



ALCOHOL RETAIL IN VICTORIA

JULY 2021

fare

Foundation for Alcohol Research & Education



ABOUT FARE

The Foundation for Alcohol Research and Education (FARE) is a not-for-profit organisation working towards an Australia free from alcohol harms.

We approach this through developing evidence-informed policy, enabling people-powered advocacy and delivering health promotion programs.

Working with local communities, values-aligned organisations, health professionals and researchers across the country, we strive to improve the health and wellbeing of everyone in Australia.

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EXECUTIVE SUMMARY

Alcohol retailer turnover in Victoria remains significantly above pre-pandemic levels more than one year on since COVID-19 emerged in Australia – increasing to \$3.4 billion in 2020, up 33.3 per cent from the \$2.6 billion turnover in 2019.

Alcohol retailer turnover in Victoria in May 2021 increased by \$53 million (27 per cent) from May 2019, the last comparable month prior to the pandemic.

Twelve months on since the introduction of the first COVID-19 restrictions, coinciding with an increase in alcohol retailer turnover in March 2020, alcohol sales remain at similar and even higher levels. This indicates a long-term continuation of elevated alcohol retail sales.

Alcohol retailer turnover was \$624 million in Q1 of 2019, \$713.9 million in Q1 of 2020 and \$810.9 million in Q1 of 2021 – showing an increase of \$187 million between the first quarters of 2019 and 2021.

The COVID-19 pandemic significantly increased revenue for retailers of alcoholic products.

Alcohol is a risk factor for many harms including family violence, child neglect, self-harm, and poor mental health. Higher alcohol use at home is a concern for the health and safety of families and communities.

This report analyses Victorian Australian Bureau of Statistics (ABS) data from 2016 to 2021 to examine the changes in alcohol retailer turnover in Victoria before and during the COVID-19 pandemic restrictions. Alcohol retailer turnover includes sales from liquor outlets in Victoria, including large liquor outlet chains and smaller alcohol retailers.

INTRODUCTION

The Australian Bureau of Statistics (ABS) releases monthly and quarterly estimates of turnover and volumes for retail businesses, including alcohol retailers.

This analysis examines data from ABS' *Retail Trade* to assess alcohol retailer turnover in Victoria before and during the emergence of COVID-19 in Australia. Data from 2016 to 2021 is analysed, with a particular focus on the latest data from 2021.

Alcohol retailer turnover covers alcohol sales from stand-alone liquor retailers for either takeaway or delivery. It does not include sales for on-premise consumption and any takeaway or delivery sales from licensed venues that are predominantly on-premise venues, such as pubs, clubs, and bars.

This data provides the first glimpse of how alcohol retailer turnover is changing. Using the data released in July 2021, we can identify how alcohol retail has changed from when the pandemic first emerged in Australia in early 2020. The analysis shows that even 12 months after initial restrictions, alcohol retail trade remains at elevated levels.

The 2021 ABS data on alcohol retailers in Victoria shows turnover is now above both 2020 and 2019 levels.

In January 2020, FARE's Annual Alcohol Poll found that 73 per cent of Australians drink most frequently at home compared to other locations¹. Previous analysis of alcohol sales data indicates 80 per cent of all alcohol sold in Australia is takeaway alcohol, not alcohol sold on premise².

Alcohol use increases both the severity and frequency of intimate partner violence³, child neglect⁴, and mental health illness^{5,6}.

APPROACH

In this analysis, the monthly turnover of alcohol retailers in Victoria is analysed from 2016 to 2021. The data is sourced from ABS' *Retail Trade, Australia, cat no. 8501.0*⁷, which is collected through barcode scanners and retailer surveys.

FINDINGS

The alcohol retailer turnover in Victoria has increased steadily over recent years. However, with COVID-19 lockdowns and heightened restrictions, turnover has increased by unprecedented amounts.

The alcohol retailer turnover in Victoria in 2020 reached a record \$3.4 billion, an increase of 33.3 per cent from 2019 when it was \$2.6 billion.

