



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

**Wednesday 15 June 2016**

**Session 5**



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# Scottish Parliament

Wednesday 15 June 2016

[The Presiding Officer opened the meeting at 14:00]

## Portfolio Question Time

### Education and Skills

#### Teachers (Moray)

1. **Richard Lochhead (Moray) (SNP):** To ask the Scottish Government what action it is taking to encourage people to take up teaching posts in the Moray area. (S5O-00031)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** We are taking a number of actions to encourage people to take up teaching posts in the Moray area. We are supporting the University of Aberdeen in its distance learning primary initial teacher education course to enable partner local authorities, including Moray Council, to develop existing staff as teachers while they continue in work. We also support the University of the Highlands and Islands, which is offering initial teacher education in secondary subjects at Moray College.

We welcome the General Teaching Council for Scotland's recent initiative, working with Moray Council, to recruit teachers from Moray's military and wider community. The scheme allows qualified teachers to be provisionally registered while they undergo top-up training to enable them to obtain full registration as teachers.

The Scottish Government launched a successful recruitment campaign last September to encourage more people to become teachers. We will extend and develop that campaign this year.

**Richard Lochhead:** I thank the cabinet secretary for the attention that he is giving to the issue and for his detailed answer. I certainly agree that the more home-grown teachers we have in the Moray area, the more that will help the situation. Moray has 39 secondary teacher vacancies and 18 primary teacher vacancies to fill by next term. Some of our more rural areas seem to face specific issues.

I have two issues to raise with the cabinet secretary. First, there is a case for reviewing the way in which newly qualified teachers are allocated. Often, when Moray Council calls an NQT to let them know which school they will be going to, it is told that the person has failed their

course and so they should not have been called. Perhaps there is a way to address that.

Secondly, on recruitment to permanent teaching posts, often when a teacher who has applied for a permanent post is phoned to be given the name of the school that they are to go to, the teacher says that they have already accepted a post in the central belt and will not be taking up the position in Moray. Is there any way in which we can tie down applicants to their original commitments? That would greatly help.

Finally, I invite the cabinet secretary to visit Moray to meet teachers, education authority representatives and me.

**The Presiding Officer (Ken Macintosh):** I thank Mr Lochhead for his speech.

**John Swinney:** I am grateful to Mr Lochhead for his inaugural brief question to me as education secretary. I look forward to many other brief questions in future.

On his last point, I would be delighted to go to Moray. I am taking time weekly to meet teachers and I would be happy to do so in Moray. He will appreciate that the requirement for me to be present in Parliament can restrict such meetings, but I will endeavour to go to Moray as soon as I can.

I will explore the specific suggestions that Mr Lochhead made about the allocation of newly qualified teachers.

As for his second point, members of the teaching profession are free to choose where to take up posts. However, we must ensure that the employment prospects and opportunities are as attractive as possible in all parts of the country. The measures that I set out in my original answer are designed to encourage the development of home-grown teaching professionals in the Moray area, and I will continue to explore other alternatives for taking that forward.

#### Schools (South Lanarkshire)

2. **Clare Haughey (Rutherglen) (SNP):** To ask the Scottish Government how much it has invested in building or refurbishing schools in South Lanarkshire since 2007. (S5O-00032)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** Through the Scotland's schools for the future programme, the Scottish Government is undertaking significant investment in Scotland's school estate. In South Lanarkshire, the Government has awarded funding of up to £11.6 million for the replacement of Spittal primary school, Burnside primary, Halfmerke primary and West Mains additional support needs school.

**Clare Haughey:** The cabinet secretary will be aware of the calls for a new secondary school in the Halfway area of my constituency. Does he agree that given that 107 schools have been built or refurbished in South Lanarkshire since 2007—more than in any other local authority area—the issue in South Lanarkshire is not caused by a lack of Government investment in schools? Will he raise the issue with South Lanarkshire Council when he next meets it?

**John Swinney:** Decisions about the investment that is made in the school estate are fundamentally for local authorities, under the Education (Scotland) Act 1980, which contains the statutory responsibility for individual authorities to plan and manage their school estate in order to deliver education services.

We do, of course, take forward investment programmes—the schools for the future programme is one example—through which the Government makes available resources to encourage the refurbishment of schools. I will consider the points that Clare Haughey has made about the opportunities to deploy such investment in the South Lanarkshire area, particularly in the Halfway area of her constituency.

We attach a significant premium to ensuring that we invest effectively in the school estate, to ensure that young people can be educated in a quality environment. That will remain a commitment of the Government during its term of office.

**Daniel Johnson (Edinburgh Southern) (Lab):** Members across the chamber would welcome all investment in schools. What discussions have the cabinet secretary and ministers had with the City of Edinburgh Council about finding capital investment for the wave 4 schools that the council has identified, including Liberton high school? It is the only high school in my constituency of Edinburgh Southern that, in the past 10 to 20 years, has not received any refurbishment or a new building.

**The Presiding Officer:** For guidance, I point out that the question should have been specifically about South Lanarkshire. However, in this case the cabinet secretary is free to answer it.

**John Swinney:** A rigorous assessment process is undertaken on the quality of the fabric in individual schools, which drives judgments about the investment priorities that local authorities take forward, often with the Government's support.

I will consider the points that Daniel Johnson has raised as the Government formulates its further investment programmes. We have already set out a range of investments that are being made under the schools for the future programme, which involves £1.8 billion-worth of investment and

will construct or refurbish 112 schools in Scotland. We have a major programme of school investment under way, but I am very happy to consider the specific points that Daniel Johnson has raised about the City of Edinburgh Council and Liberton high school.

### Universities (Fair Access)

**3. Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** To ask the Scottish Government how it will ensure fair access to universities for young people from every community. (S5O-00033)

**The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville):** Fair access to higher education for those in our most deprived communities is a key priority for this Government. We have legislated on access, invested significant additional resource in additional places and have consistently challenged universities and the wider system to do more.

That has delivered progress. In 2014-15, 14 per cent of Scotland-domiciled full-time first-degree entrants were from our 20 per cent most deprived communities, which is up from 11.2 per cent in 2006-07. However, we recognise that we need to do more, and the commission on widening access has set out an ambitious plan to achieve further and faster progress. We are determined to advance that agenda and will announce further details soon.

**Willie Coffey:** Closing the attainment gap is not the end of the journey by any means. Ensuring equality of access for youngsters from every community in Scotland to some of our high-tariff university courses, such as medicine, law and dentistry, is a fight that is yet to be won.

In the absence of any national data showing which communities successful student applicants come from, will the minister consider requesting that that kind of data be provided to us, so that we can plan how best to deliver the equality of access to university courses that we seek?

**Shirley-Anne Somerville:** I will certainly take that issue under advisement and look into it for Willie Coffey. It is important to realise that, increasingly, Scottish universities operate contextualised admission policies that are not just down to grades. We must look at a number of issues when we look at widening access and at those applicants who are successful in achieving a place at university. I am happy to look into the point that Willie Coffey has raised.

**Liz Smith (Mid Scotland and Fife) (Con):** The Scottish Government has set a 2030 target for widening access. Is it the Scottish Government's intention to provide more university places to make that achievable?

**Shirley-Anne Somerville:** It is not as easy as expanding the system—saying that if we increase the number of places, wider access will follow. If only it were that straightforward. The Scottish Government has already invested money in additional places over the past years, but the commission on widening access has pointed out that there is a structural unfairness about what happens in the current system that we need to address. Simply adding more places to those that are available now will not widen access and solve the problem.

### Scottish Attainment Challenge

#### 4. Donald Cameron (Highlands and Islands)

**(Con):** To ask the Scottish Government whether the full £750 million pledged for the Scottish attainment challenge will be given to headteachers to spend on their individual schools' priorities. (S5O-00034)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** We will allocate £750 million through the attainment Scotland fund during this parliamentary session to close the gap in educational attainment. As well as investing £50 million each year in our established area-based approach to raising attainment, we will allocate to schools the additional £100 million that will be raised each year from our local tax reforms. The allocation will be based on the numbers of children in each school who meet the eligibility criteria for free school meals, and headteachers will be able to invest the extra resources in ways that will have the biggest impact on raising attainment in their schools.

The Scottish attainment challenge focuses on the key issues of literacy, numeracy, health and wellbeing. We will continue to target support to more than 300 primary schools in our most deprived communities. Last week, I confirmed that we will expand the reach of the challenge to involve more local authorities with significant levels of deprivation and extend the scope to include secondary schools.

**Donald Cameron:** Given that recognition of headteachers' leadership, does the cabinet secretary agree with School Leaders Scotland, which said last week that headteachers should control much more of schools' budgets to allow the money to be directed towards local priorities?

**John Swinney:** Generally, I agree with that point of view. As a matter of fact, I will see School Leaders Scotland immediately after question time for a discussion. I was delighted that Jim Thewliss from School Leaders Scotland participated in the education summit that took place this morning at Craigmoynton high school.

The Government is committed to ensuring that schools and headteachers are able to exercise much greater discretion over the way in which they make choices about priorities in their schools to ensure that the potential of every young person in Scotland can be fulfilled as a consequence.

**Iain Gray (East Lothian) (Lab):** The cabinet secretary was clear in his answer that the bulk of the funding will be from the council tax changes that the Government intends to make. However, he must know that the Parliament's financial scrutiny unit has said that those resources will accrue to local authorities and no mechanism exists to pool or redistribute them according to eligible pupil numbers as he describes. How does he intend to make good the promise that he has just repeated?

**John Swinney:** I will set out the Government's detailed thinking on that when I set out the delivery plan to Parliament before the summer recess. However, the fact that arrangements do not currently exist does not mean that they cannot be put in place to make it happen. I assure Mr Gray that the Government's commitment will be to allocate that £100 million each year in the fashion that I described in my answer to Mr Cameron and ensure that we advance an agenda that enables us to direct resources to the areas where they are required the most to support and drive the improvement of pupil attainment.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** What measures will be put in place to ensure that the funding will be invested for the purpose of increasing attainment and not be redirected or subsumed into other budgets?

**John Swinney:** My answer to Mr McMillan is much the same as my answer to Mr Gray. The Government is determined to ensure that the resource fulfils its required purpose in local authority areas of supporting improvements in numeracy, literacy and health and wellbeing for young people and assisting us in closing the attainment gap. If the Government is making a commitment and was elected on a mandate to fulfil that commitment to undertake that approach, members have the right to expect it to do that as it formulates its plans on the matter. I will share more details on that with the Parliament as we explain the details of the delivery plan. However, it is our clear commitment to concentrate on those resources in the fashion that I set out to Parliament.

**Tavish Scott (Shetland Islands) (LD):** If the criterion for the attainment fund is free school meals, as the cabinet secretary has described, does that mean that attainment funds will go to every school where the children are so eligible?

**John Swinney:** Yes, that would be a fair conclusion to draw from what I have said.

### **Circular Economy (Education and Skills)**

**5. Maurice Golden (West Scotland) (Con):** To ask the Scottish Government what plans it has to enhance education and skills for a circular economy. (S5O-00035)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** Our recent circular economy strategy “Making Things Last” sets out our priorities to explore the scope for a skills academy for the circular economy; to review skills investment plans to identify circular economy skills needs in specific sectors; and to identify and support a cohort of circular economy teaching champions in schools.

**Maurice Golden:** I welcome that answer on skills. Will the Scottish Government explore the inclusion of the circular economy across key subject areas in the secondary and tertiary sectors?

**John Swinney:** I want to give a helpful answer to Mr Golden. The Government values the importance of the circular economy, as do I. When my colleague Richard Lochhead was in government, he made strides in developing and applying the strategy. I am very supportive in principle of the encouragement of the circular economy.

I want to put in a note of caution, which Parliament will hear from me quite a bit over my term in office. I cannot be expected to put everything into the curriculum. If voices in the Parliament are saying that we need to provide clarity and simplicity in the curriculum, Parliament cannot also ask me to put everything into it.

I have made it very clear publicly that I intend to declutter aspects of the curriculum and the bureaucracy of our education system to enable teachers to focus on attainment. In so doing, I ask for a bit of patience and understanding from Parliament that I will not be able to accede to every request to add every new thing into the curriculum. The history of Scottish education is that we are very good at adding things into the curriculum but we are hopelessly bad at taking things out.

### **Educational Institute of Scotland (Industrial Action)**

**6. Patrick Harvie (Glasgow) (Green):** To ask the Scottish Government what recent discussions it has had with the Educational Institute of Scotland regarding its ballot for industrial action. (S5O-00036)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** On Saturday I met the Educational Institute of Scotland at its annual general meeting in Dundee. I reaffirmed my commitment to empowering teachers and reducing unnecessary workload—a commitment that I have also given to Parliament. As part of that, I have taken early action to reduce teacher workload and will continue to do so.

**Patrick Harvie:** Although the EIS acknowledges that, if it does end up in industrial action, its dispute would be with local authorities, the remedies that it seeks are with the Scottish Qualifications Authority, which is a body of the Scottish Government. Does the cabinet secretary acknowledge the central role that the Scottish Government—and he—has in preventing or potentially resolving any future dispute?

**John Swinney:** My answer is a bit of yes and a bit of no. I acknowledge that there will be aspects of the increase in teacher workload that have come about as a consequence of the measures taken by the Government, by Education Scotland and by the Scottish Qualifications Authority. There have also been additions to teacher workload from local authorities and from within schools.

If there is to be a sustained effort to reduce the bureaucracy with which teachers are wrestling, to simplify the environment within which teachers are operating and to operate with greater clarity, that will not be achieved only by the actions of the Scottish Qualifications Authority. That will be achieved by the actions of a range of players, including local authorities, schools, school leadership and Government.

I am absolutely determined to tackle the issue of teacher workload, because I see it and the concerns about it as a significant impediment to my efforts to focus the teaching profession on the attainment challenge. I will do everything that I can within Government to tackle the issue, but I need local government and school leadership to be participants in the process. That is why all those different interested parties participated in the summit on education today.

**Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** How will standardised assessments impact on teacher workload?

**John Swinney:** The standardised assessments are designed to be a replacement for existing assessment within the school estate. A range of different types of assessment will be undertaken within schools. The standardised assessments approach is designed to give us the quality and reliability of information to drive teacher judgment about the performance of young people and then to inform and support us in relation to how we can



encourage and support the development of educational performance by young people in Scotland.

The standardised assessments will not add to teacher workload; they will replace existing provisions. As I said in my earlier answer to Patrick Harvie, I will make strenuous efforts to reduce unnecessary teacher workload to enable teachers to focus on their core purpose of improving attainment.

### **Schoolchildren (Career Path Aspirations)**

**7. John Scott (Ayr) (Con):** To ask the Scottish Government what the results of information gathered by local authorities on schoolchildren show about their career path aspirations, other than attending college or university. (S5O-00037)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** That information is not held centrally by the Scottish Government. Schools take a variety of approaches to help teachers and careers advisers plan for a pupil's future needs and support in relation to career aspirations.

We are committed to maintaining an all-age careers service in Scotland. To maintain and improve the quality of that service, we are implementing the recommendations of the commission for developing Scotland's young workforce in our youth employment strategy. That includes the introduction of careers advice earlier in schools and the publication of "Career Education Standard (3-18)". The standard sets out the entitlements that a young person can expect to receive to help them consider their future careers and it emphasises the importance of them being helped to build their career management skills.

**John Scott:** The Scottish Government will be well aware not just of the growing attainment gap but of the emerging skills gap in Scotland and the growing view that the Scottish Government is not providing the training for the skills required for the workforce of the future, with not enough apprentices or training for bricklayers, plumbers, electricians and so on.

As that shortage of skilled workmen and women is already contributing to the economic slowdown in Scotland, what will the Scottish Government do immediately to address the problem?

**John Swinney:** Mr Scott has raised a significant issue. It is important that we invest in our education system in a fashion that enables us to generate the skills that are necessary for our current employment and economic needs. The Government, through Skills Development Scotland, has put in place a comprehensive set of skills investment plans, which are designed to

engage with each industrial and business sector to identify future needs within individual sectors.

If I were to cite an example of a particular challenge in recent years, it would be digital skills. We do not have to be sophisticated digital participants to understand the enormous change in digital activity that has taken place in the course of the past two, three or five years.

It is essential that we have skills investment plans that adequately foresee changes in the economy and equip our institutions to satisfy that demand. The skills investment plans that have been developed are strong propositions and they are designed to engage with industry, to identify skills requirements and—crucially—to get higher and further education institutions to align their provision to support those skills investment plans.

My final point is that the Government has significantly increased the number of modern apprenticeships. There were 15,000 per annum when we came to office; there are now 25,000 and I think that the statistics have been published for this year—yes, Jamie Hepburn is nodding. I was fearful that I had committed a statistical obscenity by releasing the figures formally to Parliament. The new modern apprenticeship statistics for last year are out and the Government exceeded its target of 25,000 apprenticeships. We are committed to increasing that target to 30,000 during the term of this Administration.

### **Early Years Learning and Childcare**

**8. David Torrance (Kirkcaldy) (SNP):** To ask the Scottish Government what action it will take to increase early years learning and childcare. (S5O-00038)

**The Minister for Childcare and Early Years (Mark McDonald):** The Scottish Government has already extended the hours of free early learning and childcare by nearly 50 per cent, from 412.5 hours a year in 2007 to 600 hours from 2014. We have started to make those hours more flexible and accessible and we have extended the entitlement to more than a quarter of two-year-olds.

We will go further in this session of Parliament and almost double the number of funded hours for all those children who are currently eligible from 600 hours to 1,140 hours per year from 2020. Quality will be at the heart of that expansion and we will ensure that it is delivered flexibly to meet the needs of working parents as well as young children. The programme is not just about increasing hours; it is about helping to close the attainment gap, both through supporting parents to work, train or study and through providing young children with a strong foundation for their learning journey.

**David Torrance:** A gap exists in early language skills between children from the most and least advantaged backgrounds. Every child in Scotland deserves the best possible start in life. Can the minister confirm whether any future investment will be used directly to tackle that issue?

**Mark McDonald:** The answer is yes. It is worth noting that results from a recent growing up in Scotland study show that vocabulary in three-year-olds is getting better, but we recognise that there are challenges to be faced. We also recognise that parents have a key role in supporting their children's speech and language development from the start. We have recently launched the new read, write, count campaign, which builds on the play, talk, read and bookbug campaigns. We are also examining how we can include bookbug materials, for example, in the baby box that will be given to every newborn child in Scotland. It is about ensuring that, whenever possible, we take the opportunity to encourage parents and families to read with and to their children, because that has a significant impact on increasing literacy and vocabulary in children before they get to school.

**Monica Lennon (Central Scotland) (Lab):** Can the minister explain how a significant increase in fully trained early years nursery teachers will be achieved?

**Mark McDonald:** We estimate that up to 20,000 additional staff will be required to deliver our transformational expansion, and we are working with key partners including Skills Development Scotland, the Scottish Further and Higher Education Funding Council and local authorities to plan for that. We are committed to ensuring that, from 2018, all nurseries in the most disadvantaged areas benefit from an additional graduate with early learning expertise. Obviously, as well as infrastructure requirements, there are workforce planning requirements, which will form a key part of the delivery plan that the Government brings forward.

**Tavish Scott (Shetland Islands) (LD):** Does the minister accept that there is a particular challenge in delivering the entitlement in rural and island areas, as many communities simply do not have existing childcare provision? What will the minister and his Government do to ensure that that provision is in place, given the entitlement that is being laid out?

**Mark McDonald:** I recognise Tavish Scott's point that, obviously, we have to ensure that provision is available in communities. That will involve working with a range of stakeholders. That is why I emphasised flexibility, not just in terms of availability but in terms of provision. That forms part of our thinking as we develop the delivery plan.

I am always happy to hear suggestions from members. As I do not represent a rural area, I perhaps do not have the same knowledge and understanding that Tavish Scott might have. If he has any constructive suggestions and wishes to write to me with them, I would be more than happy to receive them.

### **Attainment (Socioeconomic Factors)**

**9. Kenneth Gibson (Cunninghame North) (SNP):** To ask the Scottish Government to what extent it considers that adverse intergenerational socioeconomic factors impact on educational attainment and what steps it will take to mitigate these over the next five years. (S5O-00039)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** The Scottish Government recognises that, where poverty has persisted across generations, it can have a significant impact on a child's educational attainment. That is why the Scottish attainment challenge is supporting communities and schools that have the highest concentrations of pupils living in deprivation. By 2017-18, we will also provide funding to schools based on the numbers of eligible children in each school who meet the criteria for free school meals. We must ensure that every child has the same chance in life, regardless of their background.

**Kenneth Gibson:** The cabinet secretary will know that parental support is vital to ensure that young people reach their full educational potential and that supportive parents encourage their children and assist with homework, and that an increasing number hire tutors after school. In such circumstances, and given that so many children who are not realising their full potential do not enjoy such support, how can the attainment gap be closed rather than simply reduced?

**John Swinney:** The measures that I set out in my original answer to Mr Gibson are designed to address the very real point that he raises. There is a need for intensity of support to enable young people to achieve their potential. I saw a good example of that this morning at Craigroyston high school, where I met a young man from a family with persistent intergenerational unemployment. The efforts of the school to focus on that young man's needs and to open up opportunities through a partnership with the business community enabled that young man—who had a very difficult educational background—to gain access to full-time employment. It was a thrill to hear about the success of intense school leadership being deployed to provide support and opportunities for that individual.

