



AUSSIERS PAY PRICE FOR ALCOHOL SPEND

27 August 2015: Australians are spending more on alcohol than personal care or education, with many struggling financially as a result.

New research into Australian spending habits shows households that spend more on alcohol were more likely to report experiencing financial hardship, such as being unable to pay bills on time or going without meals.

The study, *How is alcohol expenditure distributed in Australia*, is the first of its kind in Australia, using Australian Bureau of Statistics Household Expenditure Survey data to examine alcohol purchasing in relation to demographic factors, income, living situation and reports of financial difficulties.

Funded by the Foundation for Alcohol Research and Education (FARE) and undertaken by the Centre for Alcohol Policy Research (CAPR), it found that Australian households spent an average of \$32.20 each week on alcohol, which is more than tobacco (\$12.50), personal care (\$24) and education (\$30.60), and similar to the amount spent on fuel and power (\$32.50).

Alcohol purchasing patterns appear to contribute to financial distress, with households that spent a greater proportion of their budget on alcohol 1.3 to 1.7 times more likely to experience financial difficulties than those that do not buy alcohol.

Households who were renting or headed by young people aged 18-24 spent significantly more of their income on alcohol and were more likely to report financial problems.

CAPR lead researcher Dr Jason Jiang says these findings show the impact of spending on alcohol on Australian households.

“Better understanding the relationship between what Australians are spending on alcohol and their personal and financial situation provides valuable insights to inform both alcohol and financial policies and programs,” says Dr Jiang. “Alcohol has a substitutive effect, where it replaces essential goods and services like utilities, food, clothes, footwear and health services. So a reduction in alcohol spending in a household may save money for necessities and improve living standards.”

The study also found that Australians spent more and bought more alcohol at bottle shops than at clubs and bars. Of those who purchased alcohol, households spent on average \$26 each week at packaged liquor outlets compared to \$15 a week at bars, clubs and restaurants.

Lower income households made 70 per cent of their alcohol purchases from bottle shops, compared to the higher income groups (58 per cent) which were more likely to buy liquor at a licensed venue.

At the state and territory level, lower income groups in the Northern Territory had both the highest average weekly spend on alcohol (\$55) and the highest rates of reported financial difficulties of any Australian state or territory.

FARE Chief Executive Michael Thorn agrees that a decrease in the alcohol spending in a household would effectively help to reduce some financial distress.



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“It’s very clear the alcohol industry deliberately targets the most vulnerable in our community which is why you will find a greater concentration of off-licence outlets in lower socio-economic areas. Policies that prevent the opening of bottle shops on every street corner in these neighbourhoods would have a direct impact on household alcohol expenditure, and help reduce financial hardship for many Australian households,” Mr Thorn said.

Michael Thorn (@MichaelTThorn) and Dr Jiang are available for comment.

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The **Foundation for Alcohol Research and Education (FARE)** is an independent, not-for-profit organisation working to stop the harm caused by alcohol. Alcohol harm in Australia is significant. Over 5,500 lives are lost every year and more than 157,000 people are hospitalised making alcohol one of our nation’s greatest preventative health challenges.

For over a decade, FARE has been working with communities, governments, health professionals and police across the country to stop alcohol harms by supporting world-leading research, raising public awareness and advocating for changes to alcohol policy. In that time FARE has helped more than 750 communities and organisations, and backed over 1,400 projects around Australia.

The **Centre for Alcohol Policy Research (CAPR)** is a world-class alcohol policy research institute led by Professor Robin Room. The Centre, which receives funding from the Foundation for Alcohol Research and Education (FARE), examines alcohol-related harms and the effectiveness of alcohol-related policies. Formerly located at Turning Point, Fitzroy, Victoria, the Centre is now at La Trobe University, Melbourne.

For further information visit CAPR’s website: www.capr.edu.au.