Table 1 includes the three most recent months of available data. In March 2021, turnover was 27 per cent higher than the pre-pandemic level of May 2019. In April 2021 turnover was higher than both the pre-pandemic level of 2019 and reached a level \$36 million higher than turnover during 2020, when COVID-19 restrictions were just introduced. The most recent data available shows that alcohol retailer turnover remains above pre-pandemic levels, reaching \$246.2 million in May 2021, a rate that is 27 per cent higher than in May 2019.

TABLE 1: ALCOHOL RETAILER TURNOVER IN VICTORIA IN MARCH, APRIL AND MAY

		2019	2020	2021
March	Alcohol retailer turnover (\$m)	216.9	284.9	274.4
	Increase from 2019 (pre-pandemic)		31%	27%
April	Alcohol retailer turnover (\$m)	203.6	227.3	262.9
	Increase from 2019 (pre-pandemic)		12%	29%
May	Alcohol retailer turnover (\$m)	193.1	294.3	246.2
	Increase from 2019 (pre-pandemic)		52%	27%

On a quarterly basis (as shown in Table 2), alcohol retailer turnover during the first quarter of 2021 (Q1) reached \$811 million, exceeding the \$714 million turnover in Q1 of 2020, and the \$624 million turnover in Q1 of 2019.

The turnover in Q1 2021 was \$97 million higher than that in Q1 2020.

TABLE 2: QUARTERLY ALCOHOL RETAILER TURNOVER, VICTORIA (\$ MILLION)

Quarter	2016	2017	2018	2019	2020	2021
Q1	581.9	597.9	641.6	624.0	713.9	810.9
Q2	516.1	560.8	590.2	582.8	800.5	
Q3	549.0	588.7	597.0	592.8	851.8	
Q4	744.1	788.6	782.6	788.3	1082.4	

As Figure 1 shows, 2021 has commenced with turnover significantly higher than 2020. While this is partially influenced by the early months of 2020 not being significantly affected by the pandemic, it shows that retail alcohol sales continue to remain significantly elevated into the first quarter of 2021.

