Manufacturing • C1212

Beer Manufacturing in Australia

Raising the bar: Continued falls in beer consumption are challenging revenue as the major brewers rely on acquisitions to stay in control

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About

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Standard Report

About This Industry

Definition

Industry operators manufacture beer, ale, stout or porter. Operators generally package beer in kegs, bottles or cans, and sell it to bars, wholesalers and retailers. The industry does not include production of non-alcoholic beer.

Codes

2006	1212-Beer Manufacturing

What's Included

- Full-strength traditional beer
- Mid-strength beer
- Light beer
- Premium beer
- Low-carbohydrate beer
- Craft beer

Companies

- Asahi Holdings
- Lion
- Coopers Brewery
- Good Drinks Australia
- Coca-Cola Europacific Partners Holdings (Australia)

Related Industries

Domestic industries

Competitors

- Wine Production in Australia
- Spirit Manufacturing in Australia
- Soft Drink Manufacturing in Australia
- Fruit Juice Drink Manufacturing in Australia

Complementors

- No data available

International industries

- Global Beer Manufacturing
- Breweries in the US
- Craft Beer Production in the US
- Breweries in Canada
- Beer Manufacturing in New Zealand
- Beer Production in the UK
- Beer Production in Ireland
- Beer Production in China

Related Terms

ALCOHOL BY VOLUME (ABV)

A standard measure of how much alcohol is contained in a given volume of an alcoholic beverage.

HOPS

A plant extract from the flower of the hop vine and used to impart flavour and bitterness to beer. It's also a natural preservative.

KEG

A container commonly used to store, transport and serve beer. Keg sizes vary, so can't be used as a standard unit of measurement.

Additional Resources

- Independent Brewers Association
- Australian Brews News
- Brewers Association of Australia

At a Glance

Metric	Value	'20-'25	'25-'30
Revenue	$8.7bn	↑0.9 %	↑0.0 %
Employees	11,739	↑9.8 %	↑3.3 %
Businesses	878	↑7.9 %	↑4.0 %
Profit	$589.8m	↓7.0 %	
Profit Margin	6.8%	↓3.4 pp	
Wages	$862.0m	↓2.0 %	↑1.5 %

Five-year growth rates display historic and forecast CAGRs

Major Players

Company	Revenue	Market Share
Asahi Holdings	$3.1bn	35.5%
Lion	$1.8bn	21.0%
Coopers Brewery	$203.4m	2.3%
Good Drinks Australia	$94.5m	1.1%
Other Companies	$3.5bn	40.1%

Products and Services

Item	Revenue	Market Share
Full-strength traditional beer	$2.4bn	27.9%
Mid-strength beer	$1.9bn	21.9%
Premium beer	$1.8bn	21.3%
Craft beer	$1.8bn	21%
Low-carbohydrate beer	$451.1m	5.2%
Light beer	$234.2m	2.7%

Key External Drivers

Key External Drivers	Impact
Demand from liquor retailing	Positive
Demand from pubs, bars and nightclubs	Positive
Per capita alcohol consumption	Positive
Real household discretionary income	Positive
Domestic price of coarse grains	Negative

Key Takeaways

Performance

- Consumers' growing preference for craft beer has boosted industry revenue amid declining consumption. While overall beer consumption has fallen, higher priced craft beers are increasing revenue as consumers spend more per beer for perceived quality and unique experiences.
- Rising production costs have slashed profit margins for beer manufacturers. Climbing excise taxes and increased costs for key inputs like coarse grains have outpaced selling price increases, squeezing profit margins.
- Asahi and Lion's market dominance through acquisitions makes it challenging for smaller breweries to compete. Controlling nearly two-thirds of the market, their scale and resources overshadow small independent brewers struggling with rising costs and limited market reach.
- Declining per capita beer consumption is threatening manufacturers' performance. Health consciousness and rising beer prices are causing Australians to drink less beer, forcing breweries to innovate and adapt to maintain revenue and attract customers.

External Environment

- Per capita alcohol consumption has declined in recent years, primarily because of a rapid decrease in per capita beer consumption driven by health-conscious consumers. This decline threatens demand and adversely affects beer manufacturers' performance.
- Rising coarse grain prices have increased production costs for beer manufacturers, leading to higher beer prices and price-driven revenue growth. Although manufacturers have partially absorbed these costs, their profit margins have suffered.

