Alcohol etc. (Scotland) Bill

Society of Independent Brewers (SIBA)
(Scottish Region)

Introduction

SIBA was founded in 1980 as the Small Independent Brewers Association by 20 pioneering microbrewers. Today, it has around 450 members, the majority of them classed as ‘micro’ or ‘local’ brewers and its growing credibility and campaigning success – particularly achieving the introduction of Progressive Beer Duty in 2002 – have established it as one of the most authoritative bodies in the brewing industry. SIBA was renamed as the Society of Independent Brewers in 1995, but retains its original acronym. In Scotland SIBA represents 27 brewers across the country.

SIBA represents brewer’s interests and concentrates its campaigning on production related issues. The smaller brewers who founded the organisation did not operate their own outlets, instead relying entirely on free trade opportunities. Over the past 30 years SIBA has avoided involvement with retailing issues and aligned itself with the British Beer and Pub Association (SBPA in Scotland) to represent the industry, given their understanding of the issues and the large number of pubs their members operate. SIBA’s position however has always been to support the pub, over 90% of SIBA members production is sold through pubs and this therefore remains our key area of concern. With that in mind we are pleased to see those parts of this Bill that recognise the issues caused by the way in which the off trade operates, and would voice concern at those areas that further burden a hard pressed pub industry whilst allowing off trade outlets to avoid scrutiny.

We have therefore only commented on those sections of the bill we believe directly affect our members and their ability to trade.

Pricing of alcohol

SIBA recognise the potential benefits of minimum pricing, particularly the removal of loss leading offers which hugely disadvantage the on trade. However we also recognise the unfairness of this form of intervention which would be detrimental to those moderate drinkers who do not contribute to the problem. It is SIBA’s contention that an investigation of the potential methods for banning below cost selling of alcohol would be a much better solution than minimum pricing. Given the excessively high rate of duty in the UK it is difficult to understand why a higher price for alcohol would reduce the harmful use of alcohol, far better to look for more sensible taxation policies which promote moderate consumption. SIBA notes that in the Policy Memorandum accompanying the bill that the Scottish Government appears to support further moves towards equivalence across duty rates, suggesting this would benefit the Scotch Whisky producers. A further move towards equivalence is, in our view, ill conceived and is likely to have disastrous consequences. Low alcohol fermented beverages, which cost much more to produce and transport...
than high alcohol spirits, must surely be promoted as an alternative to more harmful products, not penalised. It should be borne in mind that Scottish brewers also use local ingredients, local suppliers and local labour to produce a product as rich in heritage as Whisky. When considering benefits to the whisky industry it should be remembered that the other spirits and alcopops benefit in exactly the same way as whisky would, potentially further exacerbating the issues this bill sets out to deal with.

The sledgehammer is not the best tool for nut cracking! It is time to search out the correct policies for changing the habits of a minority whilst coercing the majority to understand the dangers of excess. SIBA promotes a policy of a reduced duty rate for lower strength beers, this represents a more balanced, fair and pragmatic approach to reducing harm caused by alcohol. It is not the whole answer but then the unintended consequences of heavy handed legislation could be far worse.

Social responsibility; levy on license holders

It is SIBA’s view that this proposal is fundamentally unfair, it seems to have a presumption of guilt at its very heart which suggests that all licensed premises are part of the problem. It is our contention that the pub is part of the solution not the problem. Supervised community hubs that are well run can reduce the costs of incurred by government. Many pubs already have to deal with “policing” the issues caused by those consumers who have “pre-fuelled” on cheap off trade alcohol.

The contribution already made by the industry to government should also be highlighted. Excise Duty, VAT, Business rates, corporation tax and employment taxes from Brewers and licensees are huge, again the contribution made by the on-trade already exceeds the off trade given the higher level of VAT and the larger number of staff employed.

Conclusion

SIBA is exceptionally grateful for the opportunity to offer our views and we are keen to engage further should the opportunity arise.

Fergus Clark
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Society of Independent Brewers (SIBA) (Scottish Region)
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