



ALCOHOL RETAIL DURING COVID-19

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Foundation for Alcohol Research & Education



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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 Australia has increased by \$3.3 billion from 2019 to 2020, reaching a record \$15.6 billion in 2020.

COVID-19 led to closures and restrictions of hospitality venues and events, leading to increased purchases of alcohol for use at home.

This report analyses Australian Bureau of Statistics (ABS) data from 2017 to 2020 to examine the changes in turnover for alcohol retailers during the pandemic.

As the COVID-19 pandemic hit Australia, alcohol retailer turnover dramatically increased and remained at elevated levels for the rest of 2020.

Historically, December has consistently been the highest month for alcohol retailer turnover. This pattern was again evident in December 2020 when turnover was almost \$2 billion (\$1.996 billion), making it the highest month in Australia's history.

Alcohol retailer turnover increased by 27 per cent in 2020, compared to only 1.6 per cent in 2019.

All reported states and territories saw increased alcohol retailer turnover during the pandemic, with spikes in March, May, and December 2020.

Victoria's alcohol retail turnover deviated the most from other states, remaining more elevated during their second lockdown (July to October 2020).

Higher alcohol use at home increases the risk of alcohol harm including family violence, child neglect, self-harm, and other mental health illnesses.

INTRODUCTION

The Australian Bureau of Statistics (ABS) releases monthly and quarterly estimates of turnover and volumes for retail businesses, which include supermarkets, clothing, hardware, pharmaceutical, takeaway food services, and other industry subgroups.

This analysis examines data from ABS' *Retail Trade* to identify how alcohol retailers have been affected during the COVID-19 pandemic. The period for the analysis is from 2017 to 2020, with a particular focus on the March to December pandemic affected months of 2020.

According to the 2020 ABS data, alcohol retailers had record increases in turnover. The trend in home alcohol use accelerated during the COVID-19 lockdowns but was already high prior to the pandemic. In January 2020, FARE's Annual Alcohol Poll found that 73% of Australians drink most frequently at home compared to other locations¹. Previous analysis of alcohol sales data indicates 80% of all alcohol sold in Australia is takeaway alcohol, not alcohol sold on premise².

Increasing sale of takeaway alcohol and use at home is a concern as evidence suggests that many hidden harms are exacerbated by alcohol. Alcohol use increases both the severity and frequency of intimate partner violence³, child neglect⁴, and poor mental health^{5,6}. Since the pandemic there are indications that these harms at home are heightened; for example, 1800RESPECT, the national counselling service for family violence, recorded an 11% increase in calls⁷.

APPROACH

ABS alcohol retail turnover data is analysed from 2017 to 2020 and is sourced from *Retail Trade, Australia, cat no. 8501.0*⁸. The data is collected through barcode scanners and retailer surveys.

For this analysis, we look at monthly turnover of liquor retailers. Liquor retail includes packaged or takeaway alcohol sold at bottle-shops and online retailers and excludes takeaway alcohol and alcohol sold for 'on-premise' consumption at licensed premises (e.g., pubs or clubs).

Alcohol retailer turnover is broken down by states and territories, allowing both historic and jurisdictional analysis. National figures used for the analysis are inclusive of all states and territories; however, jurisdiction specific data is not available for all states and territories.

State-specific data for 2020 does not include Queensland, South Australia, and the Northern Territory. Prior to 2020 state-specific data is incomplete for South Australia and Tasmania, and unavailable for Queensland and the Northern Territory.

FINDINGS

Alcohol retailer turnover has increased steadily across recent years. However, with COVID-19 lockdowns and heightened restrictions, their turnover increased by unprecedented amounts.

Alcohol turnover in 2020 was a record \$15.6 billion (Figure 1). Compared to 2019, when turnover was at a peak of \$12.3 billion, turnover in 2020 increased by \$3.3 billion, at a growth rate of 27 per cent.