SWOT

Strengths	High & Decreasing Barriers to Entry
	Low & Increasing Level of Assistance
	Low Imports
	Low Product/Service Concentration
	High Revenue per Employee
Weaknesses	High Competition
	Decline Life Cycle Stage
	Low Profit vs. Sector Average
	High Customer Class Concentration
	High Capital Requirements
Opportunities	High Revenue Growth (2020-2025)
	High Performance Drivers
	Demand from liquor retailing
Threats	Low Revenue Growth (2025-2030)
	Domestic price of coarse grains

Industry Structure

Characteristic	Level	Trend
Concentration	Moderate	
Barriers To Entry	High	Decreasing
Regulation and Policy	High	Increasing
Life Cycle	Decline	
Revenue Volatility	Moderate	
Assistance	Low	Increasing
Competition	High	Increasing
Innovation	Low	

Executive Summary

Raising the bar: Continued falls in beer consumption are challenging revenue as the major brewers rely on acquisitions to stay in control

Despite declining per capita beer consumption, the Beer Manufacturing industry has experienced revenue growth thanks to consumers' growing preference for higher priced craft beers. Drinkers are shifting away from traditional full-strength beers, opting instead for craft beers offering perceived quality and unique drinking experiences. This has increased smaller, independent breweries' viability, pushing down market share concentration. Major brewers Asahi and Lion are capitalising on this trend by expanding their craft beer portfolios through acquisitions and significant marketing investments, as seen in Lion's 2021 acquisition of Fermentum Pty Ltd.

However, rising production costs, including a 31% surge in coarse grain prices and a 16% hike in excise taxes from 2021 to 2024, have slashed profit margins as manufacturers, especially small and independent breweries lacking economies of scale, have struggled to pass on these increases. These financial pressures have led to closures and restructuring among smaller brewers, while larger companies like Asahi and Lion have managed to maintain profitability. Their dominance, controlling nearly two-thirds of the market, makes it challenging for smaller breweries to compete as they struggle with distribution agreements and market reach. The overall decline in beer consumption poses a serious threat to the industry, forcing manufacturers to innovate by diversifying their product offerings and introducing mid-strength and low-carb beers. These factors have contributed to constrained annualised revenue growth of 0.9% over the past five years, reaching an expected total of $8.7 billion in 2024-25, when revenue will rise by an estimated 1.2%.

In the coming years, the Beer Manufacturing industry will navigate significant challenges impacting its profitability and viability. Ongoing rises in excise taxes will continue to tighten profit margins as breweries struggle to fully pass these costs on to consumers. Smaller brewers will increasingly seek to differentiate themselves by operating brewpubs and offering unique experiences, although this increases costs and may hinder profitability. Declining per capita beer consumption further threatens the industry's future, forcing manufacturers to balance price increases with the potential to weaken demand. However, improved economic conditions may encourage consumers to spend more on premium or craft beers, helping to partially offset declining volumes and leading to price-driven revenue growth. Competing pressures are forecast to keep revenue relatively stable at $8.7 billion through the end of 2029-30.

Performance

Key Takeaways

Consumers' growing preference for craft beer has boosted industry revenue amid declining consumption. While overall beer consumption has fallen, higher priced craft beers are increasing revenue as consumers spend more per beer for perceived quality and unique experiences.

Rising production costs have slashed profit margins for beer manufacturers. Climbing excise taxes and increased costs for key inputs like coarse grains have outpaced selling price increases, squeezing profit margins.

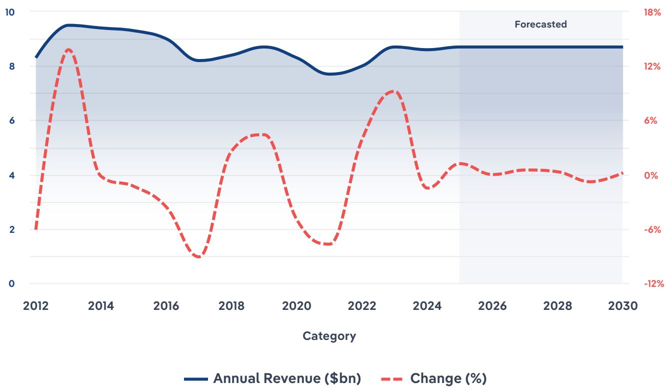
Asahi and Lion's market dominance through acquisitions makes it challenging for smaller breweries to compete. Controlling nearly two-thirds of the market, their scale and resources overshadow small independent brewers struggling with rising costs and limited market reach.