I do not for a moment present that as an easy challenge to be overcome; the circumstances that Mr Gibson raises are very demanding to

overcome. With the focus of the attainment fund and attainment challenge, we can provide the necessary approach in particular schools to ensure that young people are able to fulfil their potential.

#### Female Headteachers (Fife)

**11. Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** To ask the Scottish Government what percentage of headteachers in Fife secondary schools are female, and how that compares with the overall figure for the rest of Scotland. (S5O-00041)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** Sixteen per cent of headteachers in publicly funded secondary schools in Fife were reported as female in September 2015 in the annual teacher census, compared with 40 per cent across Scotland.

**Jenny Gilruth:** Madras college in St Andrews is the state school that I went to. It has never had a female headteacher in its history. Nationally, women make up 63 per cent of the secondary teaching population and—as the cabinet secretary has just said—40 per cent of the headteachers. Does the cabinet secretary agree that local authorities such as Fife Council have a duty to ensure that the number of women in senior leadership positions in education is more reflective of that predominance of women in the secondary teaching population and, indeed, more reflective of wider society?

**John Swinney:** Appointments to individual schools are for local authorities, as employers. However, I accept Jenny Gilruth's point that the percentage of female headteachers in Fife secondary schools is lower than could be expected. Fife Council will be able to explain the basis of the experience and data in that respect. It is worth noting, however, that while females are still underrepresented in promoted posts, the position has improved significantly since 2003. Female principal teachers are up from 48 per cent to 61 per cent, female deputy headteachers are up from 36 to 54 per cent, and female headteachers are up from 18 per cent to 40 per cent across the country.

I recognise the specific issue that has been raised by Jenny Gilruth. It is important that we are encouraging, as part of our leadership development work in schools, all people of talent to be able to exercise that role in school leadership. I will consider how we might reflect the points that Jenny Gilruth has raised in the approach that we take to the development of school leadership.

#### Scotland's Rural College

**12. Joan McAlpine (South Scotland) (SNP):** To ask the Scottish Government when it will next meet the management of Scotland's Rural College. (S5O-00042)

**The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville):** I am planning a schedule of visits to all Scottish higher education institutions over the coming months, and I am keen that it will include Scotland's Rural College.

**Joan McAlpine:** There have been concerns locally about the SRUC's uncosted ambition to relocate the Barony campus to the Crichton Royal farm in Dumfries, thereby potentially losing valuable hands-on training opportunities in land-based industries. Those concerns have been raised by the previous session's Rural Affairs, Climate Change and Environment Committee, and by me in Parliament and with the then Cabinet Secretary for Rural Affairs and the Environment. Will the Government work with me to ensure that land-based education in Dumfries and Galloway is not compromised by SRUC decisions?

**Shirley-Anne Somerville:** I understand Joan McAlpine's concern, given the importance of agricultural skills to the economy in Dumfries and Galloway. I am pleased to note the commitment that was made by the SRUC in January to continuing delivery of land-based education and training in the region. I also recognise the work that has been going on between Joan McAlpine and the previous cabinet secretary on the issue, and I will be more than happy to discuss it further with the member and representatives of the SRUC.

#### Attainment Gap (Role of Breakfast Clubs)

**13. Ash Denham (Edinburgh Eastern) (SNP):** To ask the Scottish Government what role breakfast clubs play in closing the attainment gap, and what support it provides to them. (S5O-00043)

**The Minister for Childcare and Early Years (Mark McDonald):** Some research studies suggest that breakfast club provision can contribute to raising attainment. We also have substantial anecdotal evidence to suggest that breakfast club attendance helps children to engage positively with learning.

The Scottish Government provides local government in Scotland with an agreed package of funding and it is the responsibility of each local authority to allocate the total financial resources on the basis of local needs and priorities. Local authorities have flexibility to use some of the funding to provide services such as breakfast clubs, if they choose to do so.

**Ash Denham:** Does the minister agree that there are a range of ways in which schools can use programmes beyond the classroom—breakfast clubs, after-school clubs and other support—that will not only provide real help to children and make it easier for parents to work but, crucially, help to raise attainment in the classroom as well?

**Mark McDonald:** I acknowledge Ash Denham's point. Schools across Scotland use a range of programmes before school, at lunch time and after school to engage children and young people in learning and to ensure that opportunities for extracurricular learning are available to everyone, regardless of their background, in order to raise attainment and close the attainment gap. A number of such initiatives are being directly supported by the Government through the attainment challenge, and we will ensure that the good practice that emerges in the challenge is promoted and shared widely across the country. Indeed, my first ministerial engagement was with the Deputy First Minister when we went to visit a breakfast club in Edinburgh, so I am cognisant of the role that breakfast clubs and other out-of-school activities play in supporting children and closing the attainment gap.

**Iain Gray (East Lothian) (Lab):** There is evidence that breakfast clubs and access to them can help to close the attainment gap, so would it not be more straightforward to ensure that local authorities have the resources and obligation to provide a breakfast club in every school?

**Mark McDonald:** It is important that we identify and prioritise need where it exists. A number of schools out there are already running breakfast clubs, where they have identified that a need exists locally, either through parents who require that support if they are to be able to access the workforce, or because children were coming to school and going through the school day without having had breakfast, which could impact on their learning.

Funding is available to local authorities; that is clearly demonstrated by the fact that there are breakfast clubs out there. Where they are identified as a priority, it is for schools and local authorities to take them forward, in the first instance. If Iain Gray has evidence that breakfast clubs are not being taken forward in areas where they are required, I will be more than happy to receive it from him.

**Richard Lochhead (Moray) (SNP):** The minister might be aware that some food businesses in Scotland support local breakfast clubs. Would it be worth the minister's while to speak to the private sector and the food sector about giving more support to breakfast clubs

throughout Scotland in order to make sure that more children can have those advantages?

**Mark McDonald:** Mr Lochhead, with all his experience of working closely with the food sector, brings an interesting point to the chamber. I will be more than happy to reflect on it and see what more we can do—in particular to encourage a situation in which children receive a nutritious and healthy breakfast when it is being provided, and one that promotes the produce that is often available not too far away from the schools that they attend.

### **Children's Services (Support for Families)**

14. **Rhoda Grant (Highlands and Islands) (Lab):** To ask the Scottish Government what it is doing to support families accessing children's services. (S5O-00044)

**The Minister for Childcare and Early Years (Mark McDonald):** Our national parenting strategy ensures that parents are valued, equipped and supported. We are expanding early learning and child care for young children, and providing opportunities for additional support for families and parents. If a child is at risk of becoming looked after, from August onwards local authorities will make family group decision-making and parenting support services available to eligible children, pregnant women and their families who want those services. Once a child becomes looked after, we have ensured that local authorities have statutory duties to meet the needs of the child, including the provision of parental support where that is judged to be appropriate.

**Rhoda Grant:** The minister will be aware that cuts to council budgets have had a direct impact on children's services. He might also be aware that cuts have threatened service provision by Action for Children at Hillcrest in the Western Isles. The uncertainty impacts on the children and families who use those valued services. Will the minister ensure that councils receive adequate funding to protect children's services?

**Mark McDonald:** As I highlighted in my earlier answer, the Government allocates funding to local authorities, which are then able to determine their priorities within that funding envelope.

I am not familiar with the individual case that Rhoda Grant has highlighted. If she wants to write to me with more detail, I will be more than happy to look into it and provide her with a more detailed response.

### **Scottish Attainment Fund (West Scotland)**

15. **Mary Fee (West Scotland) (Lab):** To ask the Scottish Government what targets it has set to measure the impact of the Scottish attainment fund in West Scotland. (S5O-00045)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** The information that we will collect as part of the national improvement framework will give the most detailed picture ever of progress across the country, including in West Scotland, and will help us to tackle the attainment gap between children from the most and least disadvantaged backgrounds. We want to see significant progress on doing so within the parliamentary session, and to have substantially closed the gap within the next 10 years.

**Mary Fee:** I welcome the announcement that the Cabinet Secretary of Education and Skills made last week that Renfrewshire Council will now have access to greater funding to tackle educational inequality and raise attainment after the local authority was categorised as a challenge authority. However, the statistics do not paint a good picture. In 2008, the Scottish survey of mathematics and core skills saw 60 per cent of pupils in secondary 2 performing well or very well. By 2014, the same survey saw the number of S2 pupils who were performing well or very well drop to 40 per cent.

In the light of those figures, and with Renfrewshire Council now being a challenge authority, can the cabinet secretary confirm whether Renfrewshire Council will receive its portion of the £11.7 million first-tranche funding that it was announced in July 2015 challenge authorities would receive?

**John Swinney:** That is inviting me to undertake retrospective public expenditure, which I do not think Parliament believes is within my gift.

I have just announced the expansion of the challenge authority programme to include Renfrewshire—I am glad that Mary Fee welcomed that. We have acknowledged the challenges that exist in Renfrewshire and I look forward to working with schools in that authority area to try to tackle those issues and ensure that we do all that we can to close the attainment gap as it affects the young people concerned.

**Tom Arthur (Renfrewshire South) (SNP):** I was pleased to see the number of challenge authorities increase and, in particular, to see the inclusion of Renfrewshire. Will the cabinet secretary further outline the reasoning behind that decision? What support is available to secondary schools in attainment challenge areas?

**John Swinney:** The rationale behind the decision is that the levels of deprivation that have been wrestled with in Renfrewshire did not, in the original tranche of the decision making, qualify the authority to be included. I have since taken a decision to expand the range and scope of the challenge authority programme to enable

Renfrewshire to be included, and to provide the resources that can be used to tackle the attainment gap. That will be the focus of the efforts that we put in place, in respect of primary and secondary schools, to ensure that a comprehensive approach is taken to enhance the opportunities that prevail for young people in Renfrewshire.

**The Presiding Officer:** That brings us to the end of education questions. Before I call the next debate, I inform Parliament that I have confirmed with business managers that all the votes from yesterday will be taken at decision time today.

## Economy

**The Presiding Officer (Ken Macintosh):** The next item of business is a Scottish Labour Party debate on motion S5M-00448, in the name of Jackie Baillie, on the economy.

14:42

**Jackie Baillie (Dumbarton) (Lab):** I welcome every opportunity to debate the Scottish economy. To my mind, nothing is more important. A strong economy and a strong society are but different sides of the same coin—we simply cannot have one without the other. However, this is also an opportunity to reflect on where we are and what more we need to do to support business and the workforce in an ever-changing landscape. Nowhere is that more evident or challenging than in the oil and gas sector.

Let me take a step back and consider the current state of the economy. Overall, the picture is not good. I say to members on the Scottish National Party benches that of course there are things to welcome, such as the positive inward investment figures. However, we need to recognise the scale of the challenge that we face so that we can take the right action to turn things around, to support businesses, to grow employment and to increase revenue to fund our public services—aspirations that I believe we all share.

The Scottish economy is facing an uncertain future. Over the past week, several respected organisations have cast doubt on Scotland's prospects for economic growth in the coming year. I hope that they are wrong, but hope is simply not enough; we need action, not complacency. The Ernst & Young Scottish ITEM club has downgraded its forecast for gross domestic product growth for 2016 to 1.2 per cent, and it notes the continued gap between Scottish and United Kingdom growth. It also tells us that that gap is growing, and the difference has been much larger than in previous years. That followed comments by the Scottish Government's own chief economist highlighting that the pace of growth in Scotland last year, at 1.9 per cent, was significantly below that in 2014, when growth was at a rate of 2.7 per cent. Today, it is suggested by respected economists at the Fraser of Allander institute that we might even be on the very brink of a recession—not something that any of us wants to see.

A slowdown in growth underpins some of the recent increases in unemployment and drops in employment. Figures that were published today show that there has been a drop in employment levels in Scotland, which is the only area of the UK

to register a fall. We must not allow that to develop into a trend. Meanwhile, as we would expect, the construction, manufacturing and oil and gas sectors have all reported reduced activity, and business optimism has plummeted.

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** In the interests of balance, which Jackie Baillie mentioned at the start of her speech, does she welcome in those figures the 11,000 people who have got jobs since the previous figures were produced?

**Jackie Baillie:** I always welcome good news, but it troubles me that the cabinet secretary wants to talk about only the small things that are good and that he does not recognise the overall picture. Unless we recognise the overall picture, we will not intervene appropriately to prevent the economy from falling into recession. The situation is that serious.

The Bank of Scotland purchasing managers index, which was published on Monday, confirmed that the private sector in Scotland contracted in May. Although the difference from April to May may be slight, it is a worrying sign of overall contraction in the Scottish economy. Therefore, I urge the Government to bring a sharper and more urgent focus to its efforts to grow the economy if we are to avoid some of the legitimate concerns about recession and unemployment increasingly becoming a reality. If the Government does so, it will have Labour members' full support.

Oil and gas are, of course, critical sectors in our economy. We all support the oil and gas industry, which has highly skilled workers who often work in challenging conditions. However, there is no doubt that the oil crisis has had a devastating impact.

**Murdo Fraser (Mid Scotland and Fife) (Con):** Jackie Baillie mentioned oil and gas and Labour's support. Will she clarify matters for Ineos, which wrote to the Labour Party yesterday to seek to draw attention to the confusion in the party? Jackie Baillie's colleague Claudia Beamish suggests that the Labour Party is against fossil fuels, and Jackie Baillie and her other colleagues suggest that it is in favour of fossil fuels. When will Labour members make up their minds?

**Jackie Baillie:** Murdo Fraser will find that there is no confusion on our part. I am always happy to explain to him in words of one syllable precisely what the Labour Party position is. We are in favour of a balanced energy mix and we want to move to a low-carbon economy—I hope that we all share that aspiration for the future—but we recognise that oil and gas are important to our economy. I do not think that many of us in the chamber would have imagined that the price of a barrel of oil would have fallen from \$115 in 2014 to \$27 in January 2016, which was the lowest level in more

than a decade. There has been a welcome, albeit partial, recovery in price—it is still less than half of previous levels, and the position is expected to continue for at least five more years.

In the face of that, I welcome the improvements that the industry and the workforce together have made in increasing production and reducing operating expenditure. That drive for efficiency has reduced the unit cost of production by a staggering 28 per cent. However, Oil & Gas UK has reported that further cost-reduction measures will be necessary.

Let me sound a clear note of caution. I have been contacted by an offshore worker on the construction side who is employed by one of the main contractors in the North Sea. He described terms and conditions being eroded and workers being paid off and then brought back on zero-hours contracts—and that can happen several times in the space of a few months. He told me that a lot of his colleagues are walking away from the sector and finding alternative jobs; that the workload is increasing; that morale is at rock bottom; and that there will be a skills shortage when things pick back up, because many, having had enough, quite frankly, have already let their tickets expire. He said:

“It is a sad day when zero hours contracts seem to be gripping the industry offshore, many are concerned about health and safety and I fear this loss of experience will take many years to put right.”

He is right, of course. If workers are treated in that way, they will move on and their skills will be lost to the industry. The industry bears responsibility for that and must stop those unfair practices.

The human cost is truly troubling, and the impact on jobs is frankly breathtaking. Oil & Gas UK has reported that, by the end of this year, jobs supported by the offshore industry will have fallen by 120,000—we are talking about 120,000 individuals, and that does not take into account the wider impact on families. The loss of jobs touches every part of Scotland, but much of it is increasingly being focused on the north-east.

The people who have lost their jobs are those who are directly employed in the extraction of oil and gas, those who are in the extensive supply chain and, of course, those in the induced jobs that have been created by the sector's spending in the wider economy. The signs in the north-east are worrying. As we would expect, unemployment has risen, property sales are down and business start-ups have fallen, even though in Scotland as a whole they are actually increasing. Moreover, hotels have seen their yield per room fall by 42 per cent due to lower occupancy rates, again at a time of increases elsewhere.

**The Minister for Business, Innovation and Energy (Paul Wheelhouse):** I do not decry the scale of the challenge that we face, but I ask Jackie Baillie to reflect on her use of the 120,000 figure. That is a UK-wide figure; the numbers do not affect Scotland to that extent.

**Jackie Baillie:** We can argue about whether the figure is 10,000, 20,000 or 30,000, but the minister would do well to recognise its scale.

I acknowledge the very positive work of Aberdeen City Council and Aberdeenshire Council in their efforts to support the industry and protect jobs. I also acknowledge Sir Ian Wood's considerable efforts, first, in identifying in the Wood review what needed to change and, secondly, in chairing what I think is called the north-east ONE group, which aims to do everything possible to minimise the effects of the oil crisis on the industry and the local economy. Likewise, I welcome the Scottish Government's work, particularly through the energy task force under the stewardship of Scottish Enterprise's Lena Wilson.

However, the scale of the challenge that we face means that we have a responsibility to do much more—and to do it urgently. We have set out Labour's proposals, some if not all of which I hope will find favour with the chamber. I am sure that there will be other suggestions that will merit support.

I am also conscious that some actions involving reserved matters such as taxation must rest with the UK Government, but that is not and should never be an excuse for our doing nothing. We must use the powers that we have and strain every sinew to support the industry and protect jobs. Let us be honest: the industry equally has a responsibility to do more.

In the short term, we support trade unions' calls for an industry summit involving operators, regulators, government at all levels and the trade unions themselves. We have made no secret that we want the Scottish Government to publish an updated oil and gas bulletin—we need to assess the impact on the Scottish economy and, importantly, to ensure that the focus is on jobs.

There should be an immediate review of the Scottish Government's £12 million transition training fund to ensure that it is working effectively. Recent reports show that only 91 people had actually received assistance, although I see that the cabinet secretary has updated the figure to 100. My understanding is that one of the criteria is that a person needs to have secured another job first before they are eligible for the fund. If that is the case, I am not surprised that the numbers are small. Although I welcome yesterday's announcement by John Swinney that the fund can

be used to train teachers, we are still talking about 20 vacant teaching posts, which will not in and of themselves make a dent in the scale of the jobs that have been lost.

We believe that the energy task force needs a much sharper focus. The cabinet secretary's amendment talks about the task force helping 8,800 people and 100 companies, although I note that in answer to a parliamentary question—it was answered yesterday, just one hour before his amendment was lodged—he said that 2,500 people and 100 companies had been helped. I commend that significant improvement in work rate in the space of an hour but, irrespective of which figure is right and irrespective of the numbers themselves, the point is that we should not focus simply on inputs. Instead, we need to know about outcomes. Rather than measuring the number of people who have been seen, we need to know how many jobs have actually been saved, and how many people the task force has helped to find and sustain other employment. Those are the things that we should be measuring, which is much harder to do—absolutely—but that is the challenge that we should be setting ourselves.

We are faced with a potential loss of 120,000 jobs by the end of the year, but we are not even beginning to touch 10 per cent of that, never mind help people actually get other jobs.

**Gillian Martin (Aberdeenshire East) (SNP):** Will the member give way?

**Jackie Baillie:** I have given way loads of times and I am running out of time.

I want to touch briefly on some medium-term actions that need to be taken. The SNP favours the creation of regional economic forums, and we agree—let us have one in the north-east that involves trade unions and civic society as well as public and commercial interests. We have previously called for the creation of a new public body—UK offshore investment limited, or UK OIL—to help the industry with public investment in strategic infrastructure, and I hope that the Scottish Government and other parties in the Parliament will join us in lobbying the UK Government in that regard.

We need a plan for the export market, because the skills that have been built up in the sector are indeed world class and should lend themselves to new areas of exploration. I welcome the recent Scottish Enterprise-led trip to Burma to that end.

I know that other members would urge us to make the transition to a low-carbon economy and move away from an overreliance on fossil fuels, but in the short to medium term we need to work to secure jobs in the North Sea. However, we also need a plan for transferable jobs and skills. The transfer of technology and skills into other subsea

offshore technologies such as renewable energy requires planning and co-ordination, and we think that the Scottish Government should lead on that. In the medium to long term, we support investment in decommissioning. I know that the key question here is one of timing: we do not want to decommission too early, as that could be detrimental to the industry, but we should not let the opportunity pass us by.

This week, we have had a flurry of statistics and warnings from respected economists and commentators about the state of the Scottish economy. We were a hair's breadth away from recession last year, and it might be unavoidable this year. I implore the Scottish Government not to bury its head in the sand, because everything is not okay. It is clear that we need Government intervention. The Fraser of Allander institute made it quite clear:

“It is not new strategies the Scottish economy needs but clear insights and policy action”.

I urge all parties in the Parliament to come together to take urgent action on the economy and on oil and gas.

I move,

That the Parliament notes recent publications, including the EY Scottish ITEM Club, which indicate that Scotland's economy faces many challenges in the coming year, with GDP growth forecasts downgraded; further notes, in particular, the decline in the oil and gas industry, with reported jobs losses of more than 120,000 since 2014, as reported by Oil & Gas UK recently, alongside the Bank of Scotland oil and gas sector report that shows that a third of businesses in the oil and gas industry plan to cut jobs further during 2016, showing the scale of the challenge; welcomes the Scottish Government's Transition Training Fund but notes that it has been reported that it has helped only 91 people, and calls on all parties in the Parliament to work together to support the oil and gas industry and its workforce and for action to be taken to support the industry over the short, medium and long term.

14:57

**The Minister for Business, Innovation and Energy (Paul Wheelhouse):** I am grateful for the opportunity to update Parliament on the measures that this Government is taking to promote sustainable economic growth and to ensure that all communities in Scotland can benefit from the proceeds of such growth.

