

THOU DOTTH PROTEST TOO MUCH: HOW THE MINIMUM UNIT PRICE INFLUENCED RETAILERS

Nicholas Taylor^{1,2,3}, Ryan Baldwin^{4,5,3}, Emma Vieira^{1,2} and Michael Livingston^{1,2}

¹ National Drug Research Institute, Curtin University, Melbourne, Australia. ² Burnet Institute, Melbourne, Australia. ³ School of Psychology, Deakin University, Geelong, Australia. ⁴ Turning Point, Eastern Health, Richmond, Victoria, Australia. ⁵ Eastern Health Clinical School, Monash University, Box Hill, Australia.

Presenter’s email: nic.taylor@curtin.edu.au

Introduction

The Northern Territory (NT) set a Minimum Unit Price (MUP) of alcohol in 2018. This measure has been vehemently opposed by alcohol retailers, prior to and post implementation of the policy.

Despite this, there is no evidence that the MUP negatively impacted the alcohol industry, however exact estimates of the impact are yet to be made. This study aims to estimate the impact of the MUP on retail sales.

Methods

The 3-year evaluation of the MUP used retail sales data to display alcohol consumption in the NT by liquor category and price point the year before and after the MUP.

This data was extracted from the graphs presented in the report, which was used to estimate the total retail value of alcohol sold before and after the MUP by liquor category. Statewide alcohol wholesaler data was used to evaluate the representativeness of the retail data.

Results

The retail data used in the study accounts for 31% of the total alcohol market in the NT. Retail data substantially over-represents the drop in cask wine consumption (71%) compared to wholesaler data (51%). Revenue from cask wine dropped by 42% after the introduction of the MUP.

Despite a 6% decrease in sales of pure alcohol, retailers had an increase in revenue of 1%.

Alcohol retailers compensated for a 6% loss in sales from MUP through an increase in expensive spirits sales. Resulting in a 1% increase in revenue.

Discussion and Conclusions

The MUP appears to have had a negligible impact on the revenue of alcohol retailers in the NT.

Retail sales data is an invaluable data source for evaluating the impacts of alcohol pricing policy.

Implications for Policy and Practice

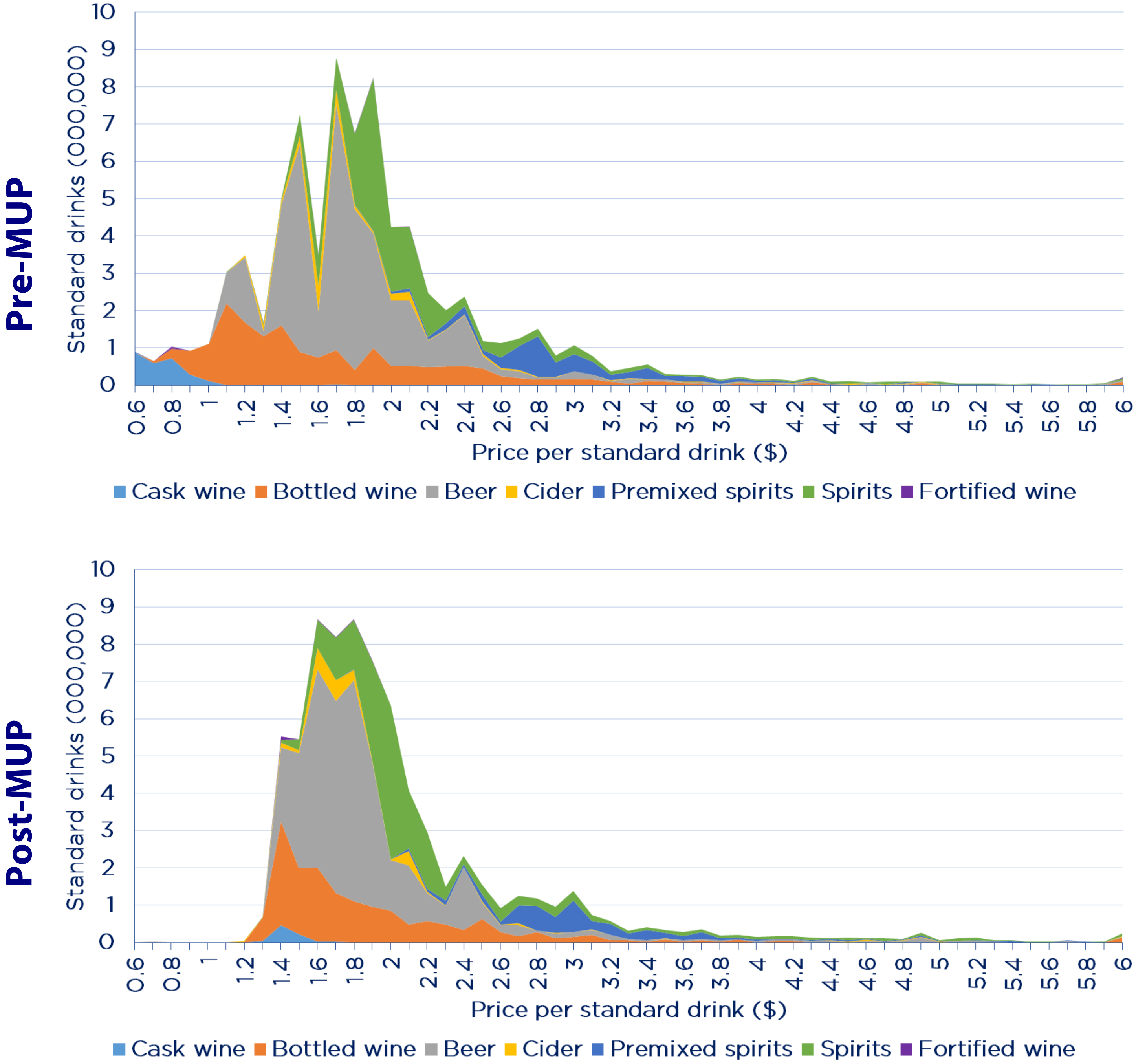
Alcohol retailers should be legislatively required to regularly produce retail sales data. Retailers have demonstrated that this does not impose a high administrative burden on their businesses.

Disclosure of Interest Statement

The authors have no conflicts of interest to declare. The authors have received no funding from the alcohol industry. This project received no funding.

The National Drug Research Institute at Curtin University is supported by funding from the Australian Government under the Drug and Alcohol Program.

Alcohol sold



Retail revenue