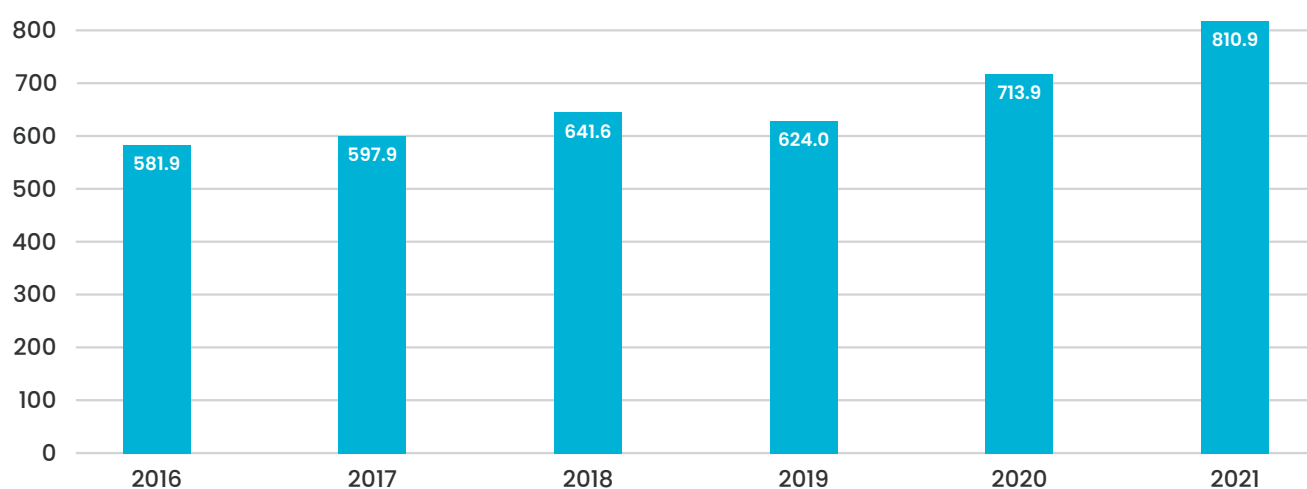
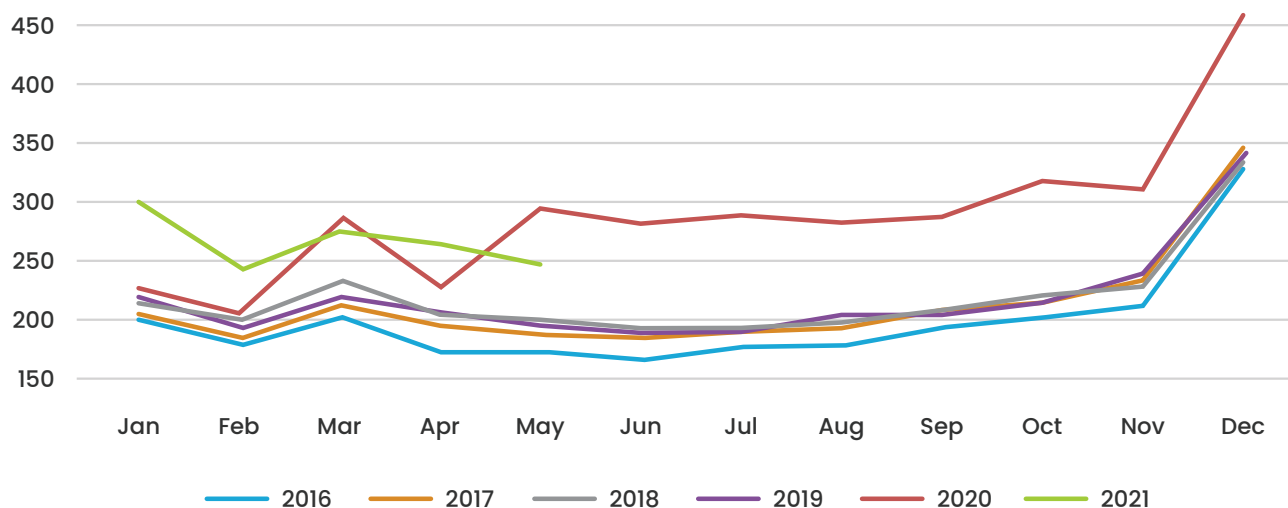
FIGURE 1: ALCOHOL RETAILER TURNOVER IN VICTORIA, Q1 (\$ MILLIONS)

FIGURE 2: MONTHLY ALCOHOL RETAILER TURNOVER IN VICTORIA (\$ MILLIONS)



Prior to the pandemic, alcohol retailer turnover in Victoria was relatively consistent, with sales between \$582 million and \$642 million in the four preceding years (2016 – 2019). As Figure 2 shows, 2016 to 2019 followed a consistent month-to-month pattern with little deviation between years.

CONCLUSION

The COVID-19 pandemic affected all aspects of people's lives in Victoria. While many sectors experienced declines, alcohol retailers experienced unprecedented growth in turnover.

Alcohol retailer turnover in Victoria reached a record \$3.45 billion in 2020, an increase of 33 per cent from the previous year.

The most recently available ABS data shows that alcohol retail trade continues to remain at unprecedented levels.

Alcohol retailer turnover remains above pre-pandemic levels, reaching \$246.2 million in May 2021, a rate that is 27 per cent higher than in May 2019.

These new levels in the alcohol retailer turnover risk exacerbating the already high levels of harm in the home where alcohol is a risk factor, including injury, chronic disease, poor mental health and family violence.

REFERENCES

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- 6 National Mental Health Commission (2020) Mental Health and Wellbeing Pandemic Response Plan <https://www.mentalhealthcommission.gov.au/mental-health-and-wellbeing-pandemic-response-plan>
- 7 ABS Retail Trade, Australia, cat no. 8501.0, Table 11



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