The Scottish economy has been resilient over the past 12 months, despite challenging conditions. Gross domestic product grew by 1.9 per cent last year, in line with our long-term average, while wages grew at their fastest rate in real terms since before the financial crisis. Today's labour market statistics show that overall unemployment is largely unchanged; in fact, unemployment is down by 4,000 on this time last year.



Ernst & Young's survey on foreign direct investment also indicated that 2015 was a record year for Scotland, with 119 investment projects being secured—that is more than in any other part of the UK outside London—which helped to secure more than 5,300 jobs across the country. The survey also highlighted that the Scottish economy has

“been resilient in managing to weather the oil and gas price volatility storm whilst also being able to flourish in other sectors”.

This month, both the Ernst & Young ITEM club and the Fraser of Allander institute forecast that the Scottish economy will continue growing this year and next, despite the challenging economic climate that we face.

**Lewis Macdonald (North East Scotland) (Lab):** Will the minister take an intervention?

**Paul Wheelhouse:** I will bring in Mr Macdonald once I have developed my points.

However, the reports also noted that the economy faces significant external economic headwinds. In particular, falling oil prices have presented significant challenges for the oil and gas sector, and that was confirmed by the employment analysis that Oil & Gas UK published last week.

I heard at first hand about the challenges that the sector faces earlier this month, when the cabinet secretary and I met industry leaders in Aberdeen to discuss what more can be done to support the sector. The Scottish Government is working closely with the industry, the workforce, trade unions and the UK Government to secure a long-term future for the sector.

As Jackie Baillie mentioned, in February we established a £12 million transition training fund to support individuals and to help the sector to retain talent. At the same time, Scottish Enterprise allocated a further £12.5 million for oil and gas innovation and further business support. I would like to clarify something that Jackie Baillie said: the criteria have changed and there has been more flexibility on the need to find a permanent job before accessing the fund. Since my and the cabinet secretary's visit, there has been a significant change, so the situation is dynamic; the number of applications is always growing.

**Lewis Macdonald:** The minister has mentioned a couple of times the estimates of the number of jobs that have been lost across the UK that were produced by Oil & Gas UK last week. As the minister with responsibility in this area, can he tell us what the Government's estimate is of the number of jobs that have been lost in Scotland as a result of the oil price downturn?

**Paul Wheelhouse:** I will get Mr Macdonald a more definitive figure, but I believe that in the

region of 50,000 jobs have been lost in Scotland, or slightly over 50,000. That is a very significant number—I do not dismiss the scale of the challenge—but I want to bring it to Ms Baillie's attention that 120,000 is a UK-wide figure, not a Scotland-specific figure.

The energy jobs task force continues to provide valuable support: it has engaged with approximately 8,800 individuals and more than 100 employers to better help those affected to move forward into new employment, new ventures, training or education. I acknowledge that the north-east is facing particular challenges. That is why, on top of the £125 million that we contributed to the Aberdeen city region deal, we have announced a further £254 million of support in key infrastructure to secure Aberdeen's position as one of the world's leading cities for business and industry. That takes the Scottish Government total to £379 million, compared with £125 million from the UK Government.

The Scottish Government has taken decisive steps to support the sector and the economy of north-east Scotland, and we are also pressing the UK Government to take further action to support the industry. It is crucial to incentivise investment and exploration to support what remains a vital and significant employer across Scotland and the UK. We will continue to engage constructively with the UK Government to take the action needed to protect jobs.

The Scottish Government continues to seek to diversify the energy sector. Earlier today, I was pleased to attend the signing of a multimillion pound contract between Global Energy Group and Siemens, which will enable Nigg Energy Park in Ross-shire to develop into a genuine multi-energy site, securing around 100 direct and indirect jobs and associated supply chain opportunities. That contract is an important milestone for the Port of Nigg, which has received more than £45 million in investment since 2011 and is now well on its way to being recognised as one of Scotland's key energy ports.

Our labour market has continued to grow in recent years. There are now nearly 2.6 million people in employment in Scotland, which is close to a record high and an increase of over 140,000 since 2010. However, the labour market statistics released today illustrate that we cannot be complacent—I agree with Jackie Baillie on that—and that Scotland continues to face economic headwinds. That is why one of our first actions in this parliamentary session will be the publication of a new labour market strategy to ensure that everyone in Scotland has the skills and opportunities to gain well-paid and secure employment.

We delivered more than 25,000 modern apprenticeships last year and we are committed to providing 30,000 a year by 2020. That approach is helping to ensure that our young people have the skills and training they need to get into work, with 92 per cent of modern apprentices completing an apprenticeship still in work six months later.

We will work with schools to inspire more young people into science, technology, engineering and mathematics to ensure that they have the skills that are necessary to compete in the labour market.

We are ensuring that those who are made unemployed get access to training to help them back into employment. Such pre-employment skills training is essential both for those who are nearest the labour market and those who face barriers to employment. Over 50,000 training places have already been delivered through our employability fund since its launch, and a further 11,650 training places will be provided this year. Further, once we have the powers, we will introduce a jobs grant to help young people aged 16 to 24 who have been unemployed for six months or more back into work.

We are continuing to encourage fair work and progressive workplace practices through the business pledge, the promotion of the living wage and the fair work convention—measures that not only protect workers' wellbeing but can help to improve productivity.

A strong and vibrant economy is fundamental to increasing prosperity and reducing inequality. That is why increasing the competitiveness of Scotland's economy has been a central feature of our economic strategies since 2007. There has been real progress: since 2007, Scotland's productivity has grown faster than that of the UK as a whole; our business base is growing, with the number of registered businesses in Scotland at an all-time high; and we are attracting a record number of foreign investment projects to Scotland.

There is much to be positive about—however, we recognise that more needs to be done. That is why we are investing in our transport infrastructure, including the Queensferry crossing, the Aberdeen western peripheral route, the A9 dualling, the M8 extension, the Borders railway—I am pleased to say—and the Glasgow to Edinburgh rail improvement programme. Crucially, we are also investing in the digital infrastructure that our economy needs to support future productivity growth.

We are supporting investment in our cities. We have committed to invest £500 million over 20 years in the Glasgow city region city deal, which local leaders believe is capable of delivering

29,000 jobs across the region and attracting more than £3.3 billion in private investment.

We are encouraging a culture of innovation in Scotland through our network of innovation centres, our proposals for an annual innovation prize, and the innovation pilots that are being taken forward by the Scotland can do innovation forum, which the Cabinet Secretary for Economy, Jobs and Fair Work and I attended last week.

We will continue to encourage Scottish firms to internationalise, building on the good work done by Scottish Development International in recent years.

Those measures will be supported by our end-to-end review of our enterprise, development and skills agencies, led by the cabinet secretary, which will ensure that they are well placed to deliver our shared ambitions on Scotland's productivity performance. This morning, the cabinet secretary published the terms of reference for the review in response to Jackie Baillie's parliamentary question on the remit of the review.

The review and recommendations will focus on three main aims: achieving the Scottish Government's ambitions as set out in "Scotland's Economic Strategy" and the national performance framework; ensuring that our economic and skills interventions are shaped by users' needs; and ensuring that delivery continuously reflects best practice. It is, therefore, important that we enter into the review with an open mind to study the evidence and listen to users, that we focus on improved outcomes throughout and that we do not seek to pre-empt the review's outcome in any way.

Growing our economy in a sustainable way is vital to increasing living standards, tackling inequality and providing the funding that is required to invest in world-class public services. This Government will ensure that growing the economy and promoting inclusive growth will remain central to everything that we do, so that we create a productive, competitive economy that supports sustainable, good-quality employment for those who live and work here. Through our continued focus on inclusive growth, investment, innovation and internationalisation, we will secure a strong, resilient economy for all in Scotland.

I move amendment S5M-00448.3, to leave out from "indicate" to end and insert:

"recognises that the Scottish economy, and the oil and gas sector in particular, is facing many external challenges though will continue to grow this year, despite the impact of lower oil prices on the oil and gas sector, which has revised up its growth forecast for 2017, as the negative impact of the oil price fades and the pace of expansion picks up; acknowledges the EY Attractiveness Survey, which showed that Scotland attracted more foreign direct investment projects than any part of the UK outside London last year and has "been resilient in managing to weather the oil and

gas price volatility storm whilst also being able to flourish in other sectors”; recognises the measures that the Scottish Government is taking to support workers and companies affected by falling oil prices and the wider slowdown in the global economy, including the Energy Jobs Taskforce, which has supported 8,800 individuals and over 100 employers to help those affected move forward into new employment, training or education; recognises that the Bank of Scotland oil and gas sector report provides clear evidence that there are still opportunities in the North Sea, and finds that more than half of companies believe that the UK Government must bring forward further support for exploration activity.”

15:05

**Murdo Fraser (Mid Scotland and Fife) (Con):** I welcome the opportunity to debate the future of the Scottish economy. The Labour Party is right to identify some of the concerns that currently face the economy in Scotland. Only two weeks ago, in this chamber, I highlighted some of our concerns, pointing to recent data showing how certain sectors are struggling. Perhaps most concerning is the growing economic gap between our performance in Scotland and the performance in the rest of the United Kingdom.

As Jackie Baillie pointed out, today we have new economic data that show that the employment rate in Scotland is now below the UK average and a stark warning from the Fraser of Allander institute—a well-respected economic body—that Scotland’s economy is “flirting with recession”. On Monday, we heard that the new output figures for the Scottish construction industry show that, over the 12 months to March 2016, activity in the private industrial sector fell to its lowest level since 1988. In response, the Scottish Building Federation and the Scottish Property Federation highlighted the Scottish Government’s changes to empty property rates relief for industrial property as the potential cause of the slump in output. Last year, the Scottish Conservatives warned that those changes, which would bring empty industrial properties within the remit of business rates for the first time, would lead to a shrinkage in the supply of commercial and industrial premises available for let and halt the construction of speculative developments. It appears that those fears are already being realised.

All of that illustrates how the Scottish Government’s policies can have a detrimental impact on the opportunity for Scottish economic growth and Scotland’s economic performance, and it highlights once again our concern that Scotland’s performance in relation to that of the rest of the United Kingdom is going backwards rather than forwards.

Labour’s motion concentrates on the oil and gas industry, and it draws attention to the well-understood decline in production and jobs

resulting from the fall in the oil price. I find little in the Labour motion with which I can disagree. However, it is fair to say that it is not all bad news within the sector—I have some sympathy with the minister’s opening remarks. Last week, the Bank of Scotland published the latest in its research series into oil and gas. Although the report concludes that the past year has been an exceptionally challenging one for the industry, there is some optimism in the longer term. Interestingly, many smaller firms have been adapting to changing economic situations better than larger firms, with a quarter of all the firms that were surveyed telling the bank that their employment numbers had grown throughout the downturn.

I will highlight just one example of that. Merlin ERD, which is based in my constituency, in Perth, is an award-winning drilling energy consultancy that has been one of the success stories in oil and gas. Only yesterday, Merlin ERD announced that it had recruited four new members of staff to its team, and it has recently appointed a recruitment manager. At a time of so many redundancies in the sector, that is certainly a vote of confidence in the future. Under the stewardship of the managing director, Ian Hutchison, Merlin has won the Queen’s award for enterprise for international trade for two years in a row. That is good news for the company, good news for Perth and the local economy and an encouragement to the oil and gas industry generally.

Our amendment highlights two areas in particular. The first relates to the changes that were announced in the 2016 budget by the UK Government for the fiscal arrangements for oil and gas. Those included the effective abolition of petroleum revenue tax; a reduction in the supplementary charge from 20 to 10 per cent; an additional £20 million of funding for a second round of seismic surveys in 2016-17; an extension to the investment and cluster area allowances; and a range of other initiatives.

Those fiscal changes have been warmly welcomed by the oil and gas industry. I can only imagine that that warmly welcomed support for the sector somehow slipped Jackie Baillie’s normally generous mind when she was drafting her motion for this afternoon’s debate, so I wanted to correct the omission by including it in our amendment.

**Keith Brown:** Something that I think that Murdo Fraser omitted from his list was the commitment that was given in the budget to consider loan guarantees. In my discussions with industry players, that has been their pre-eminent ask, because it is vital that the existing infrastructure is safeguarded. Will Mr Fraser join me in my call to Greg Hands, the Chief Secretary to the Treasury,

for real pace on the issue? This cannot wait two or three years; it has to happen quickly.

**Murdo Fraser:** My colleague Alexander Burnett will say more about this when he winds up the debate for the Conservatives, but I can say to the cabinet secretary that a number of colleagues met the chancellor last week to discuss such issues. The Treasury is very much aware that progress needs to be made. To say that the Treasury has been dragging its feet on the matter, as I think that the cabinet secretary has said elsewhere, is simply not to give a true characterisation of what has been happening. I expect that there will be announcements shortly.

Yesterday, Stephen Halliday, group president at leading industry analyst Wood Mackenzie, said that the UK has one of the best and simplest tax systems for the sector in the world—I repeat, “in the world”. We should join in praising that.

The second part of our amendment relates to one of the findings in the Bank of Scotland report, to which I referred in the chamber last week. When it comes to opportunities from diversification, 52 per cent of large companies have an interest in onshore shale gas. As we have argued many times in this chamber, there is no doubt that there are substantial opportunities to utilise the skills base in the oil and gas sector to develop a new industry and create thousands of jobs in onshore oil and gas.

It is sad that, as things currently stand, those opportunities will not be found in Scotland, due to the Scottish Government’s moratorium. The Scottish Government has deliberately taken a policy position that is holding back opportunities for diversification and holding back the sector. If the Scottish Government wants to be taken seriously on its support for oil and gas, it needs to think again on the issue and it needs to listen to the science. As I pointed out in the chamber last week, the Scottish Government’s independent expert scientific panel concluded:

“The technology exists to allow the safe extraction of such reserves, subject to robust regulation being in place”.

The Scottish Government has had the panel’s report for nearly two years. It needs to start acting on it.

I have to say that Labour is no better. The Labour position on fossil fuels seems hopelessly confused, as Ineos pointed out in a letter to the party yesterday. Ineos said that the Labour stance on fracking

“implies that Scottish Labour is now against fossil fuel development in general”,

and

“will also oppose further North Sea developments”,

which flies in the face of everything that we heard from Jackie Baillie today. Labour members need to make up their minds whether they are in favour of fossil fuels, as Jackie Baillie seems to be, or against them, as Claudia Beamish seems to be.

**Claudia Beamish (South Scotland) (Lab):** Will the member give way?

**The Deputy Presiding Officer (Christine Grahame):** The member has gone past his final minute. Please begin to wind up, Mr Fraser.

**Murdo Fraser:** I will close, Presiding Officer.

It is not just me who thinks that the Labour Party has lost the plot. At the weekend, Gary Smith, the Scottish secretary of the GMB, said that Scottish Labour is

“a party which is arrogant, doesn’t consult with us and is completely out of touch with the concerns of many of our members.”

He went on—

**The Deputy Presiding Officer:** I am afraid that—

**Murdo Fraser:** Gary Smith went on to say:

“It’s a party that’s divided, it’s a party that seems intent on self-harming, it’s a party that lacks discipline and it’s a party fundamentally that doesn’t know what it stands for.”

Labour stands condemned by its own comrades—

**The Deputy Presiding Officer:** End of quote, and end of speech, please.

**Murdo Fraser:** I move amendment S5M-00448.1, to insert after “people”:

“; further welcomes the fiscal changes that have been made by the UK Government to support the industry; notes that the Bank of Scotland report finds that 52% of large companies in the sector have an interest in diversifying into onshore gas production, but regrets that the Scottish Government’s current moratorium prevents these opportunities being developed.”

**The Deputy Presiding Officer:** We move to the open debate. I call Ivan McKee, to be followed by Finlay Carson, who will be making his first speech in the chamber. Mr McKee, you can have six minutes or thereabouts—and “thereabouts” means less, not more.

15:13

**Ivan McKee (Glasgow Provan) (SNP):** Of course, Presiding Officer.

A key measure of the strength of a business is how it responds in times of adversity. The same is true of an economy. When global headwinds gust, the resilient get results. Government works with industry, building on the inherent strengths of a diverse economy, taking advantage of

opportunities and positioning itself for the cyclical upturn.

In recent years we have seen challenging times for Scotland's oil and gas sector, which has felt the twin impacts of a dramatic fall in the price of oil, driven by global political events that were outside the control of anyone in this chamber, and by the UK Government's inability to understand—let alone work with—the sector to ensure that its long-term contribution to the Scottish economy is maximised.

However, there are recent hopeful signs that it is beginning to be understood even at the highest levels in Westminster. In the context of next week's different referendum, the next ex-Prime Minister of the UK said on Sunday, when explaining why Norway is so wealthy, that Norway has as much oil as we do but only 5 million people. I say to Mr Cameron that the Norwegians have something else, too—they have a Government that has control of the country's natural resources and knows how best to manage them for the long-term success of the oil and gas sector and the national economy.

Scotland's oil and gas industry is one of the many sectors that underpin the Scottish economy, but it is not our only sector by a long way, and it is not the one that I will focus on today. The Scottish Government's record of working with and supporting the offshore sector and protecting its skills base will be more than adequately covered by my north-east colleagues Gillian Martin and Stewart Stevenson; I will talk about attractiveness and how economies attract international business in an increasingly interconnected world.

My experience over many years of making big decisions about where businesses should invest has helped me to understand attractiveness. Ernst & Young understands it, too. The EY attractiveness survey showed that Scotland attracted more foreign direct investment projects than any part of the UK outside London last year, with a 50 per cent increase on the previous year. The survey stated that Scotland

"has been resilient in managing to weather the oil and gas price volatility storm whilst also being able to flourish in other sectors."

I will look at some of those other sectors.

The survey highlights the fact that

"Business services, software, scientific research and food sectors offer strength and diversity for Scotland."

Our food and drink sector, which includes our whisky industry, with its heritage and global brand recognition, together with the premium-quality food brands that Scotland is recognised for, is going from strength to strength. I am familiar with the business services sector, which is exporting

Scottish expertise and generating income for the Scottish economy. Scientific research is underpinned by our great university sector and research and development performance, which I shall talk more about later. The EY ITEM club update described Scottish manufacturing as being set to

"match or outperform its UK counterpart."

As the EY survey clearly states, the truth is that Scotland's economy has proven resilient in the face of considerable challenges. That has not happened by accident. The Scottish Government is not just talking the talk; it is most definitely walking the walk. It has a clear focus on internationalisation, with the global Scotland trade and investment strategy, a 36 per cent increase in the value of exports since 2007, a trebling of the number of export advisers and new investment hubs in London and Brussels to go with the hub in Dublin.

The SNP Government is encouraging a culture of innovation through the network of innovation centres, the innovation prize and the work of the Scotland can do innovation forum. The sectoral manufacturing action plans involve working with industry to drive continuous improvement and identify growth opportunities.

Our performance in research and development is strong. The EY survey said:

"Equally positive for Scotland's skills base is its impressive showing in R&D projects."

Real-terms R and D expenditure in Scotland increased by 44 per cent between 2007 and 2014, in comparison with a 10 per cent increase in the UK's expenditure over the same period. Scotland has the highest level in the UK of higher education R and D expenditure as a percentage of GDP and the fourth-highest level in the Organisation for Economic Co-operation and Development.

This is not just about R and D. If we look at investment in infrastructure, we see £5 billion of investment in rail improvements, £3.6 billion on upgrading water and sewerage infrastructure, £1.4 billion on upgrading the road network, £3 billion to build 50,000 more affordable homes and £400 million to deliver 100 per cent superfast broadband coverage across the country.

The SNP Government is investing in businesses. It is expanding the small business bonus scheme and lifting 100,000 businesses out of rates completely. The Government is also investing in people. It increased the number of modern apprenticeships from 15,000 to 25,000 and now the number will increase to 30,000. It is introducing the jobs grant to support young people into work and is almost doubling the level of free childcare to 1,140 hours.

Above all, the SNP Government understands that, by investing in our people, we can move Scotland's economy forward to realise more of its potential and focus on building on the resilient base of our strong and varied economic sectors to take greater advantage of future opportunities.

15:19

**Finlay Carson (Galloway and West Dumfries) (Con):** It is an enormous privilege to be delivering my maiden speech in the chamber. As is customary on occasions such as this, I pay tribute to my predecessor, the Rt Hon Alex Fergusson, but first I am sure that all members would like to join me in congratulating him on receiving a knighthood in the Queen's birthday honours list. *[Applause.]*

Alex Fergusson was first elected to the Scottish Parliament in 1999 and served with distinction for 17 years, most recently as the MSP for Galloway and West Dumfries. Four of those years were spent as the Presiding Officer of this Parliament, and Alex was immensely proud when his fellow MSPs elected him to that role. I wish Alex and Merryn a long and happy retirement.

There can be no greater honour for a Gallovidian than to be given the opportunity to represent the place that I call home and the place where I have lived and worked all my life. I thank the voters of Galloway and West Dumfries who placed their trust in me and gave me this opportunity.

As one of the last newbie MSPs—if not the last—to speak, I can have the last word and tell members that my constituency is the most beautiful of all. Galloway and the Solway coast are often referred to as the Scottish riviera and stretch from Scotland's most southerly point at the Mull of Galloway to the winding River Nith in the east. The area is as big as it is diverse. In the heart of the constituency lies Britain's largest forest park, which offers spectacular views and encompasses the UK's first dark skies project, where the inky black skies allow one to explore a world far beyond our own.

The Solway coast is a designated area of outstanding natural beauty, with its rugged coastline, sandy beaches and hidden coves. If ever there was an area of Scotland crying out for national park status, this is it.