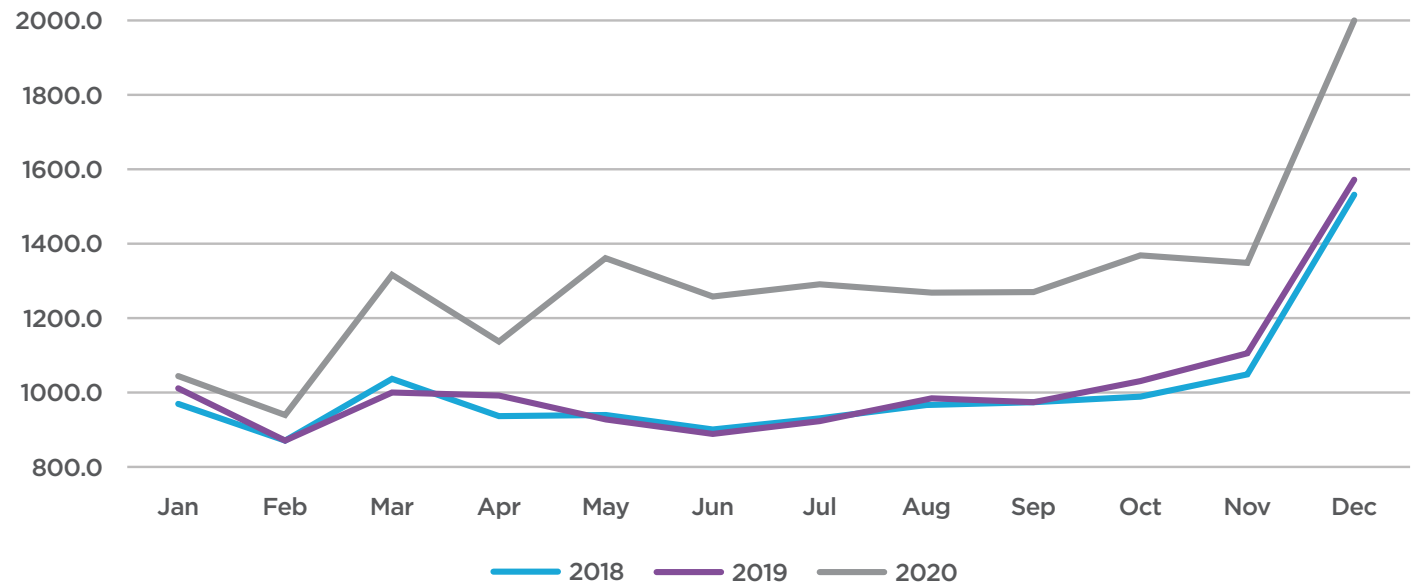
Increases were observed in 2018 and 2019, however the annual turnover increases were only 3.1 and 1.6 per cent respectively.

FIGURE 1: AUSTRALIAN ALCOHOL RETAILER TURNOVER, 2017 - 2020

Year	2017	2018	2019	2020
Alcohol retailer turnover (\$m)	11,775.1	12,139.1	12,334.1	15,625.2

ABS data shows that turnover was significantly elevated above trend throughout the pandemic-affected period of 2020. Significant spikes in turnover were observed in March and May 2020 at the start of the pandemic, which were well beyond historic turnover during these months. While the regular December increase in turnover occurred in 2020, it was significantly higher compared to recent increases, again reinforcing that the pandemic-affected 2020 turnover far exceeded that of previous years (Figure 2).

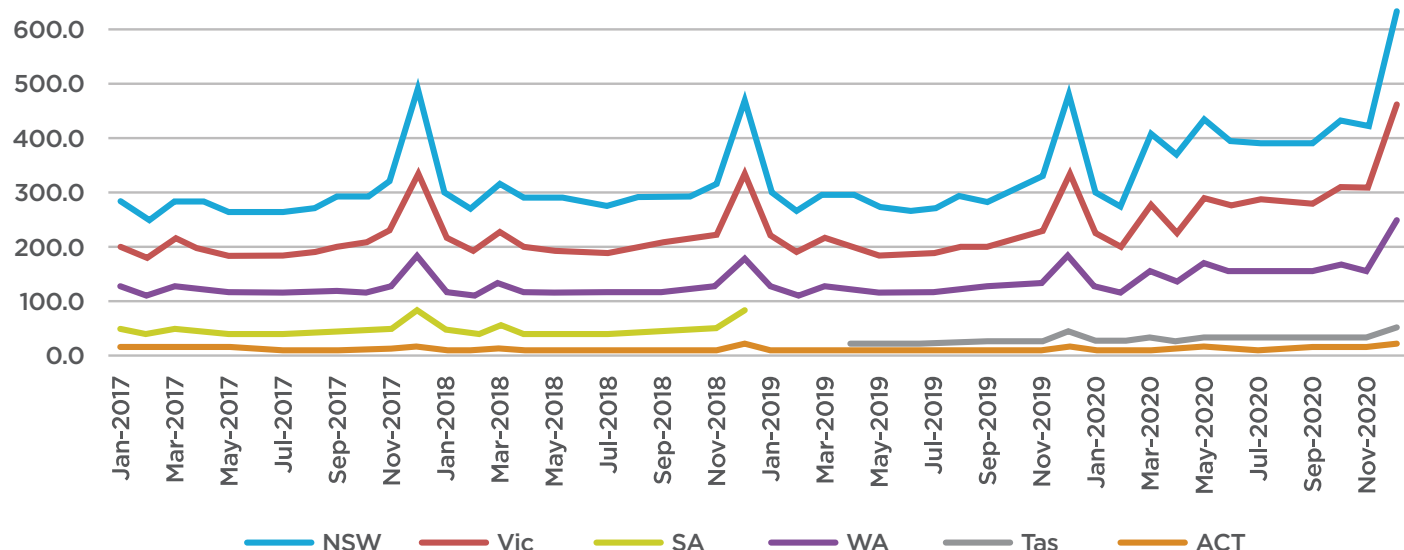
FIGURE 2: AUSTRALIAN ALCOHOL RETAILER TURNOVER (\$ MILLION)



