setting up an oil fund will take money from public services, so we have had a rather remarkable change in position from the Labour Party. *[Interruption.]*

The Deputy Presiding Officer: Order, please. We are now out of time.

John Swinney: The Government recognises the significance of the oil and gas industry to Scotland. We will take forward all the interventions that we can within our powers, stewarded by Mr Ewing, who puts in a power of effort to take forward dialogue with the oil and gas industry. However, the key change that will make all the difference to the oil and gas industry is an improvement in the fiscal regime of the UK Government and we ask it to take that forward now.

The Deputy Presiding Officer: That concludes the debate on boosting the economy. It is now time to move to the next item of business. I remind members that a revised version of section A of today's *Business Bulletin* was issued earlier today, which includes Parliamentary Bureau motions on committee membership and substitution on committees.

Parliamentary Bureau Motions

17:00

The Deputy Presiding Officer (Elaine Smith):

The next item of business is consideration of four Parliamentary Bureau motions. I ask Joe FitzPatrick to move motions S4M-12011 and S4M-12012 on committee membership and motions S4M-12013 and S4M-12014 on substitution on committees, en bloc.

Motions moved,

That the Parliament agrees that—

Mark Griffin be appointed to replace Neil Bibby as a member of the Education and Culture Committee;

Siobhan McMahon be appointed to replace Jayne Baxter as a member of the Education and Culture Committee;

Anne McTaggart be appointed to replace Alex Rowley as a member of the European and External Relations Committee;

Lewis Macdonald be appointed to replace Richard Baker as a member of the Economy, Energy and Tourism Committee;

Johann Lamont be appointed to replace Margaret McDougall as a member of the Economy, Energy and Tourism Committee;

Jayne Baxter be appointed to replace Siobhan McMahon as a member of the Equal Opportunities Committee;

David Stewart be appointed to replace Mark Griffin as a member of the Infrastructure and Capital Investment Committee;

Jayne Baxter be appointed to replace John Pentland as a member of the Justice Committee;

Drew Smith be appointed to replace Ken Macintosh as a member of the Public Audit Committee;

Paul Martin be appointed to replace Hugh Henry as a member of the Public Audit Committee;

John Pentland be appointed to replace David Stewart as a member of the Public Petitions Committee;

Sarah Boyack be appointed to replace Cara Hilton as a member of the Rural Affairs, Climate Change and Environment Committee;

Margaret McDougall be appointed to replace Ken Macintosh as a member of the Welfare Reform Committee;

Cara Hilton be appointed to replace Anne McTaggart as a member of the Local Government and Regeneration Committee;

Duncan McNeil be appointed to replace Drew Smith as a member of the Devolution (Further Powers) Committee;

Richard Baker be appointed to replace Michael McMahon as a member of the Finance Committee;

Patricia Ferguson be appointed to replace Cara Hilton as a member of the Standards, Procedures and Public Appointments Committee; and

Hanzala Malik be appointed to replace Anne McTaggart as a member of the Public Petitions Committee.

That the Parliament agrees that—

Gil Paterson be appointed to replace Fiona McLeod as a member of the Standards, Procedures and Public Appointments Committee; and

Stuart McMillan be appointed to replace Gil Paterson as a member of the Public Audit Committee.

That the Parliament agrees that—

James Kelly be appointed to replace Mary Fee as the Scottish Labour Party substitute on the Delegated Powers and Law Reform Committee;

Iain Gray be appointed to replace Kezia Dugdale as the Scottish Labour Party substitute on the Education and Culture Committee;

Claire Baker be appointed to replace Patricia Ferguson as the Scottish Labour Party substitute on the European and External Relations Committee;

Jackie Baillie be appointed to replace Jenny Marra as the Scottish Labour Party substitute on the Economy, Energy and Tourism Committee;

Anne McTaggart be appointed to replace Jackie Baillie as the Scottish Labour Party substitute on the Equal Opportunities Committee;

Jackie Baillie be appointed to replace Iain Gray as the Scottish Labour Party substitute on the Finance Committee;

Hugh Henry be appointed to replace Graeme Pearson as the Scottish Labour Party substitute on the Justice Committee;

Margaret McCulloch be appointed to replace Sarah Boyack as the Scottish Labour Party substitute on the Local Government and Regeneration Committee;

David Stewart be appointed to replace Claire Baker as the Scottish Labour Party substitute on the Rural Affairs, Climate Change and Environment Committee; and

Neil Bibby be appointed to replace Jackie Baillie as the Scottish Labour Party substitute on the Welfare Reform Committee.

That the Parliament agrees that—

James Dornan be appointed to replace Bruce Crawford as the Scottish National Party substitute on the Delegated Powers and Law Reform Committee; and

Bob Doris be appointed to replace Fiona McLeod as the Scottish National Party substitute on the Finance Committee.—[Joe FitzPatrick.]

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

Decision Time

17:01

The Deputy Presiding Officer (Elaine Smith):

There are four questions to be put as a result of today's business. I remind members that, in relation to the debate on boosting the economy, if the amendment in the name of Jackie Baillie is agreed to, the amendment in the name of Gavin Brown falls.

The first question is that amendment S4M-11993.3, in the name of Jackie Baillie, which seeks to amend motion S4M-11993, in the name of John Swinney, on boosting the economy, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hilton, Cara (Dunfermline) (Lab)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rowley, Alex (Cowdenbeath) (Lab)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)

Against

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Allard, Christian (North East Scotland) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-

shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (Ind)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McGrigor, Jamie (Highlands and Islands) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)

Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Deputy Presiding Officer: The result of the division is: For 31, Against 64, Abstentions 15.

Amendment disagreed to.