"Land o' darkly rollin' Dee,  
Land o' silvery windin' Cree,  
Kissed by Solway's foamy sea,  
Bonnie Gallowa'."

In Bonnie Gallowa' there is something for everyone. Whether it be on a visit to Loch Ryan, the home of the only wild native oyster beds left in the UK—I am looking forward to supporting its first

oyster festival—to Laggan Outdoor, which boasts one of Europe's longest zip wires, or to one of the many historic abbeys and castles across the region, one is sure to be in awe of the natural beauty, hidden gems and historical importance of this great but often forgotten corner of Scotland.

Apart from being home to many rural communities, such as my home village of Twynholm, my constituency can boast of being home to Scotland's national book town, in Wigtown, and our artists' town, in Kirkcudbright, which I hope will soon have an art gallery of national significance that will contain our Viking hoard, which is of international importance.

Our small independent retailers in Castle Douglas punch well above their weight and buck the trend when it comes to high street decline, promoting the vibrant food and drink sector that exists in Dumfries and Galloway. Castle Douglas will soon host the tour of Britain for the third time—a record surpassed only by London.

I turn to the debate in hand. As we have heard today, the Scottish economy faces a number of challenges. The backbone of our economy in Galloway is small and medium-sized businesses. Their social impact on the wellbeing of local communities must never be underplayed. Those businesses require different levels and kinds of support, not a one-size-fits-all approach. That is why the Scottish Conservatives have called for a south of Scotland enterprise company, similar in form to Highlands and Islands Enterprise, which has a social as well as an economic remit. Such an organisation would work with businesses, third-sector organisations and local communities to identify the many problems that are unique to the south of Scotland and to come up with tailored solutions to help drive the economy forward, support existing businesses, upskill our local workforce, create new jobs and improve people's way of life. That is something that should be welcomed across the political spectrum and I encourage the Scottish Government to look at the proposal seriously.

Of all the issues raised with me, internet connectivity is currently the most pressing and important. For businesses to thrive, they need access to high-speed broadband and a reliable mobile phone network. In 2016, it is simply unacceptable that some communities in Galloway still do not have a mobile phone signal and experience limited access to low-speed broadband, never mind high speeds.

Given transport's strategic importance, there are questions about why the A75, which is a vital Euro route that links Northern Ireland to the rest of the UK, has still not been dualled. Although some progress has been made, it is imperative that the

next steps include a bypass for Springholm and Crocketford.

I turn to Stranraer where, only last week, a number of constituents were made redundant. That is maybe not significant on a national level, but it is very significant on a rural level. The transition training fund, which members have mentioned, gives employees in the oil and gas sector the opportunity to retrain as teachers with employment guarantees. I call on the Scottish Government to offer my constituents the same level of assistance through tailored targeted support. Such schemes should not be limited to one sector or region.

I call for an enterprise zone for Stranraer with preferential business rates, accelerated planning and processes to pump prime and kick start a town that has huge potential. Since the relocation of ferry services from Stranraer to Cairnryan in 2011, the town has been crying out for support from the Government and has too often been let down. During the election, the Deputy First Minister visited and pledged £6 million for the regeneration of the east pier. I trust that those are not empty words and I hope that we will see the benefit of that money in the near future.

The problems in Dumfries and Galloway are not unique but they are compounded by the realities of living and working in a rural region of Scotland. I am ambitious for the people of Galloway and West Dumfries because we Gallovidians always are, but we need the support that we deserve to turn those ambitions into reality. [*Applause.*]

**The Deputy Presiding Officer:** I must reprimand you for failing to mention old Minnigaff, where I once lived with the River Cree at the bottom of my garden. I have put it on the record for you.

15:26

**Gillian Martin (Aberdeenshire East) (SNP):** It is no surprise that, as the member for Aberdeenshire East, I will talk about the challenges that face the economy in the north-east of Scotland.

It is often the oil and gas service industries that keenly and most immediately feel the effects of any activity in the oil and gas exploration and production sector, which we all know has recently been adversely affected by the geopolitical situation that has meant a reduction in the global oil price, although the hospitality sector is similarly affected. Therefore, I welcome the investment that the Scottish Government has put into the city region deal and the additional £254 million that is to be invested in the north-east's infrastructure.

I also welcome the minister's statements today and the visits that he and Keith Brown have already made to Aberdeen so soon into their tenure, which are further evidence of the Scottish Government prioritising support to my area.

Of course, the measure that would make the biggest impact on the oil and gas sector is outwith the Scottish Government's control: adjustments to the tax system. I recognise that some improvements were made in the recent UK budget, but more needs to be done. In particular, action on removing fiscal barriers for enhanced oil recovery would greatly assist oil and gas production companies investing in the North Sea and, in particular, in the north Atlantic area west of Shetland.

In addition, there is a disparity between the tax rebate rates for onshore oil and gas recovery and the rates for offshore recovery. The difference is around 12.5 per cent. That does not make sense and should be revised immediately.

I also point to the calls by my Westminster colleague Callum McCaig for action on loan guarantees for the oil and gas sector. Such access to loans will boost innovation. Given that the oil and gas industry has historically been a huge contributor to the UK Treasury, it is right that it should get such assistance at a time of need in order to maintain it for the future. I urge Conservative members to use whatever influence they have to get their Westminster counterparts to take urgent action on that and get such guarantees in place as soon as possible.

It is clear that the north-east must diversify as we look to the future, and that is why it has been utterly disappointing that the north-east, with its focus on being a centre for innovation in renewable energy, has had the rug pulled from under it by the UK Government when it removed wind farm subsidies. That is also having an impact on the many farmers who have invested in wind turbines, some of whom are in the chamber.

The job loss figures cited in the motion are troubling. As someone who was brought up in the north-east and whose family, friends and neighbours are involved in the oil and gas industry, I know many who have been directly affected. It is a worrying time for many people who have had relative employment security for many years, but I am heartened by how many of the people I know who have lost their jobs have turned their situations around.

May figures confirm that my constituency of Aberdeenshire East still has 84.8 per cent employment, which is the third highest in Scotland, behind Shetland and Orkney. That confirms what I already know about the people in the north-east:

they are adaptable and resilient. I will give some local examples from my constituency.

Neil Baillie was told by Halliburton on his 50th birthday that, after 25 years' service, he no longer had a job. Although initially devastated, as we would expect, Neil quickly decided to turn that into an opportunity for a career change that he had always had in the back of his mind, and he is now a support worker for adults with learning disabilities at Inspire (Partnership Through Life) in Inverurie.

Drue Bremner is a consultant whose phone just stopped ringing after years of constant work offers. Drue got together with his friend Lee, who had just been made redundant from an oil and gas production company. The two of them are set to open their drone survey business this month, and the phone has already been ringing.

Traditionally, the north-east labour market has been tight. We have had—and still have—issues recruiting public sector workers as a result of the north-east having been a particularly high-wage economy for the past 40 years. I am encouraged that so many people in the oil and gas industry are recognising that they have transferable skills that will be a huge asset to our public sector. In addition, our infrastructure investment is also providing jobs. I point to the Aberdeen western peripheral route project, which is also recruiting from those affected by job losses in oil and gas.

A low oil price is not new to us. This year has been particularly difficult—make no mistake—but we have bounced back before. In the mid to late 1990s, the industry was facing a price of \$14 a barrel, but the industry has good form in adapting to cope with the highs and lows. Back then, large assets were sold by the oil and gas majors to smaller companies with smaller overheads, and personnel moved, upskilled and diversified.

One thing that a lot of people do not realise is that a very large proportion of people's livelihoods from oil and gas result from contract work. Those working in the sector are very used to coming to the end of the life of one project and moving on to another. What we must ensure is that we do not lose our skilled workforce because they move elsewhere for work. There are still huge opportunities in oil and gas, and I point to the Laggan-Tormore operation west of Shetland as an example.

We are already prioritising ensuring that the sector retains its world-class workforce, supporting high-quality training and enabling redeployment and reskilling. Also, and most crucially, we must harness those skills for other areas, which will lead to a more diverse economy in the area to take us into the future.

15:31

**Lewis Macdonald (North East Scotland)**

**(Lab):** As Jackie Baillie said in introducing the debate, the latest estimate of job losses, published last week by Oil & Gas UK, is that 120,000 jobs will be lost by the end of the year. As the minister has confirmed, over 50,000 of those lost jobs are here in Scotland. Many of them are in the north-east, as Gillian Martin and others have said, and many are people I know well.

Last month's oil and gas survey from Aberdeen and Grampian Chamber of Commerce found that staff jobs in oil companies had fallen by 15 per cent over the previous year, and that a further 17 per cent cut is predicted for the following 12 months. Each of those percentage points represents hundreds of jobs in and around Aberdeen as well as jobs offshore and further afield.

The scale of future job losses is borne out by the Bank of Scotland research that was cited by Murdo Fraser. It reports that nearly two thirds of Scottish firms in the oil and gas sector have made workers redundant in the past year and that one third expects to make more people redundant in the next year. While it is true that some companies have done relatively well, it is important to note that, for every job created in the past year, a further six jobs were lost.

**Paul Wheelhouse:** For balance, I highlight that the same report showed that 22 per cent of employers were predicting that they were going to take on employees in the present year.

**Lewis Macdonald:** That is right, and it is important to get balance. The point that I have made retrospectively from those figures—that six times as many jobs have gone as have been created—may, I fear, be reflected in what happens in the next few months.

That is not a matter over which we have no control; it is a matter in which the Government can make a difference. There is no consensus on the suggestion in the Government's amendment that things will look up as the negative impact of the oil price fades in 2017. For example, when the Bank of Scotland asked operators and contractors when they expected the price of Brent crude to recover to \$75 per barrel, a level at which they could make profit, most companies said not before 2018 and most of the large companies that operate globally said 2020 or beyond.

Lower for longer is the watchword of the oil and gas industry today. The industry is seeking to adapt to that situation and the workforce is deeply affected by it; it is critical that the Government takes it on board as well. The last thing that the north-east needs is complacency from government at any level. The first thing that we need here is for



the Scottish Government to acknowledge the scale of the challenge and that responsibility for the stewardship of the Scottish economy lies here with the Scottish ministers.

I am glad that today we heard, for the first time, a minister acknowledge that tens of thousands of jobs have been lost as a consequence of the oil price downturn. I hope that that is a sign of a change of tack from the Scottish Government. If so, it is to be welcomed.

Of course, it is not only oil jobs that have been lost in the north-east or even jobs in the service industries that depend indirectly on the price of oil. Hundreds of fish processing jobs have also been lost in recent months, with a substantial downscaling of the Young's Seafood factory in Fraserburgh. Now, nearly 100 jobs are set to go after Müller Wiseman confirmed that it will close its dairy at Tullos in Aberdeen, a decision that also has serious implications for dairy farmers in the north-east.

Both those companies will argue that they are creating other jobs elsewhere but more fish filleters in Grimsby or a dairy expanding in Bellshill will not compensate for the loss of jobs in north-east Scotland. Nor will Sainsbury's buying salmon from Marine Harvest in Rosyth.

The challenge for north-east Scotland is the same whether we are talking about employment in the energy industries, in the food and drink sector or indeed in the public sector: it is how to secure and sustain investment, jobs and growth within the region, despite it being seen as remote from the largest markets and from the centres of political power. We need government at every level to meet that challenge by recognising just how serious it is and by making the policy decisions that will deliver public investment and attract private investment to the region.

I welcome Aberdeen City Council's decision to call a second oil summit at the end of the month. Last year's summit allowed progress to be made towards an Aberdeen city region deal and, modest though that deal was, it is at least an acknowledgement on the part of both the Scottish and UK Governments that investment in the infrastructure of the north-east is in the public interest and that public investment can help to secure private investment in the future.

I hope that ministers from both Governments will be in Aberdeen on 30 June to consider what more they can do to bring investment into the city and the region to secure future jobs. Holding jobs fairs for those who have been made redundant, as has happened, is important, but it is not enough on its own. We need Scottish Enterprise and Skills Development Scotland to act with the urgency and the vigour that the situation demands, and we

need the Scottish Government to provide the resources that match the scale of the challenge.

A £12 million fund that is open only to workers who already have a new employer to sponsor them does not go nearly far enough, and I look forward to hearing more about the increased flexibility that the minister promised earlier. Supporting up to 20 redundant oil workers to retrain as teachers is also welcome, but it is not enough given the scale of both teacher shortages and oil and gas redundancies in the north-east.

Ultimately, we need ministers to recognise that it is their job to enable service companies in the Scottish supply chain to diversify into renewable energy, to compete for decommissioning work whenever that arises and to protect jobs, because future jobs and growth matter to all of Scotland and they are under real threat today. I hope that all parties will respond to that by getting behind the Labour motion later this afternoon.

15:38

**Patrick Harvie (Glasgow) (Green):** I am grateful for the opportunity to contribute to the debate. Jackie Baillie began by making some general comments about the state of the Scottish economy, and I will respond to those comments before coming on to the specific agenda facing oil and gas.

Jackie Baillie made the case that a strong economy and a strong society are two sides of the same coin—she said that we cannot have one without the other. I agree that there is a deep connection between a strong economy and a strong society, but it is a more complex one than Jackie Baillie suggests. It is entirely possible to have a strong economy without a strong society. We have been there already; we know it to be true. There have been long periods of sustained, strong economic growth that have continued to see growing social inequality.

Measuring the success—the health—of our economy in GDP terms alone makes it clear that there can be periods of sustained GDP growth and rising inequality. That has been part of the criticism made by Green economics for decades, and it is a criticism that many economists around the world take to heart. They acknowledge that GDP has been placed on an economic pedestal that it was never designed to occupy and that, whether or not we believe that GDP growth can last for ever on the planet of finite resources that we inhabit, it is clearly inadequate to the task of measuring a strong, secure, sustainable and lasting economy—one which underpins the strong society that I believe most of us want to see built.

If we want a fuller and more balanced and nuanced picture of the health of the Scottish

economy, I urge the Scottish Government to continue to develop the national performance framework from its starting point into what I think it could become, which is a stronger and more diverse replacement and a broader set of economic indicators. At present, GDP is still at the pinnacle of the framework, which is a place that it does not deserve to occupy, as it is a simplistic metric that distracts us from the wider question of whether we have a healthy economy supporting a strong society.

There are reasons why the Greens will, I am afraid, be unable to support the motion or any of the amendments. We lodged our own amendment, which sadly was not selected for debate.

Murdo Fraser asked Jackie Baillie an uncharacteristically fair question about the tension that exists between the two aspects of Labour's fossil fuel policy. Jackie Baillie said:

"we want to move to a low-carbon economy."

However, within just a few seconds she said:

"oil and gas are important to our economy."

Both of those statements in isolation might be true, but I hope that Jackie Baillie would agree—she might if I put it mildly—that there is a difficult tension between those two arguments and that neither the motion nor any of the amendments adequately captures that tension.

There are three aspects to the transition that is required. First, our economy is too dependent on the operation of oil and gas extraction and the jobs that depend on that activity. Secondly, we are too dependent on hydrocarbons, not just through their consumption as fossil fuels but because of our industrial reliance on them—the derivatives are in pretty much every aspect of our daily lives. Thirdly, we are too overexposed to an industry that is profoundly overvalued because it is valued as though all of its reserves will be turned into economic value. We are overexposed to that industry, which is in fact a bubble. Unless we address all three of those aspects, we will not have a transition plan worthy of the phrase.

**Mike Rumbles (North East Scotland) (LD):** I note the comments that the member has just made about the North Sea industry, but does he have any comments about the 50,000 people throughout Scotland, mainly in the north-east, who have lost their jobs?

**Patrick Harvie:** Indeed, we do. I am surprised that the member does not know that the Scottish Greens have been producing work for well over a year on the specific measures that can be taken in the short term to support people who are directly affected. Jackie Baillie was right to set out the immediate impact on many of the people who are already directly affected. However, in the face of

that reality, surely the least responsible course of action is to keep kidding ourselves that business as usual will just bounce back and that we can throw the industry another tax break and everything will be fine. Everything will not be fine with that agenda.

Jackie Baillie's motion ends by calling on us all to

"support the industry over the short, medium and long term."

The central challenge, and the tension that exists in the Labour motion but which is not acknowledged explicitly, is that of supporting the people who are directly affected by the short-term impact on the industry in the context of acknowledging that the industry is not a long-term proposition.

We must address all three of the aspects that I mentioned: our reliance on fossil fuels and on the jobs coming from extraction, and our overexposure to the carbon bubble. Paul Wheelhouse has the distinction of being the only Scottish Government minister who has acknowledged—when he was climate change minister—that the arguments on the carbon bubble are real and that the bulk of fossil fuels around the world cannot be used or burned. That was before the Paris agreement, so if he meant what he said then, he must now believe that an even smaller proportion of our fossil fuel reserves can be used.

I am making the case for economic and industrial planning. Can we really kid ourselves that the change is not upon us already? If we acknowledge that it is, can we really hope that readiness for the change will simply emerge? When we see the future coming at us, are we really satisfied with last-minute task forces and emergency measures when specific jobs are destroyed? I do not think that we should be satisfied with that. Surely we must plan for the profound changes that are coming upon us to ensure that all people have the opportunity to live in a healthy society and that we have a strong economy for the long term.

15:45

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** As Ivan McKee adumbrated, I shall talk about the effect of the oil industry's difficulties in the north-east.

I will respond to a couple of points before I do so. Murdo Fraser should be more cautious in praising the brevity and conciseness of the UK tax code. The UK Government itself reports that, from 759 pages in the 1965-66 tax year, the code is now 11,520 pages, and the legislation upon which it is founded constitutes 2,413 pages. That is

substantially more than many other places. I recognise that Mr Fraser quoted correctly, but he needed a wider context.

On Jackie Baillie's contribution—the member should listen up because this is unusual—I say that I found her analysis more focused and more relevant to the debate than I often do, although I am of course going to disagree with some of the conclusions that she draws. However, I encourage her to live up to the improvement in her contribution that we have heard today.

My constituency of Banffshire and Buchan Coast is home to the world's biggest offshore oil support base at Peterhead. Many of my constituents work offshore in our own waters but they also take their expertise to many corners of the world—to South America, the Philippines and the Horn of Africa—where there is oil exploration.

Those facts go to the heart of a very important thing about the industry in the north-east and in my constituency: we have skills that have been built up over a long time that will sustain us over the long term, if we have the opportunity to use them. People have been denied the opportunity to take their skills to the new renewable energy industries that we had expected—many of which would have been offshore, where there would have been a particular relevance to the skills of the engineers and people who work offshore in the oil and gas industry. That is a particularly hurtful blow to the future economic and personal prospects of the north-east.

I disagree with Patrick: he said that this is an industry without a long-term future—

**The Deputy Presiding Officer:** The member is asked to use the full name of other members, please, for the *Official Report*.

**Stewart Stevenson:** I apologise if I did not say Mr Harvie.

The industry is, in fact, a long-term proposition—not, as Mr Harvie says, a short-term proposition—but it may not be as fuel. We can solve the issue of using oil and gas as fuel; we have yet to make a big impression in the use of oil and gas as chemical feedstock, so it will remain an important part of the industrial environment, even as we move away from using oil and gas as fuel.

**Patrick Harvie:** The member makes a serious point, which I did acknowledge has a place in the argument. However, given the impact on investment in the North Sea at the moment, if this material—hydrocarbons—was able to be used only for non-fuel chemical feedstocks and not for fuel, does Mr Stevenson really think that it would be economically viable as an investment?

**Stewart Stevenson:** Mr Harvie is clearly listening to a different speech from the one that I

gave, because I did not say that. I pointed to the long-term future because Mr Harvie said that there was none. I suggest that there is a long-term future.

A third of our oil remains, and that is only of the stocks that we have found; we are still finding oil in our sector. The Norwegians are finding oil—for example, they found some in the Johan Sverdrup field relatively recently. Opportunities will continue to be there; there will be opportunities for investment. We have seen the successes of smaller companies, which various people have referred to in the debate.

I now say a word or two about fracking, which is the last part of the Conservative motion, and why it is right that we have a moratorium on the subject. I reference the United States experience, because there is quite a lot of it. The National Institute for Occupational Health and Safety in the US talks about workers being

“regularly exposed to high levels of benzene, which is a known carcinogen”.

**Neil Findlay (Lothian) (Lab):** Will the member give way?

**Stewart Stevenson:** I no longer have time; do forgive me.

The institute also talks about exposure to silicosis, which is a deadly lung disease.

*The BMJ* talks about

“Volatile organic compounds and diesel particulate matter”

being reported by the US Environmental Protection Agency. An academic paper that was published in *New Solutions* talks about health conditions that

“became worse after shale gas development started”

in their area. Participants in that survey reported worsening existing conditions and new conditions in human beings, animals and household pets.

The EPA reports that there is uncertainty about how many incidents there are but says that, in Colorado, it can be as much as 12.2 spills for every 100 wells, with all the consequences that flow from that. It says that the spills reached surface water in 9 per cent of cases and contaminated soil in 64 per cent of cases.

The EPA also says that not everything is known, and I accept that. That is why a moratorium is right and why we should look further at the research to underpin a long-term decision.

The US experience tells us that we cannot proceed with shale gas in the present circumstances, but oil and gas in the north-east certainly needs support. More important, we need renewables to become the focus, and the UK Government is letting the people in my area in the

north-east of Scotland seriously down in that regard.