Declining per capita beer consumption is threatening manufacturers' performance. Health consciousness and rising beer prices are causing Australians to drink less beer, forcing breweries to innovate and adapt to maintain revenue and attract customers.

Performance Snapshot

Revenue

Total value ($) and annual change from 2012 – 2030. Includes 5-year outlook.



Revenue

$8.7bn

'20-'25 ↑0.9 %

'25-'30 ↑0.0 %

2025 Revenue Growth

1.2 % Increasing

Revenue Volatility

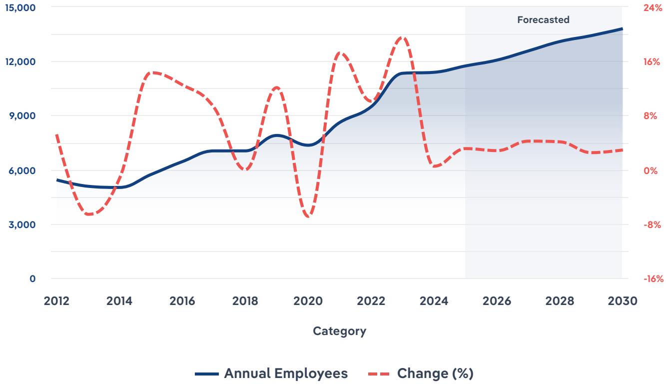
Moderate

IBISWorld

Source: IBISWorld

Employees

Total number of employees and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Employees

11,739

'20-'25 ↑9.8 %

'25-'30 ↑3.3 %

Employees per Business

13

'20-'25 ↑1.8 %

'25-'30 ↓0.7 %

Revenue per Employee

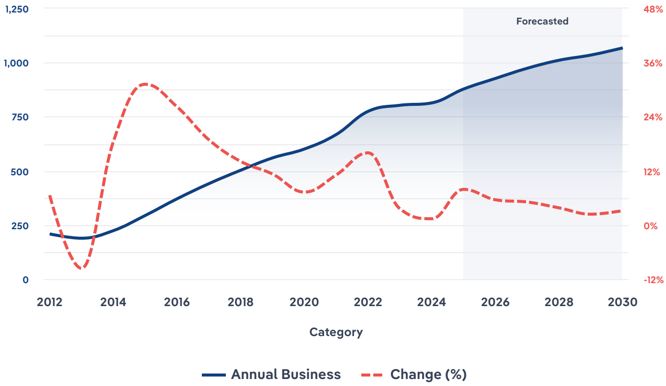
$739k

'20-'25 ↓8.2 %

'25-'30 ↓3.2 %

Business

Total number of businesses and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Businesses

878

'20-'25 ↑7.9 %

'25-'30 ↑4.0 %

Employees per Business

13

'20-'25 ↑1.8 %

'25-'30 ↓0.7 %

Revenue per Business

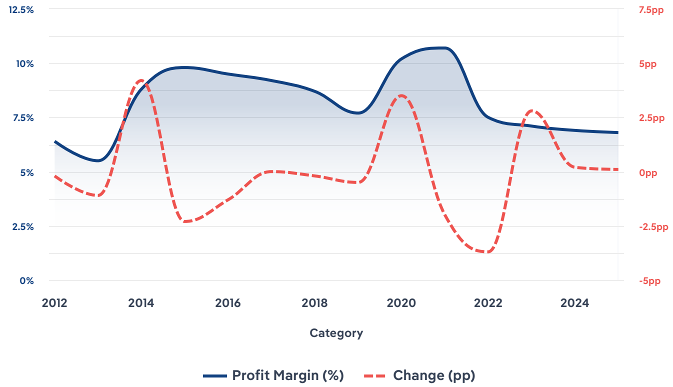
$9.9m

'20-'25 ↓6.5 %

'25-'30 ↓3.8 %

Profit Margin

Total profit margin (%) and annual change from 2012 – 2030



Total Profit
$589.8m '20-'25 ↓7.0 %

Profit Margin
6.8% '20-'25 ↓3.4 pp

Profit per Business
$671.8k

IBISWorld Source: IBISWorld

Current Performance

↑ 2020-25 Revenue CAGR +0.9%

What's driving current industry performance?

