

Packaged liquor and harm in Victoria

Executive summary

- There has been a substantial increase in packaged liquor licences in Victoria, particularly large chain stores, over the past 15 years. These are concentrated in disadvantaged areas of the state.
- This has coincided with dramatic increases in alcohol-related harm in Victoria, demonstrated by increases in alcohol-related hospital presentations and ambulance attendances.
- Research in Victoria has shown that increases in packaged liquor outlet density are associated with increases in assault and family violence in local areas.
- A large proportion of drinkers going on a night out pre-load on packaged liquor, leading to higher levels of harm in night-time entertainment areas.
- International research has shown that reducing packaged liquor trading hours leads to substantial reductions in alcohol-related harm.
- Promotions of packaged liquor ‘bulk discounts’ are widespread in Victoria. These promotions are effective in encouraging people to buy increased volumes of alcohol, and appeal to young people and other vulnerable groups.

Policy recommendations

- Introduce a stricter test for liquor licence applications requiring applicants to show that licences are in the public interest and will not contribute to harm.
- Create a power for the Minister to designate ‘alcohol harm zones’, creating a presumption against further packaged liquor licences in the zone.
- Prevent the sale of packaged liquor after 10pm.
- Prevent promotion of packaged liquor bulk discounts.

Proliferation of packaged liquor licences in Victoria

Over the past 15 years, there has been a substantial increase in packaged liquor licences in Victoria, including an explosion in large chain stores offering cheap alcohol and bulk discounts. The number of packaged liquor outlets in Victoria increased by 49.4 per cent overall (from 1,354 in 2001 to 2,023 in 2016), and by 18.2 per cent relative to population (from 28.7 per 100,000 in 2001 to 33.9 in 2016).ⁱ The number of chain packaged liquor stores increased dramatically from 3 to 68 – an increase of 2,000 per cent on a per capita basis.ⁱⁱ

Around 80 per cent of all alcohol consumed in Australia is bought from packaged liquor outlets.ⁱⁱⁱ Victoria, along with New South Wales, has the highest level of packaged liquor availability of all states.^{iv}

Victorian research has shown that packaged liquor outlets are disproportionately located in areas of socio-economic disadvantage, with likely impacts on increasing health inequalities.^v Further research in Victoria found that disadvantaged areas have twice as many packaged

liquor outlets as the wealthiest areas, and in rural and regional areas there are six times as many packaged liquor outlets per person.^{vi} Rates of alcohol-related harm in Victoria are higher among people who are socio-economically disadvantaged.^{vii}

Increases in alcohol-related harms in Victoria

The increase in packaged liquor outlets in Victoria has coincided with dramatic increases in alcohol-related hospital presentations and alcohol-related ambulance attendances across the state. According to the most recent data:

- Alcohol-related hospital presentations in Victoria increased by 56 per cent overall (from 20,653 presentations to 32,130 presentations), and by 33 per cent on a per population basis (from 41.4 per 10,000 population to 55 per 10,000 population) between 2005-06 and 2014-15.^{viii}
- Alcohol-related ambulance attendances in Victoria increased by more than 200 per cent overall (from 6,816 to 21,602 attendances) and by 180 per cent on a per population basis (from 13.2 per 10,000 population to 37 per 10,000 population) between 2007-08 and 2014-15.^{ix}

Evidence linking packaged liquor with harm

a) Packaged liquor outlet density

There is growing evidence specifically linking the increase in packaged liquor outlets in Victoria with increases in alcohol-related harm.^x Local level studies have shown that increases in packaged liquor outlet density are associated with increases in hospitalisations for assault,^{xi} and police reporting of family violence.^{xii}

Victorian longitudinal research examined the relationship between the density of alcohol outlets in a neighbourhood and the rates of police reported family violence in Melbourne over a ten year period.^{xiii} The research found that higher density of outlets, particularly of packaged liquor outlets, was associated with increased rates of family violence. An increase of 10 per cent in the density of packaged liquor outlets was associated with an approximately 3.3 per cent increase in family violence. Each additional new packaged liquor outlet per 1,000 residents in a postcode increased the family violence rate by an average of 29 per cent.