**The Deputy Presiding Officer:** Members will appreciate that I am giving members who take interventions a little extra time, in order to encourage interventions. That does not necessarily mean that anyone should intervene on you, Mr Scott.

15:51

**Tavish Scott (Shetland Islands) (LD):** You have often intervened on me, Presiding Officer.

**The Deputy Presiding Officer:** That is another matter.

**Tavish Scott:** It was in another life many years ago.

I start by agreeing with Stewart Stevenson that oil and gas—in the North Sea, west of Shetland and in many other parts of the globe—is an industry not just for now but for the long term. I profoundly disagree with Patrick Harvie, not least because he used the phrase “business as usual”. The oil and gas industry is demonstrably not going through a period of business as usual. As the minister has sadly confirmed, 50,000 people have lost their jobs in Scotland alone, and 120,000 across the UK. I suspect that we do not know the true scale of what is going on in terms of the changes to employment in the industry.

The industry is a long-term industry. It will be a very different industry in 10, 20 or 40 years’ time, but I do not doubt for a minute that it will still exist, for this reason if for no other: when the chairman and chief executive of the Total company was in Shetland back in the early part of May, opening the Laggan-Tormore field, he talked to an audience of oil people and the national and local press about the long-term interests of his company. What he described was not just about oil and gas, although Total is a large, worldwide player in oil and gas in many different theatres of operation. He talked about Total becoming an energy company that would invest heavily in renewables and different forms of energy over a long period of time. He is an oil executive to his fingertips—the definition of an oilman—but he saw the way that the industry is changing and I suspect that he will be at the forefront of the way in which the industry will change. Calling it business as usual is a simplistic way of putting it. The industry is different now from what it was even two years ago.

On a day like today, we should also reflect on the fact that, just the week before we all faced the electorate, people lost their lives on a Super Puma helicopter that crashed just off the coast of Norway, near Bergen, on 29 April. As recently as

2013, four people lost their lives when a Super Puma crashed off Sumburgh in my constituency. The industry pays a heck of a heavy price—sometimes the ultimate price—to bring home a resource on which most of us depend in everyday life.

Some big changes are happening. The front benches of all parties mentioned the change in oil prices. It has shifted from \$110 to as low as \$29 a barrel to \$48 a barrel today. The costs of the industry have been cut by 20 per cent in the North Sea, with many industry analysts saying that unless costs fall by 40 per cent, the North Sea will not be internationally competitive, which can mean only one thing for the people who work in it across Scotland. There are 800 supplier businesses in the UK that work on oil and gas contracts, but 600 of them are in Scotland and the great majority are in the north-east of Scotland. The north-east is the oil and gas industry. I sometimes think that the rest of Scotland is somewhat isolated from that.

Jackie Baillie made a series of important points about the wider economy. I agree with much of what she said but, although some of the investment in construction has, rightly, been on the part of the Scottish Government, a lot of what has been happening in the economy has been masked by private sector investment in construction. If we were dependent only on the oil and gas sector, I suspect that what has been going on in the north-east would be even more stark in the wider figures for the country’s economy as a whole.

There are two important points in terms of future opportunities. One of those, which was mentioned by other members, is the west of Shetland developments. Laggan-Tormore is the biggest civil engineering contract in the UK since the Olympics. The Clair ridge developments that BP is investing in—literally at this moment, because some of the infrastructure is being put offshore this month—is vital for the future.

**Patrick Harvie:** Will the member take an intervention?

**Tavish Scott:** Just a minute.

The west of Shetland developments will go on. Although, at \$50 a barrel, it still looks remarkably difficult, as oil prices rise—we do not know when, but they will—some of those developments will look more attractive for the future.

I suppose that I should give way to Patrick Harvie.

**Patrick Harvie:** I am somewhat bewildered that I am standing here about to ask the same question that Murdo Fraser asked Jackie Baillie. I have heard Willie Rennie, for example, on many occasions, say that the reason why the Liberal

Democrats do not support fracking is that they do not want to open up a new front on fossil fuels. Why are they applying that policy only onshore and not offshore?

**Tavish Scott:** I am going to talk about the oil and gas industry. It seems to me that Mr Fraser and others have had a very lively, endless—if I may say so—debate about fracking. Patrick Harvie did not mention fracking in his speech and chooses to mention it later in the debate. That is a matter totally for him—much of it is lost on me.

My final points are on the Sullom Voe oil terminal and Lerwick. Lerwick is a port that will be part of the decommissioning future. That is a £40 billion to £60 billion industry over the next 40 years. That, Patrick Harvie, is not business as usual—it is the changing nature of the industry.

The important point that I want to make to the Government front bench here and to my friends in the Conservative Party is that we should ensure that when we, the taxpayer in this country, provide tax relief for that decommissioning, those jobs remain here in Scotland or across the UK. The three huge jackets that are being decommissioned from the Brent field will go to Teeside. I want to see some of that work in Shetland, and indeed in other parts of Scotland, in future. It is vital that ports such as Lerwick are centres of decommissioning in future.

Jackie Baillie and others mentioned the skills agenda. We should ensure that that applies not just to jobs in the north-east or other parts of Scotland; it should also relate to facilities such as the diving school in Loch Linnhe, which trains divers and has done for many years. It is an essential part of the skills infrastructure that we need in Scotland and long may that be the case.

15:58

**John Mason (Glasgow Shettleston) (SNP):** It is clear that the economy is a very wide topic and I look forward to being the deputy convener on the Economy, Jobs and Fair Work Committee and looking in more depth at different sectors in the coming session.

The Labour motion mentions two particular reports, namely by the Bank of Scotland and Ernst & Young. I will focus most of my remarks on those reports. First, I thank the Bank of Scotland for its report on oil and gas and the presentation in the Parliament last week, which I think was hosted by Murdo Fraser, although he was speaking in a debate at the same time.

As I understand it, the survey covered 141 oil and gas companies. Stuart White spoke to the report and, in his foreword, he talks about the

“difficult decisions” still to be made on savings, jobs and investment. However, he said that

“cautious optimism for the future ... appears to be slowly returning.”

Positives included the fact that a quarter of firms surveyed had grown through the downturn and that there had been an opportunity to diversify, collaborate, invest and innovate. Mr White went on to say:

“We don’t want to downplay the impact of depressed oil prices”

but

“the oil and gas sector is proving”

to be very

“entrepreneurial, innovative and resilient”.

It is clear that the job losses have been severe, and I hope that we are all concerned for those who have lost employment, but the report also speaks about how the industry has become leaner and more agile and efficient in order to survive, and it is set to be more competitive and sustainable for the future. In fact, there was a feeling at the briefing that we would not want the oil price to rise too suddenly in case the efficiency gains were lost and inefficiency was again rewarded.

I found the contrast between larger and smaller companies to be particularly interesting. Some 41 per cent of all companies said that they had been affected severely or quite badly by the price fall, but 67 per cent of large companies—that is, quite a lot more—said the same. So it seems that smaller companies have done better than bigger ones.

On jobs, the report in question says that losses have run into five figures and that 51 per cent of companies had cut jobs. The better news, which has been mentioned already, I think, is that 29 per cent managed to keep the workforce stable and 20 per cent managed to increase staff numbers.

There is clearly a contrast in the costs of companies’ production. One very large company was said to have 2,500 staff for 100,000 barrels per day of production whereas a smaller company has just 50 staff for 30,000 barrels per day. That shows that the costs of production can vary dramatically from company to company and from field to field. In consequence, there is no one oil price that is agreed to be desirable for all producers. In fact, some businesses can operate successfully and profitably with a relatively lower oil price.

It was also interesting to hear that exploration continues in Saudi Arabia. This is seen as a good time because costs are lower. It also seems that there can still be new finds around Scottish coasts.

Perhaps the UK Government should be doing more to encourage such exploration.

Labour's motion also mentions the Ernst & Young Scottish ITEM club. We have the Ernst & Young Scottish ITEM club forecasts. It concerns me a bit that that report is a little too focused on comparisons with the UK, as perhaps we in the Parliament sometimes are. It is surely not healthy for any household or country to be fixated on its neighbours, and fanatically trying to keep up with the Joneses is not good. Of course comparisons are useful and important, but let us keep them in perspective and watch what is going on in the rest of the world, too. For example, if I read the report correctly, US GDP growth is around 2.3 to 2.8 per cent, eurozone growth is 1.6 to 1.9 per cent, and UK growth is 2.4 per cent. The figure of 1.9 per cent for Scotland is perhaps a bit on the low side, but it is not that far out of line with those of other European countries. On that point, there is validity in Patrick Harvie's and the Greens' arguments that GDP is too narrow an indicator anyway.

I was interested to see that the savings ratio in Scotland is over 6 per cent compared with the UK's 4 per cent. Is that a good or a bad thing for the economy? Some would say that it is bad, as it restricts spending, which might be boosted in the short term. However, if one of the UK's big problems is deficit and debt, perhaps more saving is a good thing in the long run.

The ITEM club report tends to question the growth in construction as disproportionately high for a relatively small sector of the economy, and it wonders what will happen when the Forth crossing, the Edinburgh to Glasgow rail improvement programme, and the M8, M73 and M74 are all completed. However, that makes me wonder where we would be if those projects had not happened. I presume that we would be worse off. Public sector capital investment has given a much-needed boost to the economy at a very difficult time.

The emphasis on construction is likely to benefit men more than women, so perhaps it is not surprising that the number of women in jobs fell a bit, according to the report. However, we note that the number of women in employment is still 4 per cent above the pre-crisis peak. That is a reminder to look at the longer-term picture and not just focus on each quarter on its own. The female employment rate is 71.1 per cent in Scotland compared with 69 per cent in the UK.

The report also states that total manufacturing exports are 5 per cent higher than in 2013, led by transport equipment at 33 per cent, metals at 21 per cent and food at 19 per cent above 2013 levels. By anyone's standards, those are healthy figures.

**The Deputy Presiding Officer (Linda Fabiani):** Would you begin to close?

**John Mason:** In conclusion, I would not want to finish speaking in a debate on the economy without saying that it is not just about growing the economy. Major challenges apart from growth remain, including considering who owns and controls the engines of the economy and who benefits from the economy doing well. It is disappointing to see that the Ernst & Young report criticises the national living wage. If that puts more money in people's pockets, surely that can also boost business.

**The Deputy Presiding Officer:** I call Jamie Greene, to be followed by Jenny Marra. Up to six minutes, please, Mr Greene.

16:04

**Jamie Greene (West Scotland) (Con):** Thank you, Presiding Officer.

"Economically, we are absolutely on a knife edge with regard to the potential of Scotland re-entering a potential recession."

Those are not my words—they are the words of Liz Cameron OBE, chief executive of the Scottish Chambers of Commerce. Much of the focus in today's debate has, rightly, been on the north-east and the oil and gas sector, and I believe that many colleagues will speak about that. However, I want to focus on some other geographic and market sectors and bring my own thoughts to the debate.

I represent the West Scotland region, which has seen much change in its core *raison d'être* over the decades. It is home to Faslane, a nuclear power station and an ocean terminal; it has two international airports on its doorstep and road and rail connections to the rest of the UK and beyond. Greenock imports cruise liner tourists and Arran exports whisky. Paisley bids to be city of culture and its nearest airport now connects to New York, Toronto and Dubai.

The very face of my region's history is defined by the mining towns of Ayrshire, near where I live, the shipbuilders on the Clyde and the cotton mills south of Glasgow. It has gone from being a region that basked in the glory of building great vessels to being the semiconductor capital and then the call centre capital of the UK, and it is now increasingly becoming home to big retail parks and the shoppers they attract.

My first job was at IBM in Greenock, just as it reached its pinnacle in laptop manufacturing. Now the place lies barren; as with many big factories, the company has moved on and moved out. That fear is still there: Texas Instruments is looking at its future and Polaroid in West Dunbartonshire is doing the same. Further down the A78, Hunterston

nuclear power station will start to be wound down and decommissioned with huge losses in highly skilled jobs that will affect the families involved, and much uncertainty about where those skills will end up.

Although I enjoy meeting businesses in my region such as Arran Aromatics on the isle of Arran—a proper success story in North Ayrshire that supplies at retail and wholesale levels—I have also heard the concerns of people who are worried that they have not seen much big business investment in our region in recent years. Of course, I welcome those that have made progress and have ambitious plans. A prime example is Ferguson Marine in Port Glasgow and I will, of course, work with colleagues across the chamber to support and nurture those businesses.

In other words, although there is much to celebrate, there is much to be worried about. With regard to employment rates in Scotland, Cunninghame North and Cunninghame South are ranked 66th and 68th respectively on a scale of 73. Greenock is ranked 63rd, and Clydebank 51st. There is so much more that we can do.

Going back to my opening remark about potential recession in Scotland, I note that Jackie Baillie and Murdo Fraser have already mentioned the Fraser of Allander institute's downgrading of its growth forecasts. I want to elaborate on those comments by pointing out that Professor Brian Ashcroft of that institute has said:

"The Scottish economy came within a hair's breadth of recession last year and with little improvement recently may fail to avoid a recession in the coming months."

The institute pointed out that even though the service sector registered growth of 0.3 per cent in the final quarter of last year, UK services grew three times faster. It said that financial services were "especially weak" and that

"manufacturing growth can only be described as weak".

It is not just the oil and gas sector that is facing a rocky road; many sectors are teetering on the brink.

I absolutely accept and appreciate that the state of our economy is often influenced by international, external and uncontrollable factors, but I also believe that the Scottish Government can do some immediate and practical things to help business across all sectors in Scotland. First, on non-domestic rates, I welcome the continued commitment to help small businesses with rate relief; after all, the high street is struggling and we collectively must do all that we can to help it. However, many medium and large-sized businesses are deeply concerned about the hike in the large business supplement from 1.3p to 2.6p, as the doubling of that rate will put a burden of £60 million on Scottish business.

In modernising the structure of business rates, we should take into account the views of all stakeholders, such as the Federation of Small Businesses and the Scottish Retail Consortium. We should not see big business as a business rates cash cow. A fine balance must be struck between the need for revenue and the needs of businesses to grow and invest.

The second area in which the Scottish Government can help business is on income tax. The issue is really simple for the Scottish Conservatives: for Scotland to remain competitive, we should pay no more income tax than the rest of the UK does.

**Keith Brown:** Will the member take an intervention?

**Jamie Greene:** I am sorry, but I am in my final 30 seconds.

In summary, we will support moves to attract investment and encourage growth in our country, but we should not demonise big business in the process. A broad mix of small, medium and large businesses is essential, and we as a Parliament must keep our eye on the ball if we are to avoid recession. Just as we must focus—as we are doing today—on the action that it is necessary for us to take on the oil and gas sector, we must come up with practical, bold and immediate measures to encourage growth across all sectors. When we go back to our various constituencies, we should not be complacent when we see the relics of industry on our doorstep; we should come back here with ideas.

16:11

**Jenny Marra (North East Scotland) (Lab):** Presiding Officer, this my first speech in the new session of Parliament, so I would like to take the opportunity to welcome you to your position and to welcome to the chamber all the newly elected members. I hope that they enjoy and feel as deeply as I do the privilege of representing their constituents. I also congratulate Finlay Carson on his maiden speech.

I want to use my speaking time to talk about the oil and gas decommissioning industry, which is of particular interest and relevance to my home city of Dundee. Just three months ago, the Douglas-Westwood industry report told us that it is expected that nearly 150 oil platforms will be scrapped over the next 10 years. Of specific interest to me—it should also be of critical interest to the Parliament and the Government—is the analysis that

"Of all the decommissioning over the next 25 years, more than half is likely to take place between 2019 and 2026."

As my colleague Jackie Baillie said, the last thing that we want to do is decommission too early, but we do not want to miss the opportunities that decommissioning presents for Scottish jobs and Scottish workers. If we are not ready for the opportunities of decommissioning, it is clear that they will sail past us, as many are doing at the moment.

Let us be realistic. The industry experts tell us that the bulk of decommissioning work will really take off in 2019, which is less than three years from now. Given the lead-in times that companies need in order to be able to select the correct decommissioning programmes and facilities, are we anywhere near ready to seize those opportunities for Scottish workers? Perhaps we are ready to do so further north, as Tavish Scott said, but we are not in my home city of Dundee.

As my colleagues from the previous session will know, I have for a few years been making the case on the opportunities that exist for decommissioning in Dundee, and have argued that the Scottish Government should be assisting the city to become a hub for decommissioning work. We have a deepwater port, a spacious quayside for deconstruction and free industrial land for all the spin-off capacity. We have a research base for decommissioning in our universities and a very good college to provide training programmes for young workers. We have a strong engineering base, and we still have a proud thirst for industrial jobs. We have a chronic shortage of work—we have one of the highest unemployment rates in the country and eye-watering youth unemployment.

We have all those things, but what we do not have is any assistance from the Scottish Government to bring decommissioning jobs to Dundee. Other parties, including the Government's party, started to agree with my campaign for decommissioning jobs in Dundee during the recent election campaign, but we have still to see any action being taken or any money being spent. I welcome the money that has been spent in Aberdeen and Lerwick, but not one penny of Scottish Government money for industrial development is coming to our city to support the potential for the decommissioning industry. Given the dates that have been proffered in the Douglas-Westwood report, I want the cabinet secretary to say in his closing remarks today whether the Scottish Government is committed to assisting Dundee to become a decommissioning hub. The Government simply cannot wait any longer.

Forth Ports, which owns the port of Dundee, made a £10 million investment in our port earlier this year. Although that was very welcome, anyone looking at the industry will know that that amount of money does not go nearly far enough in

preparing a port for such large-scale industry; indeed, I understand that that sum is being used to repair an existing quayside. The key thing is that when Forth Ports' chief executive Charles Hammond announced the £10 million investment, he explicitly called on the Scottish Government to invest public money in our port.

Oil platforms are sailing all the way past unemployed workers in Dundee to Hartlepool, where local development agencies had the foresight to secure jobs for Hartlepool workers. Where is the Scottish Government's industrial investment in Dundee? Dundee City Council has still not put together its application for a city deal. I understand that ideas were being kicked around at a recent stakeholders meeting, but with no focus on or mention of decommissioning.

The people of Dundee need the cabinet secretary to commit today to instructing Scottish Enterprise and industry experts to prepare and publish an emergency scoping report on what is possible in respect of decommissioning for Dundee. It is a simple task that should have been done a long time ago. Given the timescales for the opportunities and the dire need for jobs in my city, the cabinet secretary has a moral and political obligation to the people whom I represent to make that commitment this afternoon.

16:17

**Ash Denham (Edinburgh Eastern) (SNP):** Scotland's economy does, indeed, face challenges, not least because Scotland sits within the wider context of on-going UK austerity. The notion that cutting spending is necessary to boost growth—or expansionary fiscal contraction—still has authority in the UK, which means that most Britons do not realise the extent to which we have diverged from the rest of the western world's thinking on that issue.

Paul Krugman, who is a Nobel prize winner in economics, noted:

“Since the global turn to austerity in 2010, every country that introduced significant austerity has seen its economy suffer, with the depth of the suffering closely related to the harshness of the austerity.”

He went on to state:

“The austere ideology that dominated elite discourse five years ago has collapsed, to the point where hardly anyone still believes it. Hardly anyone, that is, except the coalition that still rules Britain—and most of the British media.”

**Jackie Baillie:** Will the member take an intervention on that point?

**Ash Denham:** I apologise—I have to make progress.



Austerity does not work if one wants to grow the economy, so why are we still suffering it? After the crash in 2008, it became obvious that monetary policy was not going to be enough to fight the downturn. In such conditions, the correct response is fiscal expansion—Government spending to create jobs and put money into consumers' pockets. As Keynes wrote in 1937,

"The boom, not the slump, is the right time for austerity at the Treasury."

What actually happened was a focus on slashing deficits—mainly with spending cuts. Even though history and practice suggested that cutting spending in a depressed economy without the ability to offset that by reducing interest rates would hasten decline, the "austrian ideology"—championed by people such as Alberto Alesina from Harvard University—was embraced by the European Commission, the European Central Bank and the UK Government. Alesina's research was later found to be flawed, and the economic research that allegedly supported the austerity push has now been mainly discredited.

That has led the International Monetary Fund—an architect and site manager of neoliberalism—to publish an article this week in its in-house magazine, which states that neoliberalism has been oversold and that austerity should be ended. The article notes that the

"short-run costs of lower output and welfare and higher unemployment have been underplayed, and the desirability ... of simply living with high debt and allowing debt ratios to decline organically through growth is underappreciated".

Austerity is self-defeating and debt limits by themselves are meaningless. The UK Government's own targets require further cuts. On top of the £12 billion cut that was announced in the 2015 spending review, George Osborne has announced a further, as yet unallocated, £3.5 billion cut to departmental spending, and in Scotland our discretionary budget will be £3.3 billion lower in real terms than it was in 2011.

It should also be noted that, at Westminster, Labour acquiesced on the austerity narrative and voted with the Tories in 2015.

**Jackie Baillie:** Perhaps the member has made enough progress to take an intervention now.

**Ash Denham:** I will give way.

**Jackie Baillie:** Ash Denham was not in the Parliament at the time, but does she recall that, just before the election, the SNP Government had an opportunity to end austerity through the budget? Can she explain why it chose not to do so?

**Ash Denham:** In talking about the wider context, we need to talk about what Westminster

is doing, as it clearly has more levers than the Scottish Government.