Consumers' growing preference for craft beer has boosted industry revenue despite declining consumption

- Consumers are shifting away from traditional full-strength beers like Victoria Bitter and XXXX Gold and towards higher priced craft beers, elevating selling prices and increasing revenue. As per capita beer consumption falls to historic lows, drinkers are exploring different brands and styles and spending more per beer, favouring premium-priced craft beers for their perceived quality and unique drinking experiences.
- The craft beer segment's growth is offsetting declines in sales volumes, supporting revenue growth for producers. Craft beer's share of the overall beer market has climbed 3.6% over the past five years, suggesting a pathway for brewers to maintain revenue even as overall beer consumption declines.
- Major brewers Asahi and Lion are capitalising on craft beer's popularity, both explicitly stating their intentions to expand their market share in the craft beer segment. Recognising craft beers' better margins, these companies have expanded their market presence through acquisitions and marketing investments.
- Lion's 2021 acquisition of Fermentum Pty Ltd, the parent company of popular craft beer Stone & Wood, helped it tap into demand for craft beer. It has since unveiled designs for $30.0 million in upgrades to its Stone & Wood brewery and taproom in Murwillumbah, NSW, boosting its visibility in the craft beer market. Asahi, which owns craft brands like 4 Pines and Balter Brewing, has stated that one of its key strategies is to invest in its craft beer portfolio's depth and scale to drive up average selling prices. Asahi has invested in marketing campaigns to build up its brand recognition, like operating a bar as part of a sponsorship with the Australian Open.
- Craft beers' popularity bolsters small brewers' viability, increasing enterprise numbers and employment as new brewers have filled niches in the market. This trend has increased fragmentation and reduced market share concentration since the craft brewery sector is more fragmented, with consumers eager to support independently owned breweries. The scale of this consumer interest has contributed to the four largest brewers' revenue share falling 6.0% in the past five years.

The cost to produce a beer has risen, slashing profit margins and leading to closures

- Beer manufacturers' costs have increased significantly in recent years. Between 2021 and 2024, coarse grain prices have surged 31% and excise taxes have climbed 16%, while other operational expenses like utilities and aluminium costs have also escalated. While beer's selling price has climbed 13.3% over the same period to provide revenue growth, manufacturers have struggled to fully pass on these rising costs to consumers because of intense market competition. This has led to a decline in industrywide profit margins from 10.7% in 2020-21 to 6.8% in 2024-25. Financial pressures affect small and independent breweries in particular as they lack the economies of scale to absorb rising costs.
- Consecutive years of rising costs have come to a head in the past 12 months, with a spate of breweries restructuring or ceasing operations altogether. In 2024, several breweries, including Rocks Brewing, Deeds Brewing, Hawkers, Lotus Beer Co, Black Brewing Co and Burnley

Brewing, entered voluntary administration, underscoring the pressures on industry profitability. More recently, in January 2025, Kaiju! Beer also entered voluntary administration, highlighting the ongoing challenge this poses for brewers.

- Larger brewers with economies of scale have managed these cost pressures more effectively than their smaller counterparts. Lion and Asahi have maintained profitability despite both Asahi's Matilda Bay Brewpub and Lion's Malt Shovel Brewery closing in 2024. Their ability to distribute cost hikes allows the major brewers to weather financial challenges more easily than smaller competitors.

