



Media Release

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Government tax-grab penalises spirits drinkers

Alcoholic beverages will cost more tomorrow (1 July 2009) when the Government imposes at least a 2.8 per cent increase in the excise duty on all spirits.

The excise tax on a standard one litre bottle of spirits (37 per cent alcohol by volume) will rise by 48 cents, from \$16.68 to \$17.16.

The Chief Executive of the Distilled Spirits Association Thomas Chin says bars, restaurants and retail sales outlets will have no option but to pass on the increase in tax through higher prices to customers.

"This increase comes at a time when consumers can ill afford further price increases as they struggle with the effects of the recession. The hospitality trade is also under pressure," Mr Chin says.

"Tax increases are particularly short sighted at this time as they contribute to a further decline in sales, job losses across the hospitality, entertainment and beverage industries and a negative impact on the Government's coffers.

"If the Government is committed to helping business pull through the recession it will avoid this dangerous 'tax'em while they are down' approach and stay the increase in the interests of maintaining employment and enterprise.

"It's cold and there's not much economic cheer around. Consumers need a break and the Government has an opportunity to deliver some relief for all those who enjoy the warmth a nip of spirits can bring," Mr Chin says.

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