The Labour Party will recall that it accepted the £30 billion of cuts that the Tories proposed. George Osborne said that those cuts will

"make Britain fit for the future".

The question is, fit for whom? It will almost certainly not be fit for Scotland. Why? Because the UK Government attempted to cut £7 billion from the Scottish budget just this year.

In my view, austerity has been embraced so profoundly because its primary purpose is to provide the necessary cover to massively shrink Government spending. As David Cameron said in 2013, the aim is to make the state

"leaner ... not just now, but permanently".

The overriding goal is a permanent and irreversible reduction in our public goods, public services and social security.

If the Conservatives in this chamber want to do something useful for the Scottish economy, they should urge their colleagues in London to ditch the damaging austerity mantra in favour of investment in research and development, innovation and education. The UK Government controls the key taxation levers that affect the oil and gas sector, so it must take the action that is needed to protect businesses and jobs. In Scotland, with the powers that we have, we plan to take a different approach. Our economic strategy will be to maximise our investment in infrastructure and skills, to drive innovation, to boost exports and to promote more inclusive growth wherever we can. We plan a "can do" innovation forum to develop a range of actions as part of a sustained national programme to boost productivity through innovation.

**Liam Kerr (North East Scotland) (Con):** Will the member take an intervention?

**Ash Denham:** I am sorry, but I am in my last half minute.

We will prioritise infrastructure investments—over the next session of Parliament, £20 billion will be invested in a major infrastructure program that is designed to help to build Scotland's future. Our infrastructure plans will support around 30,000 full-time equivalent jobs in the wider economy, with projects the length and breadth of the country, including road, rail and ferries, early-years childcare, schools and health facilities. In my constituency, investment is under way at the Royal infirmary of Edinburgh site, with £230 million going to the new Royal hospital for sick children and the department of clinical neurosciences.

The intellectual case for austerity is bankrupt. It is time for the UK Government to catch up with the thinking on this matter in the rest of Europe.

16:23

**Alex Johnstone (North East Scotland) (Con):**

There are many new faces and new voices in Parliament, and we have heard another of them today. Finlay Carson's first speech in the Parliament was excellent. Surely, we are getting to the end of the list. We will see.

Those of us who are familiar with the Parliament will be well aware of a habit that John Swinney had when he was the economy minister in the previous session. As we all know, over the years since the recession of 2008, Scotland has done rather well and the economic figures have been very encouraging. In some months, Scotland would do better than the rest of the UK; however, in other months, the rest of the UK would do better than Scotland. For the months when Scotland had done better than the rest of the UK, John Swinney would stand up and take credit for that advancement. Meanwhile, the following month, when the figures were the other way round, he would blame the UK Government or George Osborne for all the problems that Scotland faced.

The truth was that Scotland and the rest of the UK were—if perhaps slightly out of kilter—achieving the same things year on year. The problem that we face now is that we are no longer aligned. Scotland and the rest of the UK have begun to diverge; the figures demonstrate that each month as they are published. I suggest that one reason for that is that the Scottish Government has more power to encourage different approaches in the Scottish economy but is enforcing the wrong policies. It is beginning to reap the dividend of that failure.

**Paul Wheelhouse:** Does Alex Johnstone accept that there are areas of policy on which we could say that the UK Government is taking the wrong decisions, such as throwing £35 billion at the nuclear power industry and not backing Scotland's renewables industry?

**Alex Johnstone:** It would perhaps have been beneficial to the Scottish economy if we had been building a nuclear power station here, too. That decision should have been taken some time ago.

Let me address the Government amendment. On a day when the Labour Party has brought a well-reasoned motion to the Parliament, which the Conservatives will support, the Scottish Government made the mistake of lodging an amendment that is overoptimistic. In a week in which the oil price has fallen by 6 per cent—I checked the figures before I stood up to speak—it is irresponsible of the Government to take such an approach. We should be working hard to ensure that we do not repeat the mistakes of the past.

That is why there are a number of things that we must deal with in relation to the oil industry. The

UK Government has taken the action on taxation that it promised to take, but the Scottish Government has not taken the opportunity that it could have taken to ensure that the economy in the north-east, in particular, is resilient enough to stand situations such as we are in now.

Scottish Government decisions on taxation have resulted in further pressure on the north-east housing market. Members who saw the unemployment figures that were made available in the past few days might have been surprised to discover that Aberdeen constituencies still have the lowest unemployment rates anywhere in Scotland, but they must also remember that many people who lose their jobs cannot afford to stay in the north-east once the job has gone, so they leave. We have serious problems with housing, not least because the Scottish Government's land and buildings transaction tax has put enormous pressure on more expensive homes. Members should remember that the existence of more expensive homes in the north-east is a symptom of housing shortage, not a symptom of wealth that the Government thinks that it should tax.

At the same time, failures in provision in the north-east have left our schools with unfilled teaching posts. Many healthcare facilities have unfilled posts, too. The services that are being provided are simply not adequate for the population that we have.

When the Aberdeen city region deal was announced and the shared funding arrangements were published, the Scottish Government scrambled around to find other previously announced projects whose value it could include in the figures so that it could claim that it was putting more money into the north-east than the UK Government is putting. That is why we got commitments on the east coast main line at Montrose and on the grade-separated junction at Laurencekirk, as well as other promises.

However, in the past week, the Scottish Government has told us that those spending commitments will be fulfilled only as part of a 10-year programme.

**Keith Brown:** Will the member give way?

**The Deputy Presiding Officer:** The member must begin to close, please.

**Alex Johnstone:** The Government's promises are not being kept. I want the minister to bring forward the Government's spending commitments on a timescale that aligns with the expectations of the people to whom he made those promises only a few short months ago.

**The Deputy Presiding Officer:** We move to the last speech of the open debate. I would appreciate

brevity, please, Mr MacDonald—you have up to six minutes.

16:29

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** The phrase “Cities standing strong” is one of the opening comments in Ernst & Young’s Scottish ITEM club report. It says:

“Scotland’s three largest cities—Glasgow, Edinburgh and Aberdeen—are crucial to the overall health of the economy ... Accounting for over 35% of total employment and 40% of business services employment”.

I will focus on Edinburgh. The strength of Edinburgh’s economy lies in its well-educated population—more than 42 per cent of working-age residents are educated to degree level or above, which is higher than the figure in any other UK city, outside London. That highly skilled workforce helped Edinburgh to attract 33 major foreign direct investment projects, which ensured that Scotland attracted more such projects than any other part of the UK outside London.

Edinburgh’s strengths lie in its financial services, life sciences, technology and tourism. In its city focus on Edinburgh, the Ernst & Young report highlights the fact that Edinburgh’s financial services remain critical and that growth in employment in Edinburgh is outpacing growth in Scotland and the UK.

The City of Edinburgh Council’s capital facts report highlights the fact that Edinburgh is the UK’s second-largest financial centre and is a major European centre for asset management and asset servicing. More than 90 per cent of all Scottish fund managers are based in the Lothian area.

Edinburgh’s life science research is among the best in the world. World-leading academic researchers combine with cutting-edge companies and science parks that encourage close collaboration. I recently attended an awards ceremony at which Alba Bioscience—a local company that has the good sense to employ my youngest son—was awarded the Queen’s award for enterprise for outstanding achievement in the international trade category.

In the technology and software sector, Edinburgh is home to some of Europe’s leading tech companies, including Skyscanner, Amazon, Microsoft and Rockstar North. That sector’s value has grown by 58 per cent since 2010.

Tourism is also key to Edinburgh’s economic success. Last year, Edinburgh airport had its busiest-ever year, with 11 million passengers. Four million tourists visited the city and injected £1.2 billion into the local economy. Hotel occupancy levels are at nearly 82 per cent, hitting

92 per cent during the festival, and occupancy levels are increasing year on year despite new hotels opening. Revenue per room is also increasing.

The improving employment situation in Edinburgh is resulting in a reduction in people claiming benefits and in an increase in the population of about 100 people per week as people are attracted to the area to gain employment. New businesses are taking advantage of this buoyant part of the economy. More than 1,900 new businesses were recorded over the three months to April 2016, which is a 16 per cent increase on the number of new businesses that started in the same period last year.

The National House Building Council has highlighted the 52 per cent increase in new-build starts for residential dwellings between 2014 and 2015 to house the new workers who are being attracted to Edinburgh. During the construction phases, many jobs and apprenticeships in the traditional trades have been supported.

Last week, I visited the traditional building skills and materials event that was held in St Andrew Square, where apprentices who are based at Edinburgh College demonstrated a range of trades. Of the buildings in our cities, 19 per cent were built more than 100 years ago, and many need repair or renovation. Stonemasons and plasterers are needed, and we must encourage small businesses that work in that sector to take on apprentices if we want to preserve those buildings for future generations.

There is no doubt that the downturn in oil and gas has had an impact on Scotland’s economy. However, as I have highlighted, much of our economy is doing well. That is despite Scotland getting little benefit from the £330 billion that has been paid to the UK Exchequer from oil and gas since 1975. It is maybe about time that we got some of that money back to invest in our country’s future, while we need to support jobs until the oil and gas industry gets back on its feet.

**The Deputy Presiding Officer:** We move to the closing speeches.

16:34

**Alexander Burnett (Aberdeenshire West) (Con):** I would like to declare a registrable interest: I own and manage property, including commercial lettings.

As MSP for Aberdeenshire West, I am well aware of the many challenges that we have heard about today that Scotland’s oil and gas sector has faced in recent months and the impact that they are having on local and national economies. Price

volatility changed the landscape of the sector, as prices fell by 70 per cent and hit a low of \$27. Inevitably, that has led to job losses and decreased investment, particularly in the north-east. On the international level, many oil analysts foresee no significant upswing in crude oil prices without the intervention of the Organization of the Petroleum Exporting Countries, which is an unlikely outcome at this stage.

However, the outlook is not unrelentingly bleak. Britain's oil and gas industry's annual activity survey recently showed output up by nearly 10 per cent, the best exploration hit rate for 10 years and a significant fall in extraction costs. It is a challenge for both the Scottish and UK Governments to ensure that the industry is nurtured through these hard times.

Within the past week, reports by the Bank of Scotland and PricewaterhouseCoopers have shown that significant job losses are still to be expected and that there is a two-year window for action. More positively, the reports found that firms are forming new partnerships, seeking new international opportunities and diversifying into new markets. Both reports show that sustainable growth is on the horizon, and it is encouraging to see the sector progressing.

At Oil & Gas UK's conference yesterday, I met a range of stakeholders. It was clear that the UK Government has made the UK continental shelf the most fiscally competitive region in the world, and I heard from Stephen Halliday, group president at Wood Mackenzie, that the UK now has one of "the best and simplest" tax systems—that was in the speech after the cabinet secretary's, so I am not sure how the cabinet secretary missed it. We have seen great progress in cost reduction, but we still need greater collaboration. I believe that Andy Samuel, the chief executive of the Oil and Gas Authority, is best placed to bring company leaders together.

The industry may acknowledge the fiscal regime as working and the OGA's regulatory regime may be making progress, but there is still a third branch that needs action. With the right support, small and medium-sized enterprises in the supply chain can grow from the 2.5 per cent of global share that they currently enjoy to a more than 10 per cent share of a global market that is worth £100 billion. The sector is more than twice the size of the aerospace industry and would continue beyond the lifecycle of the North Sea. After my maiden speech, Stewart Stevenson said that we would have little overlap, so I am pleased, in only my second contribution, to have found a common cause.

We have already seen an unprecedented level of support for the industry from the Conservative UK Government over its past two budgets. Last

week, I met the chancellor and we discussed Treasury-backed loans. I am pleased to say that he was receptive to calls to expand the UK loan guarantees scheme, which would help secure new investment in oil and gas infrastructure. That, I hope, will satisfy Gillian Martin's calls for conversations with Westminster.

The UK Government has shown its support, but local companies are facing a different challenge. Scotland should not be the highest-taxed part of the UK, and we welcome the Scottish Government's decision to review business rates.

**Keith Brown:** I have heard a number of comments from the Conservatives about cutting taxes. Why are they opposed to cuts in the highest air passenger duty in the world? Would such cuts not benefit the economy, including that in the north-east?

**Alexander Burnett:** I also raised APD with the chancellor, who pointed out that a cut in APD would be insignificant in relation to the overall cost of a flight and is not seen as particularly effective.

Business rates affect businesses all over Scotland, as my colleague Jamie Greene pointed out. He quoted from the Fraser of Allander report, which says that Scotland is "flirting with recession". Regardless of the outcome of the review, we urge the Government to freeze business rates until the recommendations are implemented. Additionally, we remain committed to doubling the business rates incentivisation scheme, so that local authorities are allowed to keep all the additional revenue raised by the tax. As we heard from Finlay Carson in his excellent maiden speech, fine constituencies such as Galloway and West Dumfries have much to gain from the scheme—although I would give a note of caution regarding any zip-wire photo opportunities.

Business rates have been this Scottish Government's cash cow. I have heard of people considering pulling down buildings to avoid business rates that are too punitive. That would mean a return to the days of window and roof taxes, when people destroyed capital assets because they were unable to pay poorly thought-out taxes. Scotland's balance sheet can ill afford that.

With a moratorium preventing onshore gas production, companies cannot invest in the industry's long-term future. Scotland is missing out on a jobs boom and the opportunity to get energy bills down.

We heard from Ivan McKee on the importance of training and from the extremely knowledgeable Lewis Macdonald on the importance of investment in north-east infrastructure. Patrick Harvie was, as always, ideologically honest but somewhat separated from the reality that faces the sector in

the north-east. We also heard from Tavish Scott on the dangers of the industry and the ultimate price that is sometimes tragically paid. John Mason spoke about the sensible recognition of cost reductions. Jenny Marra made an excellent maiden speech that highlighted the importance of decommissioning. [*Interruption.*] My apologies.

We also heard from Ash Denham, Alex Johnstone—

**The Deputy Presiding Officer:** Will you come to a close, please, Mr Burnett, before you say anything else wrong? I am saving you from yourself.

**Alexander Burnett:** Whatever our views, Scotland's economy and the oil and gas sector in particular face challenges, whether that is attracting investment, maintaining staff numbers or adapting to a slump in prices. I urge the Scottish Government to do all that it can to support and sustain that important sector, and I support the amendment in Murdo Fraser's name.

16:34

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** There has been a lot more consensus in the debate than we might have expected. Of course, there were points of disagreement, but it has generally been consensual and constructive.

I highlight Finlay Carson's inaugural speech. I do not know whether he plagiarised various tourist brochures—I am sure that he did not—but the tourism organisations in his constituency will be keen on the first part of his speech because of the glowing terms in which he described it.

The points that other Conservatives—Murdo Fraser and Alexander Burnett—made should be responded to.

First, we have been calling for loan guarantees for some time. It is good to see the Conservatives catching up at last with how important loan guarantees might be to the oil and gas industry. If they had talked to the industry previously, they would have understood their importance to maintaining and improving the infrastructure and vitality of some of the smaller and medium-sized players. It is not enough to mention the measure in a budget and then forget it for months; there has to be pace behind it. The industry will tell that to the Conservatives if they speak to it, so let us stop talking about it and crack on and do it.

If Alexander Burnett went to Aberdeen airport and said that a cut in APD would have a negligible effect on its operations, I would be interested to see what response he would get. There is no question but that APD needs to be cut. It is now the highest tax of its type in the world. It is not an

environmental tax—I think that everyone is past that pretence by now—and a cut is vital to economic recovery. It stuns me that the Conservatives do not want to support that.

**Alexander Burnett:** If Aberdeen airport is that concerned about small changes in prices, should it consider its car parking duties?

**Keith Brown:** I have had no representations from the airport on its car parking duties. I have had many representations on the beneficial effects of a cut in APD.

On Alex Johnstone's point about the north-east, I heard from the Conservatives the claim that the £250 million that is going to the city deal is from the UK Government—in fact, I think that the member who made the claim is in the chamber. That is utterly false. It is not £250 million from the UK Government; it is £125 million from the Scottish Government and £125 million from the UK Government. We asked the UK Government to make it a bigger city deal but it refused to do that, so we announced a further £254 million of investment.

**Alex Johnstone:** Will the cabinet secretary give way?

**Keith Brown:** Let me finish the point first.

Alex Johnstone implies that that was a change to what we said. We said when we announced that investment that it would have the same lifetime as the city deal. It is a 10-year deal, but that does not necessarily mean that the investment will take 10 years. I said that it is important to recognise that the Laurencekirk overpass project may include a public inquiry and that nobody can predict how long that would take.

**Alex Johnstone:** Is it not the case that the money is not invested until the Government has found and spent it? At the moment, we do not know when that will happen.

**Keith Brown:** We have made the commitment to the Laurencekirk project and to the Montrose junction. We have to go through the statutory processes before we can build them. If I was to say that we would do it in two years, I would be accused of not allowing the public to have their full say on those developments. Of course we have to do that.

In relation to the point that Tavish Scott made, I regret that the Liberal Democrat amendment was not accepted for debate. It makes some very important points, especially about decommissioning. It makes them much more constructively than the rant that we heard from Jenny Marra about the Scottish Government. Had the amendment from the Lib Dems come forward, I would have been happy to support it.

It is very important to say that decommissioning represents a huge opportunity. Tavish Scott's point about making sure that we maximise what we can get from decommissioning is very important. It cannot be premature. From the discussions that Paul Wheelhouse and I have had with the trade unions, I know that they are very keen on it as well. There is a huge dividend, not least because of the obligations on the original licence holders in the North Sea to pay for decommissioning. A lot of money will go into it. It will be a huge benefit, and Tavish Scott is quite right to say that we should make sure that we access it.

In relation to Jackie Baillie, it was the tortured expression on her face when I asked her to welcome the 11,000 people who had found jobs in the last month that said it all. It is important that we take a balanced approach. I have acknowledged the challenges that we have at every point—and members can ask the people in the industry I have spoken to. I accept the figures that have been mentioned in the various reports. I accept that there are challenges both in relation to the oil and gas industry and to the wider economy. However, it is also my responsibility to point out where things are going well.

**Jackie Baillie:** It might have escaped the cabinet secretary's attention, but I welcomed much of the Scottish Government's activity. We are faced with a report today that says that Scotland's economy is on the brink of recession. Simply listing past achievements does not do anything to resolve that problem.

**Keith Brown:** I take from that intervention that Jackie Baillie is unhappy about the 11,000 people who got jobs in the course of the past month.

The tenor of Jackie Baillie's speech was to point out everything negative that she could. We have to accept that there are challenges, but we undermine rather than enhance our economic prospects if we do not acknowledge and tackle not only the challenges but also the things that we are doing right that we want to do more of. That is self-evident.

We must not lose sight of the fact that the economy is built on strong foundations. There has been nearly 2 per cent growth in the past year. The same reports that have been mentioned predict growth for this year, next year and the year afterwards. There is no question but that we are in difficult times, but we have had a record year for inward investment—not something that Jackie Baillie felt able to welcome. The performance of inward investment was startling, not only for projects built on previous ones but also for new projects. There were 119 new projects, a record for Scotland. There were some real, genuine achievements in relation to that.

There were also a record number of registered companies in Scotland, which was a fantastic achievement. Youth unemployment, which was mentioned by a couple of members, is at over 13 per cent and there are real challenges there, but that is one of the lowest rates in the whole of Europe.

Cloudwick Technologies, a US technology company, announced last week that it was planning to establish its European headquarters in Glasgow. It plans to create 125 jobs in the city. We have heard from Paul Wheelhouse about the announcement today in Nigg Bay. We have also had the BP announcement about 500, albeit temporary, new jobs. The point was made—I think by Alexander Burnett—that productivity is at its highest for 50 years.

**Jenny Marra** *rose*—

**Keith Brown:** I have given way a number of times already.

We have had that productivity bonus and the recovery in price, such as it is, from \$27 to \$50 a barrel. As was pointed out, I think by Gillian Martin, the price had previously gone down to \$14 a barrel, so we have seen an improvement. We all know how price sensitive the industry is.

We believe that we have done a number of key things that are right. We should never say that that is all that we can do. We have to listen, and I will listen to the points that Jackie Baillie made, not in her motion but in her subsequent press release, not least in relation to the proposal for further support for infrastructure in the north-east. We have also considered that, and we are happy to work with others to make sure that the UK Government does those things as quickly as it should.

We have to build on the success and address the challenges that we have. As we raised in the previous debate, we must deliver our labour market strategy and focus on skills. The point was made by Gillian Martin that, although some of the jobs have been lost, the skills have been kept in the local economy. Some of those skills have gone elsewhere but they are still within the industry, which is very important for the upturn.

Growing our economy is obviously vital for increasing living standards and in turn—this is now very important for the Parliament—for generating tax revenues that can be reinvested in the economy, our infrastructure and our public services. Those links are more important than ever, in view of the new powers over taxation that have been devolved to the Parliament.

There are challenges, but there are also things that we are doing extremely well and we have to keep that balance. This Government will ensure

that growing the economy and promoting inclusive growth remains central to all we do. I ask for support for the amendment in my name.

16:50

**Richard Leonard (Central Scotland) (Lab):** In the front room of the National Union of Rail, Maritime and Transport Workers office in Crown Street in Aberdeen is a model, built by craftspeople—by metal workers—of the Piper Alpha platform. It serves as a reminder that, however we divide at the end of the debate, we must all unite around a singular determination that never again will such a compromise to health and safety happen, resulting in such a tragic loss of human life, which is still being felt by widows, orphans and survivors across the country. Never again.