b) Packaged liquor pre-loading and last drinks

Australian research shows that packaged liquor contributes to harm in night-time entertainment areas. Studies estimate that more than 65 per cent of drinkers pre-load on packaged liquor before going out, leading to higher levels of intoxication and harm.^{xiv}

A 2015 study found that 60 per cent of people presenting with alcohol-related injuries in regional Victorian emergency departments had purchased their last drinks from packaged liquor outlets.^{xv}

c) Packaged liquor trading hours

International studies have found that reducing the trading hours of packaged liquor outlets leads to significant reductions in harm. A Swiss study found significant decreases (between 25 per cent and 40 per cent) of hospital admission rates for adolescents and young adults following reductions in packaged liquor opening hours and bans on alcohol sales from video stores and gas stations.^{xvi} A German-based study found that banning packaged liquor sales between 10pm and 5am reduced alcohol-related hospitalisations among adolescents and young adults by about 9 per cent.^{xvii}

d) Packaged liquor price promotions

Packaged liquor outlets in Victoria compete aggressively on price. Price or volume discounts for bulk or multi-buy purchases (such as three five-litre casks of wine for \$35^{xxviii} or buy six bottles of wine for \$30 and receive a free 1.5 litre magnum bottle of wine^{xi}) is a widespread promotional strategy used by the packaged liquor industry to compete on price and increase the amount of alcohol consumers purchase.

Research has found that these promotions are prevalent in Victoria. A 2015 Roy Morgan study of point-of-sale promotions in Victorian liquor outlets for the Office of Liquor Gaming and Racing found that around 90 per cent of stores had promotions aimed at increasing the amount of alcohol customers buy, and more than 70 per cent of these promotions were bulk purchase discounts.^{xx}

Research indicates these promotions are likely to increase the amount of alcohol young people buy and consume.^{xxi} There is substantial research showing that reducing the price of alcohol increases levels of consumption and harms, particularly among young people.^{xxii} An Australian study of 18-25 year olds found that participation in a packaged liquor point-of-sale promotion was associated with purchase of increased volumes of alcohol. Those who participated purchased 63 per cent more standard drinks if purchasing beer, 29 per cent more if purchasing RTDs, and 17 per cent more if purchasing wine.^{xxiii} An Australian qualitative study of the effects of point-of-sale promotions found that many participants (aged 16-25 years) reported buying larger quantities of alcohol in order to participate in a promotion, and participants were most influenced by price promotions.^{xxiv}

Policy context

The proliferation of packaged liquor outlets in Victoria has been facilitated by a weak and ineffective liquor licensing process, which does not allow effective consideration of harm or community impacts, and is heavily weighted in favour of granting liquor licences.

In 2016 the Victorian Commission for Gambling and Liquor Regulation (VCGLR) granted a packaged liquor licence for a Dan Murphy's outlet in East Cranbourne in the face of strong local council and police objections, and local evidence of increasing alcohol-related harm, including family violence.^{xxv} This case exemplifies the difficulties for local councils and police in objecting to liquor licence applications against packaged liquor chains, the limited extent to which evidence of harm is taken into account in VCGLR's decisions, and the weighting of the system towards granting liquor applications.

Currently, packaged liquor outlets in Victoria may trade until 11pm under ordinary trading hours, until 1am if agreed by VCGLR, or until any time determined by VCGLR under a late night licence. A Government freeze on new licences allowing the sale of packaged liquor past midnight was introduced in 2012 but this does not apply to licences issued prior to the freeze.^{xxvi} A number of packaged liquor outlets trade late at night or into the early hours of the morning, including a 24-hour bottle shop in Chapel Street.