Asahi and Lion continue to dominate

- Asahi and Lion have gained control over almost two-thirds of the Beer Manufacturing industry through strategic acquisitions. In June 2020, Asahi acquired Carlton United Breweries (CUB) for $16.0 billion, expanding its market share from 4.4% to 31.5% in that year. Similarly, in 2021, Lion purchased Fermentum Group, owner of popular brands Stone & Wood and Two Birds Brewing, for $500.0 million, increasing its market presence.
- Recent acquisitions have raised concerns about reduced competition and limited consumer choice, but the Australian Competition and Consumer Commission (ACCC) approved them after addressing potential market impacts. The ACCC required Asahi to divest some beer brands, including Stella Artois (acquired by Heineken), for its acquisition to be approved. In Lion's case, the ACCC determined that enough independent breweries remained to maintain market competitiveness despite it acquiring one of Australia's largest independent brewers.
- Asahi and Lion's dominance makes it challenging for smaller breweries to compete. Despite representing the majority of enterprises and employment, independent breweries contribute minor proportions of industry revenue. Small, independent breweries struggle with distribution agreements and prime retail placements in hospitality venues, limiting their market reach and ability to expand.
- To overcome this dominance, smaller breweries are leveraging growing consumer interest in craft beers by creating niche products and operating their own brewpubs and taprooms. They can differentiate themselves from larger competitors by focusing on unique flavours, local ingredients and personalised customer experiences. Direct-to-consumer sales through brewpubs allow them to build brand loyalty and community engagement, helping to expand their market presence despite limitations in traditional retail distribution.

Falling per capita beer consumption is threatening manufacturers' performance

- With rising health consciousness and climbs in the price of beer, Australians are turning away from traditional full-strength beer. According to the ABS, per capita beer consumption has fallen at an annualised rate of 1.7% from 2020 to 2025. In contrast, per capita spirit consumption has risen by an annualised 5.3% and wine by 1.7%. In 2020, the volume of pure alcohol consumed per capita as wine surpassed that of beer for the first time since 1960.
- The slump in per capita beer consumption is forcing manufacturers to market beers at higher pricepoints to offset falling sales volumes, which has helped counterbalance the decline in traditional beer sales.
- The popularity of mid-strength and non-alcoholic beers has grown, driven by consumers seeking lower alcohol options. Mid-strength beer's market share has increased from 18.7% in 2019-20 to 21.9% in 2024-25, as many consumers prefer to slightly reduce their alcohol intake rather than switch to low-alcohol options. Meanwhile, the rising popularity of non-alcoholic beer is leading consumers away from light beer, as its appeal has diminished, and consumers are now choosing non-alcoholic options instead.
- The shrinking beer market limits potential revenue growth and seriously threatens the Beer Manufacturing industry if brewers can't innovate and adapt. Breweries are diversifying their product offerings, exploring alternative beverage segments like low-alcohol drinks, or enhancing marketing strategies to retain and attract customers. Embracing these trends is crucial for maintaining revenue in a declining consumption environment.

Volatility

Moderate

What influences industry volatility?

Demand fluctuations have heightened volatility

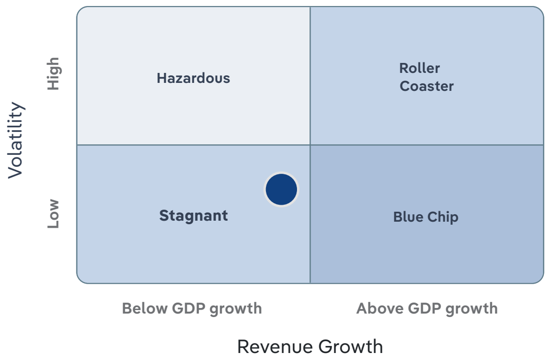
- The Beer Manufacturing industry has experienced moderate revenue volatility over the past five years, partly because of swings in demand. The absolute quantity demanded has had significant spikes of 16.3% in 2022 and 12.2% in 2024.
- Variations in household discretionary income and consumer sentiment directly influence beer demand, as beer is often considered a luxury item. Economic uncertainties, including interest rate changes aimed at controlling heightened inflation, have impacted consumers' willingness to spend on non-essential products like beer, leading to irregular demand patterns.
- During periods of rising discretionary income, consumers tend to increase spending on beer or opt for higher margin beers, boosting revenue. Conversely, when consumer confidence wanes, spending on beer decreases, contributing to revenue volatility.
- Compared to other beverage production industries, beer is more susceptible to economic swings because of its dependence on discretionary spending.