There have been some excellent speeches and there has been a degree of consensus on a shared agenda. In particular, I pay tribute to Finlay Carson, who was making his first speech.

When we are discussing oil and gas, we are discussing a natural and a national asset: a common treasury, which incidentally should never have been left entirely in the hands of private corporations whose fiduciary duty—whose first duty—is to make profits, pure and simple.

As speech after speech has shown, the debate is not simply about the oil and gas industry; it is about the very future of the Scottish economy. That is why we lodged the motion.

If this Parliament is to speak for the people, which I believe it must, it must be a voice for the voiceless, including those oil and gas workers living in fear of the future. If this Parliament is to speak for the people on the big economic issues of the day such as rising unemployment, the political choice of austerity—to Ash Denham, I say that that is a choice that is being made here as well as in Whitehall—and inequality, including the unequal distribution of power in our economy, we need as a Parliament to listen to the oil and gas industry and to the oil and gas industry trade unions. Frankly, we do not need the air of complacency around the Government's stance this afternoon.

We must consider the scale and speed of the job cuts in this one sector of our industrial base alone—84,000 jobs were lost in 2015 and 40,000 more are to go this year. As we have heard, 50,000 of those jobs are in Scotland and yet the Government says that we should take an interest in innovation prizes and business pledges. One of my colleagues checked into that and found that, out of more than 300,000 registered businesses in Scotland, only 272 have signed the business pledge.

Exploration is at its lowest level for 45 years, with just 13 exploration wells this year and between six and 10 being forecast for next year. We should listen to Deirdre Michie, the head of Oil & Gas UK, who warned just last week:

“We are an industry at the edge of a chasm.”

If we have a duty as a Parliament to listen to the evidence, we also have a duty placed upon us to speak up and to act. If something is not working as it should, such as the transition training fund, it is the duty of this Parliament to say so. If the energy jobs task force is not yet preventing any redundancies and is not yet creating any new jobs in transferable sectors such as offshore renewable energy or oil rig decommissioning and it does not appear to be successful in its mission

“to retain and grow the talents and skills in the industry”,

it is the duty of this Parliament to say so.

Let us compare the situation here with the Norwegian sector, which has the distinct advantage—the major advantage—of common ownership in the operation of its oil fields. If the Norwegian sector is able to deliver collaboration, a degree of co-operation and standardised technology to cut costs, why cannot we do it here?

Despite the best efforts of the energy jobs task force, offshore operators are instructing offshore contractors to slash the terms and conditions of employment by 25 per cent to cut their costs and keep their profits up. We need to say as a Parliament that enough is enough.

The ordinary men and women who are oil and gas workers—the drillers, engineering construction workers, caterers, service hands and maritime crews—are saying to us in the Parliament that they want the right to work, and they want the right to work in place of fear. That is what is important to us, and that is why we say to the cabinet secretary that we need a new approach.

When I met the oil unions in Aberdeen this week, I heard that their members are facing an added injustice. The unions said to me that many offshore oil and gas workers have not been made redundant but have been reclassified as ad hoc workers. Some of them are termed long-term ad hoc workers, which is another way of saying zero-hours contract workers. We also know that there is much bogus self-employment in the industry, onshore and offshore, so many workers who should be entitled to basic redundancy payments are not even receiving them.

I turn to decommissioning. Of course where there is genuine exhaustion, wells should be closed and rigs decommissioned. Shell is already doing that in the Alpha, Bravo and Delta fields, with OGA authorisation. The Delta field is already completely decommissioned and, as we debate

the motion, workers on board Alpha and Bravo platforms are working towards their complete decommissioning. However, we want decommissioning to be carried out in a planned way in facilities that are based here and by workers who are based here and not overseas. We need to consider seriously Jenny Marra's suggestion that that should be in Dundee.

A second point on decommissioning is that we fear that wells will be closed and assets written off prematurely because extraction is deemed to be uneconomic—in inverted commas—by the operators. There are 20 billion barrels of oil equivalent still to be recovered, and those are common assets that should not be written off.

We need a renewed determination in the Parliament to say to those working people and to the communities of the north-east of Scotland that we are on their side, that now more than ever we want to invest in their future, and that they have a future. No one claims that the Scottish Government can single-handedly save the industry, but we at least expect it to have an ambitious but credible strategy for retaining jobs and skills, a strategy for skills and technology transfer and a decommissioning strategy, in co-operation with the OGA.

I will give one example of what I mean. My understanding is that the contracts to supply jackets for SSE's Beatrice offshore wind farm project have been placed just this week. I was delighted to learn that the contracts to construct 26 jackets have been awarded to Burntisland Fabrications in Fife, but I am outraged that twice as many as that have been placed in yards overseas. That simply is not good enough. This afternoon, we call on the Scottish Government to take up that matter urgently.

We want to anchor the oil and gas supply chain in the north-east, and we want to support diversification through proper planning and intervention by Government so that we join together an industrial strategy for decommissioning rigs and fields with new investment in subsea offshore renewable energy and so that we make full use of our existing skills, technology and engineering base.

This afternoon, let us give people hope for the future—that is what the Parliament should be about—that we will not relinquish control to market forces and that, although we are talking about a part of the economy where there are powerful global corporate forces at work, there can be powerful democratic forces at work, too. I hope that we can at least unite around that idea and act to restore the confidence of people in politics.

## Point of Order

16:59

**Jackie Baillie (Dumbarton) (Lab):** On a point of order, Presiding Officer. The Cabinet Secretary for Economy, Jobs and Fair Work Keith Brown yesterday answered parliamentary question S5W-00367 and stated that 2,500 individuals and 100 employers were helped by the energy jobs task force. His amendment to the motion for today's debate, lodged about one hour later, said that it was 8,800 individuals and 100 employers. Now, in response to question S5W-00369, answered by Jamie Hepburn today, the number is back to 2,500.

I ask that the cabinet secretary is invited to reflect on that discrepancy and come back to Parliament to correct the record.

**The Presiding Officer (Ken Macintosh):** I thank Ms Baillie for the notification of the point of order. I do not believe that it is a point of order, but the cabinet minister will have heard your point and will be in a position to reflect on it if he chooses to do so.



## Business Motion

17:00

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of business motion S5M-00465, in the name of Joe FitzPatrick.

*Motion moved,*

That the Parliament agrees the following programme of business—

Tuesday 28 June 2016

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* First Minister Statement: EU Referendum

*followed by* Scottish Government Debate: BBC Charter Developments

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 29 June 2016

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Communities, Social Security and Equalities

*followed by* Ministerial Statement: A Delivery Plan for Excellence and Equity in Education

*followed by* Ministerial Statement: Provisional Outturn 2015-16

*followed by* Scottish Government Debate: Gender and the Workplace

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 30 June 2016

10.45 am Parliamentary Bureau Motions

10.45 am Members' Business

11.40 am General Questions

12.00 pm First Minister's Questions—[*Joe FitzPatrick.*]

*Motion agreed to.*

## Parliamentary Bureau Motion

17:00

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of Parliamentary Bureau motion S5M-00466, in the name of Joe FitzPatrick.

*Motion moved,*

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, committees of the Parliament can meet, if necessary, at the same time as a meeting of the Parliament from 10.45am to 11.40am on 30 June 2016.—[*Joe FitzPatrick*]

**The Presiding Officer:** The question on the motion will be put at decision time, to which we now come.

## Decision Time

17:01

**The Presiding Officer (Ken Macintosh):** I will first call all the votes from yesterday, Tuesday 14 June. I will then call the votes from today's business. There are seven questions to be put today.

With regard to the debate on the contribution of colleges and universities to Scotland's success, on Tuesday 14 June, I remind members that if the amendment in the name of Liz Smith is agreed to, the amendment in the name of Iain Gray falls. The first question is, that amendment S5M-00431.1, in the name of Liz Smith, which seeks to amend motion S5M-00431, in the name of Shirley-Anne Somerville, on the contribution of colleges and universities to Scotland's success, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Balfour, Jeremy (Lothian) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)

Scott, Tavish (Shetland Islands) (LD)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division is: For 29, Against 95, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S5M-00431.2, in the name of Iain Gray, which seeks to amend motion S5M-00431, in the name of Shirley-Anne Somerville, on the contribution of colleges and universities to Scotland's success, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 McNeill, Pauline (Glasgow) (Lab)  
 Rennie, Willie (North East Fife) (LD)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Wightman, Andy (Lothian) (Green)

#### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Balfour, Jeremy (Lothian) (Con)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Briggs, Miles (Lothian) (Con)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Corry, Maurice (West Scotland) (Con)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Golden, Maurice (West Scotland) (Con)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Greene, Jamie (West Scotland) (Con)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harper, Emma (South Scotland) (SNP)  
 Harris, Alison (Central Scotland) (Con)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Ross, Douglas (Highlands and Islands) (Con)

Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thomson, Ross (North East Scotland) (Con)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Tomkins, Adam (Glasgow) (Con)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wells, Annie (Glasgow) (Con)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Whittle, Brian (South Scotland) (Con)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division is: For 33, Against 91, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S5M-00431, in the name of Shirley-Anne Somerville, on the contribution of colleges and universities to Scotland's success, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)

Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**Against**

Balfour, Jeremy (Lothian) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)

Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 95, Against 29, Abstentions 0.

*Motion agreed to,*

That the Parliament welcomes the central contribution of colleges and universities to Scotland's success; recognises that the provision of high quality learning is the bedrock of a fair and economically successful country; further recognises the wider contribution of colleges and universities to growing the economy through developing a skilled workforce and supporting business formation, growth, innovation and the translation of world-class research into social and economic good; agrees that the Scottish Government should implement the recommendations of the Commission on Widening Access; further agrees that student support for both further and higher education students should be reviewed; reaffirms the Scottish Government's commitment to free tuition as the basis for ensuring that education is based on the ability to learn, not the ability to pay, and believes that all Scotland's young people should have access to a rich variety of high quality learning and training opportunities that prepare them for life and work.

**The Presiding Officer:** We now turn to questions arising from today's business. I remind members that there is a pre-emption in that if the amendment in the name of Keith Brown is agreed to, the amendment in the name of Murdo Fraser will fall.

The next question is, that amendment S5M-00448.3, in the name of Keith Brown, which seeks to amend motion S5M-00448, in the name of Jackie Baillie, on the economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harper, Emma (South Scotland) (SNP)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rumbles, Mike (North East Scotland) (LD)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Scott, Tavish (Shetland Islands) (LD)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**Against**

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Balfour, Jeremy (Lothian) (Con)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Harvie, Patrick (Glasgow) (Green)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, Johann (Glasgow) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lindhurst, Gordon (Lothian) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)  
 Wightman, Andy (Lothian) (Green)

**The Presiding Officer:** The result of the division is: For 66, Against 58, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The amendment in the name of Murdo Fraser therefore falls.

The next question is, that motion S5M-00448, in the name of Jackie Baillie, as amended, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Evans, Mairi (Angus North and Mearns) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harper, Emma (South Scotland) (SNP)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rumbles, Mike (North East Scotland) (LD)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Scott, Tavish (Shetland Islands) (LD)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)

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

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Balfour, Jeremy (Lothian) (Con)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Hamilton, Rachael (South Scotland) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Harvie, Patrick (Glasgow) (Green)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, Johann (Glasgow) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lindhurst, Gordon (Lothian) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)  
 Thomson, Ross (North East Scotland) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)  
 Wightman, Andy (Lothian) (Green)

**The Presiding Officer:** The result of the division is: For 66, Against 58, Abstentions 0.

*Motion, as amended, agreed to.*

That the Parliament notes recent publications, including the EY Scottish ITEM Club, which recognises that the Scottish economy, and the oil and gas sector in particular, is facing many external challenges though will continue to grow this year, despite the impact of lower oil prices on the

oil and gas sector, which has revised up its growth forecast for 2017, as the negative impact of the oil price fades and the pace of expansion picks up; acknowledges the EY Attractiveness Survey, which showed that Scotland attracted more foreign direct investment projects than any part of the UK outside London last year and has "been resilient in managing to weather the oil and gas price volatility storm whilst also being able to flourish in other sectors"; recognises the measures that the Scottish Government is taking to support workers and companies affected by falling oil prices and the wider slowdown in the global economy, including the Energy Jobs Taskforce, which has supported 8,800 individuals and over 100 employers to help those affected move forward into new employment, training or education; recognises that the Bank of Scotland oil and gas sector report provides clear evidence that there are still opportunities in the North Sea, and finds that more than half of companies believe that the UK Government must bring forward further support for exploration activity.

**The Presiding Officer:** The next question is, that motion S4M-00466, in the name of Joe FitzPatrick, on committee meetings, be agreed.

*Motion agreed to,*

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, committees of the Parliament can meet, if necessary, at the same time as a meeting of the Parliament from 10.45am to 11.40am on 30 June 2016.

## Trade Union Membership

**The Deputy Presiding Officer (Christine Grahame):** The final item of business today is a members' business debate on motion S5M-00246, in the name of Clare Haughey, on the increase in trade union membership in Scotland. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament welcomes new figures showing that trade union membership in Scotland grew by 42,000 between 2014 and 2015; understands that Scotland was the only nation in the UK to see a proportional increase in trade union membership in this time period; considers that trade unions play an invaluable role in Scottish society, which should never be allowed to be diminished, and notes calls for workers in Rutherglen and across Scotland to ensure that they play their role in continuing the fight for workers' rights by joining a trade union.

17:08

**Clare Haughey (Rutherglen) (SNP):** As an active trade unionist and formerly a divisional convener with Unison, it is particularly satisfying for me to open tonight's debate to welcome the recent increase in trade union membership in Scotland.

The trade union movement has a proud history of protecting workers' rights that was born of a desire to combat exploitation and ensure a fair day's pay for a fair day's work. The rapid growth in mass industrial workplaces in the nineteenth century provided great wealth to those who sought to develop the new industries of the industrial revolution—be it textiles, iron, coal or steel—and the onset of mass manufacturing.

Those new industries were labour intensive and, being based mostly in larger towns and cities, drew much of their labour from a changing agricultural population. All over Europe and Britain people were moving. Towns and cities were growing and goods were being manufactured to feed the expansion of empires.

However, although great wealth was being created for some, life was often cheap. Poor working conditions prevailed and injury and death in factories and mines were commonplace. Who could forget accidents on the scale of the Blantyre explosion in 1877 in my constituency, when at least 215 men and boys perished? Indeed, the scale and frequency of mining and other industrial accidents across Scotland and Britain during that era was horrific.

It was from that background of poor pay, poor conditions and disregard for the value of workers' lives that the first workers co-operatives and unions grew. However, every stage of the trade union movement's development was to prove to

be a struggle. As the number of trade-based unions grew—supporting members who could exercise their right to withdraw their labour for fair treatment—so gradually pay, terms and conditions improved.

The legacy of those hard-won benefits remains with us. Trade unions and collective bargaining have given us many of the benefits that are now so often taken for granted: a standard working day with paid breaks; the minimum wage; pay for overtime; paid holidays and public holidays; sick pay; paid maternity and, recently, paid paternity leave; the right to withdraw one's labour when in dispute; and the right to representation.

**Neil Findlay (Lothian) (Lab):** Will the member take an intervention?

**Clare Haughey:** I will, if Neil Findlay will let me carry on a wee bit longer.

One of the greatest achievements of the trade union movement was ensuring the basic right of a safe place to work. Health and safety at work legislation would not be as rigorous as it is today without the work and sacrifice of trade union members over the past 130 years. Of course, terrible accidents can still occur; I ask Parliament to be mindful of the approaching 28th anniversary of the Piper Alpha disaster on 6 July.

**Neil Findlay:** The member listed a range of benefits that have been introduced as a result of pressure from the trade unions. Will she take the opportunity to congratulate the Labour Governments that introduced almost all those things?

**Clare Haughey:** I think that I will move on from that point.

At its peak in 1979, trade union membership in the United Kingdom stood in excess of 13 million—double the current figure. Of course, the industrial landscape has changed and, sadly, the traditional industries that I mentioned have declined—a decline that was outrageously mismanaged by the Thatcher Government in the 1980s, with the underlying objective of undermining the trade union movement.

The shift to a more service-based economy has given us new high-turnover workplaces. There are also challenges there, with the increase in part-time work and zero-hours contracts. Those modern workplaces are more difficult to organise in and are notoriously resistant to trade union recognition. Nonetheless, employees in those workplaces benefit from the entitlements that were won by historical trade union pressure.

Although overall trade union membership is down significantly since 1979, it is pleasing to see the recent increase—in particular, in Scotland. The recently published statistical bulletin on trade



union membership from the UK Department for Business, Innovation and Skills shows a rise of 42,000 members in Scotland, from 688,000 to 730,000—just over 6 per cent—between 2014 and 2015. There are some interesting and welcome points among the bulletin's key findings: that women are now more likely to be trade union members than men; that, in the teeth of Tory cuts, public sector membership is up; that private sector membership has increased for the fifth successive year; that trade union presence in the workplace is higher in Scotland than in the UK as a whole; and that employees in Scotland and Wales are more likely than workers in England to be trade union members.

There are, however, some points of concern: that older workers account for a higher proportion of members, with 39 per cent of membership over the age of 50; that full-time employees are more likely to be members than part-time ones; and that middle-income earners are more likely to be members than lower paid earners.

Trade union membership in post-industrial Scotland is as relevant and beneficial today as it was in the past. However, all the achievements that I have listed are now under threat from the current Tory UK Government's Trade Union Bill, which I am proud to say this SNP Government, and our SNP members of Parliament in Westminster, with the support of this Parliament and the Scottish Trades Union Congress, have pledged to resist. That totally unnecessary proposed legislation is a threat to the fundamental rights of workers and threatens to undermine Scotland's approach to industrial relations. There is no evidence to support the need for the legislation. The UK Government has made no attempt to consider the impact of the legislation in Scotland and, in particular, on our public services.

Although the Tories have been forced into various concessions as the bill has progressed, due to strong opposition from SNP MPs and the Scottish Government, it is still a regressive and vindictive proposed legislation that will undermine the positive employer-employee relationships that we currently enjoy in Scotland.

The achievements of the trade unions are also endangered by the threat of a leave vote in next week's European Union referendum. Many employment benefits that we currently enjoy are enhanced and underpinned by EU legislation. I therefore urge trade union members across Scotland and the UK to vote to remain in order to ensure that those benefits are not eroded by the current Tory Government and future Tory Governments.

I am proud of the relationship that the Scottish Government has fostered with the unions and the STUC to ensure that we deliver a fairer deal for

workers in Scotland. Unlike the Tories in Westminster, the Scottish Government does not see trade unions as the opposition or the enemy; rather, it sees them as our partners in delivering a fair work agenda.

Scotland's proud trade union heritage is no longer the preserve of any one party; it belongs to all of us, regardless of the sector or the demographic. The benefits of trade union membership have helped to lay the foundations for us to work together to take Scotland forward, and we should encourage employees in all workplaces—especially younger employees—to join a union.

Strong and constructive trade unions are an essential element of a successful nation. They play a vital role in protecting workers' rights, fighting for fair pay and building a better society. That is why I very much welcome the increasing trend in trade union membership.

**Elaine Smith (Central Scotland) (Lab):** On a point of order, Presiding Officer. Can you clarify whether the Parliament is in purdah for the EU referendum?

**The Deputy Presiding Officer:** I will reflect on what was said during that speech and come back to you on that. Yes—we are in purdah, but I did not notice anything in the speech that breached that. However, I will reflect on it with the other Presiding Officers.

17:16

**Jackie Baillie (Dumbarton) (Lab):** I congratulate Clare Haughey on securing this debate on trade union membership.

I declare my interest as a member of the GMB and Unison.

I am, of course, whole-heartedly in favour of trade unions and the important role that they play in advancing rights in the workplace, and in delivering social and economic change across the country. They contribute hugely to the wellbeing of our country in defending the rights of individuals, collective bargaining for workplaces, influencing civic society and, indeed, influencing Government policy and action. I am therefore pleased that trade union membership has increased by 42,000 in Scotland, which takes the total up to 730,000. We have noted similar increases in the east midlands and the west midlands, as well as in the south-east of England.

Unions are as important now as they ever were, and people join them for a myriad of reasons. A person is likely to be paid 8 per cent more if they are in a union than if they are not for a comparable job, and a person is twice as likely to be low paid if they are not in a trade union. The job security of a

person in a trade union is better—non-union firms are two and a half times as likely to sack workers—and they get fair treatment and representation should things go wrong.

Although their primary focus is on their members and their workplaces, of course, unions are about much more than that. Yes—they are a voice at the workplace, but they are also about improving lives for families, their communities and the country. Trade unions make a difference in every part of life, and they are at their best when they campaign for economic and social justice. We need only look at the better than zero campaign, which has been organised by young trade unionists and supported by the STUC, to see the truth in that. Those young trade unionists are taking on the issues of insecure work and low pay for young people across Scotland, and I commend their work to Parliament.

We cannot forget the role that trade unions played in shaping the Parliament through the constitutional convention, of course. We are grateful to them for that, too.

I want to pick up on two issues that were raised in the STUC's comment about our debate. It is right to challenge us to do more than simply offer warm words. There are issues with procurement. Time after time, the Scottish Government rejected Labour amendments to the Procurement Reform (Scotland) Bill about issues including companies that blacklisted employees, paying the living wage, equal pay and more besides. [*Interruption.*] There was an opportunity to make a practical difference to workers across Scotland who are engaged in delivering £10 billion of public contracts each year. I regret to say that that was an opportunity missed.