The Deputy Presiding Officer: The next question is that amendment S4M-11993.4, in the name of Gavin Brown, which seeks to amend motion S4M-11993, in the name of John Swinney, on boosting the economy, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McGrigor, Jamie (Highlands and Islands) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Allard, Christian (North East Scotland) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Ind)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)

Gray, Iain (East Lothian) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hilton, Cara (Dunfermline) (Lab)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Rowley, Alex (Cowdenbeath) (Lab)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Deputy Presiding Officer: The result of the division is: For 15, Against 95, Abstentions 0.

Amendment disagreed to.

The Deputy Presiding Officer: The next question is, that S4M-11993, in the name of John Swinney, on boosting the economy, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Allard, Christian (North East Scotland) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)

White, Sandra (Glasgow Kelvin) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Fee, Mary (West Scotland) (Lab)
 Fergusson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Ind)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Gray, Iain (East Lothian) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hilton, Cara (Dunfermline) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Rowley, Alex (Cowdenbeath) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Deputy Presiding Officer: The result of the division is: For 58, Against 52, Abstentions 0.

Motion agreed to,

That the Parliament welcomes the continued growth of Scotland's economy and the fact that Scotland's unemployment rate is the lowest in the UK; further welcomes the fact that, since 2007, Scottish exports have increased by a third, business research and development has risen by 29% and that the total number of registered businesses in Scotland has grown by 10%; agrees that delivering sustainable economic growth and addressing longstanding inequalities are reinforcing, and not competing, objectives, and welcomes the actions that the Scottish Government is taking to foster a supportive

business environment, invest in infrastructure, support entrepreneurship, innovation and internationalisation, and to help to ensure that economic growth is characterised by income, regional and social equality.

The Deputy Presiding Officer: I propose to ask a single question on motions S4M-12011 to S4M-12014, on committee membership and substitution on committees. If any member objects to a single question being put, they should say so now.

As no member objects, the next question is, that motions S4M-12011 to S4M-12014, in the name of Joe FitzPatrick, on committee membership and substitution on committees, be agreed to.

Motions agreed to,

That the Parliament agrees that—

Mark Griffin be appointed to replace Neil Bibby as a member of the Education and Culture Committee;

Siobhan McMahon be appointed to replace Jayne Baxter as a member of the Education and Culture Committee;

Anne McTaggart be appointed to replace Alex Rowley as a member of the European and External Relations Committee;

Lewis Macdonald be appointed to replace Richard Baker as a member of the Economy, Energy and Tourism Committee;

Johann Lamont be appointed to replace Margaret McDougall as a member of the Economy, Energy and Tourism Committee;

Jayne Baxter be appointed to replace Siobhan McMahon as a member of the Equal Opportunities Committee;

David Stewart be appointed to replace Mark Griffin as a member of the Infrastructure and Capital Investment Committee;

Jayne Baxter be appointed to replace John Pentland as a member of the Justice Committee;

Drew Smith be appointed to replace Ken Macintosh as a member of the Public Audit Committee;

Paul Martin be appointed to replace Hugh Henry as a member of the Public Audit Committee;

John Pentland be appointed to replace David Stewart as a member of the Public Petitions Committee;

Sarah Boyack be appointed to replace Cara Hilton as a member of the Rural Affairs, Climate Change and Environment Committee;

Margaret McDougall be appointed to replace Ken Macintosh as a member of the Welfare Reform Committee;

Cara Hilton be appointed to replace Anne McTaggart as a member of the Local Government and Regeneration Committee;

Duncan McNeil be appointed to replace Drew Smith as a member of the Devolution (Further Powers) Committee;

Richard Baker be appointed to replace Michael McMahon as a member of the Finance Committee;

Patricia Ferguson be appointed to replace Cara Hilton as a member of the Standards, Procedures and Public Appointments Committee; and

Hanzala Malik be appointed to replace Anne McTaggart as a member of the Public Petitions Committee.

That the Parliament agrees that—

Gil Paterson be appointed to replace Fiona McLeod as a member of the Standards, Procedures and Public Appointments Committee; and

Stuart McMillan be appointed to replace Gil Paterson as a member of the Public Audit Committee.

That the Parliament agrees that—

James Kelly be appointed to replace Mary Fee as the Scottish Labour Party substitute on the Delegated Powers and Law Reform Committee;

Iain Gray be appointed to replace Kezia Dugdale as the Scottish Labour Party substitute on the Education and Culture Committee;

Claire Baker be appointed to replace Patricia Ferguson as the Scottish Labour Party substitute on the European and External Relations Committee;

Jackie Baillie be appointed to replace Jenny Marra as the Scottish Labour Party substitute on the Economy, Energy and Tourism Committee;

Anne McTaggart be appointed to replace Jackie Baillie as the Scottish Labour Party substitute on the Equal Opportunities Committee;

Jackie Baillie be appointed to replace Iain Gray as the Scottish Labour Party substitute on the Finance Committee;

Hugh Henry be appointed to replace Graeme Pearson as the Scottish Labour Party substitute on the Justice Committee;

Margaret McCulloch be appointed to replace Sarah Boyack as the Scottish Labour Party substitute on the Local Government and Regeneration Committee;

David Stewart be appointed to replace Claire Baker as the Scottish Labour Party substitute on the Rural Affairs, Climate Change and Environment Committee; and

Neil Bibby be appointed to replace Jackie Baillie as the Scottish Labour Party substitute on the Welfare Reform Committee.

That the Parliament agrees that—

James Dornan be appointed to replace Bruce Crawford as the Scottish National Party substitute on the Delegated Powers and Law Reform Committee; and

Bob Doris be appointed to replace Fiona McLeod as the Scottish National Party substitute on the Finance Committee.

The Deputy Presiding Officer: That concludes decision time.

Meeting closed at 17:05.

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