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Beer Tax Frozen, Spirits Hit with Hike in Two-Speed Booze Plan

August 3, 2025

– Categories: Finance



Australia's beer drinkers get a break as the government freezes draught beer taxes for two years, while spirits face a steep excise hike, raising costs for distillers and consumers.

Starting Monday, August 4, 2025, Australia's alcohol tax system takes a divisive turn, with the Australian Labor Government freezing excise taxes on draught beer for two years while spirits face a 2% increase, pushing the tax per litre of pure alcohol to \$103.89, according to a report by The Drinks Business on March 4, 2025. Prime Minister Anthony Albanese, speaking at a Sydney brewery, called the beer tax freeze a practical measure to support pubs and brewers, as noted in a Reuters report from March 2025. The policy, a key election promise ahead of the May 2025 federal election, aims to ease cost-of-living

pressures for beer drinkers but leaves spirits consumers and producers grappling with higher costs.

The excise hike on spirits, linked to the Consumer Price Index (CPI) as outlined by the Australian Taxation Office (ATO) since 1984, has drawn sharp criticism from the spirits industry. Spirits & Cocktails Australia Chief Executive Greg Holland argued that the tax, which has risen 16% in three years, is unsustainable, particularly amid economic challenges, per *The Shout* on July 25, 2025. Australian Distillers Association's Cameron Mackenzie echoed this, stating that the tax unfairly burdens distillers and pub-goers who prefer spirits, hindering Australia's 700+ craft distilleries. A post on X from @10NewsMelb on August 1, 2025, highlighted the spirits tax soaring past \$105 per litre, intensifying pressure on the industry.

The government's decision to favor beer over spirits has sparked debate. John Preston of the Brewers Association of Australia noted that the freeze benefits pubs but does little for packaged beer or spirits, per *Hospitality Magazine* on June 2, 2024. Critics on X, like @manofmany, argue the policy creates an uneven playing field, with spirits drinkers footing a heavier bill. Meanwhile, the government's \$50,000 increase in the Alcohol Manufacturer's Remission (AMR) to \$400,000, effective July 2026, offers some relief to distillers, per BDO on March 28, 2025, but many see it as insufficient. The tax disparity raises questions about fairness and economic priorities as election season looms.