Alcohol retailer turnover has historically followed the consistent trend identified in Figure 3. This cycle includes significant growth over the December holiday season followed by a drop in January and February, a small spike in March, and a decline in the middle of the year before it gradually increases prior to the holiday season.

Despite the regularity with which alcohol turnover followed the annual cycles, this was upended in 2020. While New South Wales (NSW) remained the state with the highest turnover, followed by Victoria, the trends in all reported states changed significantly. January and February 2020 commenced with the regular decline from December 2019. However, the March spike was significantly higher than previous years and turnover continued at an elevated level throughout the rest of the year.

FIGURE 3: AUSTRALIAN ALCOHOL RETAILER TURNOVER BY STATE 2017 - 2020 (\$ MILLION)



In NSW, the increase from February to March was 49 per cent in 2020, compared to just 12 per cent across the same period in 2019. As Figure 3 also shows, turnover did not return to the pre-pandemic level seen in February for the remainder of 2020. While all states had slight declines in alcohol retailer turnover from March to April, the turnovers were still significantly higher compared to pre-pandemic levels. Western Australia also followed the pandemic-affected cycle of other states. Its March 2020 turnover was 26 per cent higher than its March 2019 turnover, and its April 2020 turnover was 12 per cent higher than the same time in 2019.

Turnover in all states increased again in May and there was a small decline following this period in most states, although during Victoria's second lockdown from July to October, their turnover remained around the peak turnover level for the year, excluding the regular December spike.

In contrasting 2019 with 2020, all months significantly affected by the pandemic (March–December) experienced turnover increases. While these increases were normally around 30 per cent, even the month of April, which experienced the lowest growth rate, still witnessed turnover increases across Australia by 15 per cent (\$148.1 million) from April 2019.

As seen in Figure 4, May's monthly turnover increased by almost half a billion dollars (\$428.9 million) between May 2019 and May 2020, which, at 46 per cent, is the largest monthly increase from 2019 equivalent months. While the sector was still growing in the pre-pandemic months of 2020, the January 2020 increase of just 3.4 per cent amounts to less than one tenth of the growth experienced later in the year.

FIGURE 4: MONTHLY ALCOHOL RETAILER TURNOVER IN AUSTRALIA (\$ MILLION)

Month	2019	2020	% increase	\$ increase (\$m)
January	1,011.8	1,046.2	3.4	34.4
February	880.1	939.1	6.7	59.0
March	999.3	1,318.7	32.0	319.4
April	994.0	1,142.1	14.9	148.1
May	936.3	1,365.2	45.8	428.9
June	900.4	1,259.9	39.9	359.5
July	934.2	1,294.4	38.6	360.2
August	989.9	1,270.6	28.4	280.7
September	976.6	1,275.2	30.6	298.6
October	1,032.7	1,371.5	32.8	338.8
November	1,109.1	1,345.7	21.3	236.6
December	1,569.7	1,996.6	27.2	426.9
Total	12,334.1	15,625.2	26.7	3,291.1

CONCLUSION

The COVID-19 pandemic manifested itself in many ways, affecting the lives, jobs, and economic situations of Australians. Organisations and companies also experienced significant impacts as the economy dropped by 7 per cent in the June quarter⁹.

Despite this economic decline, the alcohol retail sector experienced unprecedented increases in turnover during the pandemic. Turnover increased by \$3.2 billion in 2020 in a sector dominated by Coles and Woolworths, which have a 65 per cent share of the sector¹⁰.

Unfortunately, the growth in the alcohol retail sector risks exacerbating the existing harms of alcohol.

While Coles and Woolworths are benefitting from increased turnover, alcohol harms including chronic disease, domestic violence, child neglect, and self-harm are affecting individuals, families, and communities across Australia.

Looking forward, the risk to the Australian community is that these elevated levels of alcohol retailer turnover remain at record highs in a post-pandemic world and continue to increase the risk of the alcohol harms Australians face.

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