There is currently no effective regulation of packaged liquor promotions in Victoria. The VCGLR has the power to issue banning notices in relation to irresponsible alcohol promotion or advertising by licensees but has not done so since 2015. The VCGLR has only issued a banning notice in relation to one packaged liquor promotion since 2009.^{xxvii} The VCGLR has issued 'Guidelines for responsible liquor advertising and promotions' but these apply only in relation to on-premises liquor promotions.^{xxviii}

Policy recommendations

1. Introduce a stricter test for liquor licence applications which requires applicants to provide evidence that licences are in the public interest and will not contribute to harm.
2. Create a power for the Minister for Gaming and Liquor Regulation to designate 'alcohol harm zones', creating a presumption against new packaged liquor licences in areas with high alcohol-related harm.
3. Prevent the sale of packaged liquor after 10pm.
4. Prohibit promotion of packaged liquor 'bulk discounts'.

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ⁱ Livingston, M 2016, *Packaged liquor in Victoria — 2001–2016*, La Trobe University, Foundation for Alcohol Research and Education, Centre for Alcohol Policy Research, <http://fare.org.au/wp-content/uploads/Packaged-liquor-in-Victoria-2001-to-2016.pdf>.

ⁱⁱ Livingston, M 2016, *Packaged liquor in Victoria — 2001–2016*, La Trobe University, Foundation for Alcohol Research and Education, Centre for Alcohol Policy Research, <http://fare.org.au/wp-content/uploads/Packaged-liquor-in-Victoria-2001-to-2016.pdf>.

ⁱⁱⁱ Euromonitor International (2012) *Passport: Alcoholic drinks in Australia* (London, Euromonitor).

^{iv} Livingston, M 2016, *Packaged liquor in Victoria — 2001–2016*, La Trobe University, Foundation for Alcohol Research and Education, Centre for Alcohol Policy Research, <http://fare.org.au/wp-content/uploads/Packaged-liquor-in-Victoria-2001-to-2016.pdf>.

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^{viii} Turning Point, *AODstats*, accessed 5 December 2017 <http://www.aodstats.org.au/>.

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^{xi} Livingston, M 2011, 'Alcohol outlet density and harm: comparing the impacts on violence and chronic harms', *Drug and Alcohol Review*, vol. 30, no. 5, pp. 515-23.

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^{xiii} Livingston, M 2011, 'A longitudinal analysis of alcohol outlet density and domestic violence', *Addiction*, vol. 106, no. 5, pp. 919-25.

^{xiv} Miller, P., Pennay, A., Droste, N., Jenkinson, R., Quinn, B., Chikritzhs, T. et al. (2013) *Patron Offending in Night-Time Entertainment Districts* (Canberra, Australia, National Drug Law Enforcement Research Fund).

^{xv} Miller, P., Droste, N., Baker, T. & Gervis, C. (2015) Last drinks: A study of rural emergency department data collection to identify and target community alcohol-related violence, *Emergency Medicine Australasia*, online.

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- ^{xviii} Liquorland 'Cheers to the Cheerers – Gotta love the Finals!' catalogue, September 2017.
- ^{xix} First Choice 'Spring Racing Sales' catalogue, November 2017
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- ^{xxv} *City of Casey and Woolworths VCGLR internal review*, 11 April 2016.
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- ^{xxvii} Victorian Commission for Gambling and Liquor Regulation, *Promotions banned by the Commission*, viewed at 29 November 2017, <https://www.vcglr.vic.gov.au/liquor/restaurant-cafe/understand-your-liquor-licence/compliance-and-enforcement/promotions-banned-vcglr>.
- ^{xxviii} See Victorian Commission for Gambling and Liquor Regulation 2013, *Guidelines for responsible liquor advertising and promotion*, <http://assets.justice.vic.gov.au/vcglr/resources/9f470ae4-b191-46ff-8a58-59211e71e5a6/guidelinesforadvertisingpromotions_lowres.pdf>.