The STUC also points to employers that actively prevent trade unions from recruiting. Surely we should not be awarding huge public sector contracts to companies that are anti-union, so I would be grateful if the minister would take that away for consideration. I should also say that I regret the mutterings from some of his colleagues behind him.

Finally, I am aware of the restrictions on members commenting on the EU referendum, but I simply want to make this observation: trade unions working across Europe have, with member Governments, fought for and secured a package of workplace rights—maternity rights, paternity rights, rights for part-time workers and much more besides—that have improved conditions across Europe. Let us remember that when we consider what to do on 23 June.

Presiding Officer, I must apologise to you and Parliament for leaving early—I have to chair a cross-party group meeting—but I want to finish by again congratulating Clare Haughey on bringing

the debate to Parliament. Unlike her, however, I want to pay tribute to successive Labour Governments that have in the past, in partnership with trade unions, delivered rights for workers across the country, and will do so in the future.

17:20

**David Torrance (Kirkcaldy) (SNP):** I thank Clare Haughey for lodging the motion, which welcomes an increase in trade union membership in Scotland and supports its continued growth.

Throughout history, trade unions have played an important part in employee rights and have successfully adapted to immense political and social changes. For decades, trade unions have served as arenas for open communication and bargaining to promote development not only in the economic sphere, through industrial organisation and wage negotiation, but in the social sphere, through the promotion of workers' rights and responsibilities.

I congratulate trade unions on the immense progress that they have made in recent years on achieving a significant increase in membership from 688,000 in 2014 to 730,000 in 2015. I also recognise that the salaries of trade union members are 14 per cent higher than those of non-members, and I encourage the continuation of that progress, despite the economic hardships that Scotland may face.

Most of my working life has been spent in manufacturing as an engineer, so it was only natural that I became a member of the GMB. Many of the changes in working practices and conditions in the sector over the past 20 years can be attributed to constant pressure from the trade unions, especially the GMB. Indeed, in my last 10 years in manufacturing, I had the privilege of being a shop steward in the GMB—and I have to say that the ability to assist and help my fellow members made it one of my most rewarding experiences.

There is a lot at stake for trade union members on 23 June. I commend the European Union's support for workers in initiating legislation that has enhanced employment protection, especially for part-time, temporary and migrant workers. I cannot stress enough that, as migration has increased, unemployment in Scotland has decreased. The EU has played a crucial role in implementing legislation on paid annual holidays, improved health and safety protection, the right to unpaid parental leave and the right to equal treatment to protect working people from exploitation and discrimination. The future of workers in the UK lies partly in the positive developments in EU employment law, and I encourage UK trade unions to continue to work hand in hand with their

European partners and to build alliances to advance their social and political objectives.

We also need to take economic consequences into consideration. EU membership ensures access to the European Court of Justice and other human rights institutions. Without its protection, the security of workers' rights for thousands of UK citizens could be eroded.

Although we live in a society that has more working women, those women are more likely to be paid less and often do not have a guarantee of job security. As a result, I praise trade unions' recognition of the extremely important part that women play through ensuring that they have not only equal opportunity in the workplace but access to work itself. Women now make up the majority of trade union membership, and the gap between male and female employment is at its lowest ever, especially in comparison with the rest of the UK.

I also commend the offshore unions Unite, the RMT, the GMB and Nautilus International for creating the offshore co-ordinating group as a quick response to the collapse in oil prices that has happened since 2014. Although that collapse has had devastating consequences for the oil and gas workforce, the OCG has, since its establishment, been extremely successful in co-ordinating campaigns in relation to safety conditions, policy development and job security to ensure that trade unions make a positive contribution to achieving the objective of the UK and Scottish Governments to maximise economic recovery.

I again thank Clare Haughey for securing the debate. The voice of trade unions should not be ignored, and I encourage the Scottish and UK Governments, employers, regulators and agencies to listen. The existence of strong trade unions is vital to society in stimulating communication between workers and management, in providing advice and support to avoid major conflict and—most of all—in representing employees who do not, as individuals, have a voice.

17:25

**Liam Kerr (North East Scotland) (Con):** I, too, thank Clare Haughey for lodging the motion. I am sure that she will forgive me for focusing on supporting the motion rather than dealing with the wider debate on the UK proposals.

I appreciate that it might make Clare Haughey feel rather uncomfortable to hear that the Scottish Conservatives support her motion on trade union membership. My reasons for supporting it are a response to misconceptions that exist about the political leanings and endgames of the union movement and the Scottish Conservatives.

The commonly held caricature of trade unionists is not one that I recognise, nor is it one that I have really seen in my extensive dealings with them in more than a decade of practising employment law in the oil and gas sector. I do not accept that most people join a union because they are particularly political or of the hard left. On the contrary, I agree that the union movement is built on and was built by the workers—hard-working people who believed and still believe that there must be a floor of job security and workers' rights as a counterbalance to the unfettered ability of an employer to source labour at the lowest price.

The modern union movement is about so much more than that. As well as campaigning for workers' rights, it plays a vital role in defending health and safety in the workplace; ensuring vital representation for employees at disciplinary and grievance hearings; training its members to be more productive and better at what they do; and providing advice on everything from safety to pensions and continuous professional development. The training that the union movement provides is considerable, and I can say from personal experience that some, if not most, of my most formidable and impressive opponents down the years have been the regional organisers.

Let us not forget that the motion talks of union membership increasing in specific areas. In 2015, 55 per cent of union members were women, compared with 45 per cent some 20 years ago; the proportion of union members aged over 50 is increasing; and around 30 per cent of union members are professionals. As always, those who have the least voice are being given one by the union movement, and that is something that we can all celebrate.

Representing hard-working people, encouraging trade, creating opportunities and enabling people to work together in communities and groups to represent themselves and to give others a voice are Scottish Conservative values. It was Mrs Thatcher who cut the basic rate of tax from 33 per cent to 25 per cent to ensure that all workers could keep a higher proportion of their wages. It was today's Conservative Party, with its long-term economic plan, that has brought in the national living wage, which will be subject to a mandatory rise and will reach more than £9 per hour. It was today's Conservative Party that has lifted those who earn less than £11,000 a year out of income tax altogether—

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

**Liam Kerr:** Not when I have only four minutes.

The Conservative Party has done all that while increasing childcare provision south of the border, encouraging a renewed focus on apprenticeships

and slashing unemployment to its lowest level ever.

There are many who claim the union movement as a Labour creation, but people often forget that it was the original one-nation Tory, Benjamin Disraeli, who initially gave workers the right to sue companies if they broke employment contracts and who allowed picketing. It was he who so memorably said:

“Power has only one duty—to secure the social welfare of the people.”

Mrs Thatcher herself held her first political office with Conservative trade unionists, and she created 250 branches across the country. In Scotland, it was the Scottish Conservatives who, in 2015, called for the Scottish Government to use the business rates system to incentivise firms who were prepared to pay a living wage.

Therefore, we support Clare Haughey’s motion. The Scottish Conservatives welcome the increase in union membership, we agree that the trade unions play and have played an invaluable role in Scottish society, and we look forward to them continuing to do so.

17:29

**Richard Leonard (Central Scotland) (Lab):** I, too, congratulate Clare Haughey for placing the motion before us. She is a member of the SNP and a Unison activist. I am a member of the GMB union, Unite the union and, of course, the Labour Party.

In light of Clare Haughey’s comments, I reflected on the fact that, when I first joined the Transport and General Workers Union in 1985, the Tory MP Peter Bottomley was often in the union’s publicity, reminding us that it was possible to be a Tory and a trade union member, even during the Thatcher era—although I say to Liam Kerr that I am not quite sure that the workers at GCHQ or the National Union of Mineworkers would recognise his description of Margaret Thatcher as trade union friendly.

I recall that Walter Osborne—a Liberal Party member—took his union, the Amalgamated Society of Railway Servants, to court. That led to the infamous Osborne judgment by the House of Lords in 1909, which gagged the trade union movement for three years; it also led James Keir Hardie to reflect that, with the trade unions gagged,

“one class can make the law, the other cannot.”

Anyone who believes that trade unions do not need a political voice needs to look at the Trade Union Act 2016. Politics is a legitimate concern of trade unions because places such as this Parliament determine the social and economic

framework in which unions function. The 2016 act is a shadow of its original form but still carries with it profound questions, such as whether it is right for the Government of the day to deploy the whole apparatus of the state—the UK Parliament, the judiciary and the courts, a certification officer with new powers of inspection, and even the police—to wage an attack on working people’s ability to organise both to defend themselves and to advance their interests. For the avoidance of doubt, the legislation is not anti-Scottish; it is anti-working class. That is why I hold the view that we should stop separating people on the basis of nationality and start uniting them on the basis of class.

The imposition of a 50 per cent turnout rule and an additional 40 per cent support requirement for workers in health, education, fire, transport, nuclear decommissioning and border security stays, too. That is not a matter of trade union administration or procedure; it is an attack on the basic universal human right to withdraw one’s labour. At its root, there is a moral question about the kind of society we live in. Many of the concessions around notice for industrial action, extensions to ballot mandates and even the check-off facility still require an employer’s agreement.

I have questions for the minister. What is his instruction to the parts of the state apparatus for which he has responsibility, including Police Scotland and the judiciary? In the devolved parts of the public sector for which he has responsibility as an employer, how will he stand up against any move to crack down on trade union facility time? How will he stand up to maintain check-off arrangements? If we want trade unions in Scotland to grow and flourish in future years, we need to know the answers to those questions.

It was Aneurin Bevan who said that the job of a Labour MP is not

“to plead mercy for the poor”

but to get

“political power for the masses.”

I firmly believe that real democracy will not be won, radical inequalities will not be ended, and the good society will not be built without strong trade unions and a major redistribution of power from the owners of wealth to its creators. I hope that we can all agree on that.

17:33

**Patrick Harvie (Glasgow) (Green):** I draw members’ attention to my entry in the register of interests, which notes that I am an associate member of the National Union of Journalists. Although it is not a registrable interest, I should

also put on record the fact that my party is a happy tenant of the STUC at its building in Glasgow.

I want to recognise not only the historical but the continuing role of trade unions, as many other members have done. It is very clear from the evidence—not just in this country but around the world—that at periods of high levels of trade union membership, and in a framework of strong trade union rights, there is greater economic equality in society. A smaller proportion of the national wealth is hoarded by those who need it the least, and a greater proportion goes into the pay packets of people on ordinary salaries and incomes. That is what we should be seeking to achieve and we should be under no illusion that we can build a more equal society without the trade union movement playing an important role.

Unlike others, I give recognition and credit where it is due to the actions of previous UK Labour Governments—as Neil Findlay suggested—in building the labour movement. I hope that he will agree that it would have been desirable if the Labour Government in the 1990s had reversed some of the anti-trade union legislation of the Thatcher era.

That agenda of undermining trade union rights continues. As Mr Leonard just mentioned, the Trade Union Act 2016, which was passed by the UK Parliament this year, betrayed the Conservative Party's desire to continue undermining the rights of people to organise together. I was dismayed but not at all surprised to hear Mr Kerr use this debate to defend the UK Government's divisive policies such as the sham living wage, which will only increase the labour exploitation of younger workers and which I have never heard defended by any trade union.

Whatever the result next week—I do not intend to stray over the line, Presiding Officer—

**The Deputy Presiding Officer:** I thank you for that.

**Patrick Harvie:** Whatever the result next week, those are still the people in power at the UK level. Those of us who want to have a strong trade union movement and to defend the rights of trade unions to act collectively must act together, overcoming the distrust that too often exists between political parties in Scotland.

There are other actions that we can take in Scotland. SNP members know that I give credit where it is due for the fair work agenda and the business pledge, but both need to go further. In particular, there is a need for greater conditionality in the fair work agenda. We should say clearly that—along with employers that pay poverty wages or exploit their employees with zero-hours contracts, employers that use tax havens and employers with a poor environmental record—

employers that refuse to acknowledge and work with trade unions when their employees wish to join one should not have access to publicly funded support services, grants and loans. It is not rubbish, as a heckler suggested previously, to say that companies such as Amazon that have enjoyed such support in the past should be denied it in the future.

I wish that Scotland were able to legislate for itself to restore rights that have been taken away from the trade union movement. Until then, we must use every power that we do have. We should do more than make speeches about the value that trade unions create in our society. We should listen to their views on the decisions that we make here and we should oppose in every way possible those employers that refuse to build strong and respectful relationships with the trade unions that represent their employees.

17:37

**Neil Findlay (Lothian) (Lab):** I declare my membership of Unite the union and the Educational Institute of Scotland.

I welcome the motion being brought to Parliament; I just wish that we had been allowed to debate the UK Government's Trade Union Bill and that the Parliament had had the opportunity to vote on it. Sadly—wrongly, in my opinion—that opportunity was denied us. Clare Haughey raised the issue of the SNP's opposition to the Trade Union Bill. I welcomed any opposition to that bill, which is now an act, but the reality is that it was campaigning outside Parliament by a broad coalition of people—trade unions and others—and by Labour members in the House of Lords that got rid of the worst aspects of the bill.

Trade unions are a force for good in society. All the major progressive social and economic policies that have been introduced over the past century and more have been supported and, more often than not, driven by the labour and trade union movement. Early trade unions campaigned to end the Combination Acts—the ban on collective organisation. They promoted the original people's charter and the right to universal male suffrage and, later, votes for women. They achieved reductions in the working week, factories legislation, pensions, sick pay, holiday pay, time off at weekends, maternity pay, health and safety at work and all the rest of it. They have also played a key role in fighting fascism and supporting anti-racism campaigns, whether that be in Cable Street, in Barking and Dagenham, in Chile or in apartheid South Africa. All those things and more were achieved and driven by the labour and trade union movement, and almost all those key progressive workplace policies were

introduced by Labour Governments, advancing the cause and rights of my class.

Patrick Harvie asked me to condemn the Labour Government in the 1990s for not doing more—or at least to comment in that regard. Of course it should have done more; I said so then and I have said so many times since. However, would it not be novel if anyone on the Government benches in this place criticised a Scottish Government policy? Let us see whether that happens in this session of Parliament; it certainly did not happen in the previous one.

There are so many ways in which we have all benefited from trade union campaigns, actions and victories. As members said, trade unionists, including women, and including workers in the private sector, earn more than non-union members.

That is all to the good, but if the Government truly believes that unionised workplaces are safer, happier and more productive, it must take concrete action to increase union membership. In taking such action, it will absolutely have our support. We welcome the fair work agenda, but there must be real commitment and action on the ground to bring about change.

What practical initiatives have been taken to help trade unions to recruit members? For example, are Scottish Government departments proactively encouraging regular trade union recruitment initiatives and going out of their way to facilitate recruitment? Does the Scottish Government make it clear to agencies and publicly funded bodies that they should facilitate recruitment? Do we put conditions on the award of grants to businesses, as Patrick Harvie said that we should do, to promote collective bargaining and unionisation?

During the previous debate, Richard Leonard said that out of more than 300,000 businesses, 272 have signed the business pledge. That is a tiny proportion, and the vast majority of those businesses are not unionised. I welcome businesses signing the pledge, but it is a drop in the ocean.

Employee forums, staff associations, toolbox talks, team meetings and intranet sites are no replacement for trade union representation and free collective bargaining.

I welcome the increase in trade union membership, but I add a caveat: membership density is higher in Wales and Northern Ireland than it is in Scotland. We should all do what we can to increase membership in Scotland and across the UK. As an internationalist, I think that we should do what we can to increase membership across the world, too.

17:42

**The Minister for Employability and Training (Jamie Hepburn):** Like other members, I thank Clare Haughey for highlighting, in her first members' business debate, the valuable and important role that trade unions play in making our workplaces fairer, more innovative and more productive—indeed, in making them better places in which to work.

Today we heard many examples of unions not only changing the lives of individual workers who had been treated unfairly but being instrumental in protecting the pay in people's pockets and making strides towards improving safety at work. Clare Haughey mentioned the Blantyre explosion in 1877, and as a member who represents what was formerly a mining area, I know how deep the scars from such industrial accidents are. There have been massive improvements in workplace health and safety, largely because of the pressure that trade unions have applied. Tragedies still occur, but I am thankful that they are much rarer than they used to be.

Neil Findlay was right to talk about the international reach of the trade union movement. We have seen that in Scotland in the past. He talked about Chile, for example. We remember the action that workers at Rolls Royce in East Kilbride took in the 1970s, to reach out to people who were facing repression in Latin America.

Unions have shown leadership as they have worked to protect jobs when the economic climate meant that company closures and redundancies were on the horizon. We saw such activity bear fruit when Ferguson's shipyard was threatened with closure. Many people gave the yard little chance of survival, but the Scottish Government set up a task force, with trade unions playing a pivotal role, and, two years on, Ferguson's has not only survived but is winning orders, including public contracts, and there are plans for the workforce to increase tenfold. The shipyard is taking on new apprentices, who represent an investment in the future of the yard and in the future of our young people. Unions played a critical role in enabling that to happen.

More recently, the Scottish steel task force—this is relevant to Clare Haughey, as it affects her constituency—succeeded in finding a buyer for the two threatened steel plants at Dalzell and Clydebridge. Throughout that process, the Government worked closely with the Community union. That shows that, when the Government, industry and trade unions work together, we can achieve results. Our shared values and goals are set out in a memorandum of understanding with the STUC that captures our commitment to partnership working on strategic issues.

**Patrick Harvie:** I am sure that we all welcome the general sentiment, but I am keen to understand the Government's position on a point of principle. Does the minister agree that it should not be up to employers to decide whether to recognise a trade union and that it should be up to the employees to choose whether to organise in that way? Does he accept that employers should have a responsibility to recognise and work with unions if their employees wish to form or join one?

**Jamie Hepburn:** I was making the point that it is much better to have such an environment. Employers play a critical role in allowing trade unions to have the full capacity to organise on the basis of allowing workers to associate freely with one another.

I was going to make the point, which I might re-emphasise in a slightly different context, that I very much agree with a point that Patrick Harvie made earlier. It would be better if this legislature had significantly more leeway and discretion than it has in exercising its legislative competence. In that way, we could influence things better. However, in the general terms that he laid out, I am happy to say that it is important that workers are allowed the capacity to come together collectively, which relates to our partnership working with trade unions.

We operate a partnership approach. It is perhaps unfair to pick up on a brief remark by Liam Kerr, but I thought that it was telling that he said that many of his most formidable opponents have been trade unionists. That is probably true, but the comment speaks somewhat of a certain mindset. This Administration views our trade union colleagues not as opponents but as valued partners.

**Liam Kerr:** Will the minister give way?

**Jamie Hepburn:** As I named Liam Kerr, I am happy to give way.

**Liam Kerr:** As I was an employment lawyer who acted principally for companies, regional organisers were typically my opponents. I meant no slight by my wording.

**Jamie Hepburn:** I am happy to have facilitated the opportunity for Mr Kerr to clarify his remarks, but he might forgive my previous cynicism, given the general outlook of many of us about the Conservative position on trade unions and trade unionists.

As an Administration, we recognise that the STUC and trade unions are vital partners in taking forward our vision for a wealthier and fairer Scotland. In a statement today, Grahame Smith welcomed the approach that the Scottish Government takes to trade unions. I believe that that spirit of co-operation has contributed to the

increase in trade union membership in Scotland from 2014 to 2015. That increase is interesting and is in stark contrast to the overall decline in the past four decades.

**Johann Lamont (Glasgow) (Lab):** Will the minister take an intervention?

**Jamie Hepburn:** I am coming up against my time limit, but I have a little leeway.

**The Deputy Presiding Officer:** There is a little time in hand if the minister wants to give way.

**Johann Lamont:** Did the Scottish Government regard itself as opposing the trade unions when it resisted the idea that people who benefit from public contracts should pay the living wage and the idea that organisations that exploit their workforces, such as Amazon, should not be given Government grants? Was that opposing or supporting trade unions?

**Jamie Hepburn:** That issue has been picked up by a number of members. Perhaps they are a little behind the times, because we have published statutory guidance on the selection of tenders and the award of contracts, which addresses fair work practices in procurement, including the living wage. We have also laid regulations in relation to concerns about blacklisting—I know that Neil Findlay, who is sitting right next to Johann Lamont, has done a lot of work on raising those concerns. We have laid regulations on how companies that have been found to have been guilty of blacklisting can be prohibited from receiving public contracts. There has been some work—

**Neil Findlay:** Will the member take an intervention?

**The Deputy Presiding Officer:** I must allow the minister to wind up.

**Jamie Hepburn:** I am being told to wind up, but I would be happy to speak to Mr Findlay at any time about any of these matters.

Before I finish, I want to refer to the Trade Union Act 2016. I am delighted that the opposition of this Administration, other legislatures and, primarily, the trade union movement itself led to some concessions from the UK Government. However, I do not think that those concessions go far enough. I say with respect to Liam Kerr that what are perhaps misconceptions about the Conservative Party in relation to trade unions do not come out of nowhere. The Trade Union Bill was nothing short of an attack on the right of labour to organise itself, so we can see that those misconceptions do not come from nowhere. We set out our opposition to the bill.

It would be better if this legislature had greater leeway and legislative control over trade union matters. Sadly, we do not. Short of that, I look

forward to Scotland's unions continuing their role in representing their members' interests and I look forward to their continued partnership working with this Government to advance the fair work agenda.

*Meeting closed at 17:51.*



This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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