Rising input costs and selling prices contribute to volatility

- Shifts in beer's selling price have contributed to revenue volatility for the Beer Manufacturing industry in the past five years.
- Global events, like the Russia-Ukraine conflict, have disrupted supply chains, causing sharp increases in prices for hops, malt, utilities and storage. These rising input costs have been partly passed on to consumers, elevating volatility.
- Intense competition from substitutes like wine and cider and growing demand for higher value premium and craft beers have led to variability in selling prices. Brewers have to adjust prices to remain competitive, which impacts revenue consistency.
- Rising excise taxes have forced brewers to choose between absorbing or passing on these costs. Passing on taxes increases selling prices but can weaken demand, contributing to revenue volatility. This contrasts with other alcoholic beverage production industries where taxes have less impact on consumer pricing.

Stagnant

Industry volatility vs. revenue growth (2018-2025 CAGR)



IBISWorld

Source: IBISWorld

Key Success Factors

How do successful businesses overcome volatility?

Secure economies of scale

Manufacturers can work on securing economies of scale to reduce per-unit costs, making them less sensitive to tax hikes and increases in input prices.

Pass on cost increases

Manufacturers can help stabilise their revenue by passing on increased production costs to their consumers. They can do this by marketing their beers as craft or premium, as consumers are willing to pay more for these products.

Outlook

↑ 2025-30 Revenue CAGR 0.0%

What's driving the industry outlook?

Continual rises in excise taxes will challenge brewers' profit margins

- The Independent Brewers Association has reported that Australia has the third-highest tax on beer globally, behind only Norway and Finland. Such high taxation levels significantly impact breweries' cost structures.
- Australia's biannual excise tax increases on beer will continue, having already risen 16% from 2021 to 2024. This ongoing escalation will place additional financial pressure on beer manufacturers, tightening profit margins. Since beer prices have already been rising quickly, it's challenging for brewers to fully pass these tax increases on to consumers without risking reduced sales. This means that climbing taxes are forecast to force some smaller brewers to close or consolidate in an effort to remain viable.
- As breweries pass on portions of these tax rises, higher selling prices will lead to price-driven revenue growth. However, overall profitability for brewers will continue to decline. To mitigate these challenges, breweries may need to explore cost-saving measures or advocate for regulatory reforms to alleviate the tax burden. This could involve investing in new brewing systems to enhance efficiency and reduce energy consumption or improving supply chain management by negotiating better deals with suppliers or sourcing local ingredients to reduce purchase expenses.
- In the past 12 months, inflation has slowed, with the December 2024 annual Consumer Price Index (CPI) increase being the lowest since March 2021. Since the excise tax on beer is linked to shifts in CPI, this slowdown in inflation will result in smaller excise tax increases for brewers. This development will provide much-needed relief, helping to alleviate pressure on profitability in the coming year through 2025-26, as inflation is projected to remain lower compared to the spikes from 2021 to 2024. This will particularly benefit smaller independent brewers, which have been most affected by rising costs.

Smaller beer manufacturers will focus on brewpubs to distinguish themselves

- As major breweries like Asahi and Lion continue to pivot into the craft beer sector, smaller brewers will differentiate themselves by opening brewpubs. These venues offer customers the unique experience of drinking beer in the same place it's brewed, providing an authentic atmosphere that mass producers struggle to replicate. By creating engaging spaces, smaller brewers can build strong local followings and foster brand loyalty, which are essential for competing against large-scale major players with substantial marketing budgets.
- Long Point Brewing Co. has received approval for a planned $13.0 million, two-story brewpub in Port Kennedy, Perth. Construction is scheduled to begin in late 2024, with an expected opening in early 2026. Similarly, Bass Point Brewing opened a new taphouse in Barrack Heights in late 2024. These developments show how smaller brewers are leveraging brewpubs to offer unique, onsite experiences where customers can enjoy beer crafted on the premises.
- This strategic focus will increase the number of establishments, employees and wages at a faster rate than revenue over the next five years. This is why revenue per establishment is projected to fall, as overall revenue will be spread across a greater number of venues. As more brewers invest in brewpubs, the operational costs associated with running these establishments will increase and profitability will falter as these additional costs become necessary for differentiation in a competitive market. Small brewers must carefully manage expenses while enhancing customer experiences to maintain viability.
- Establishing a brewpub requires significant capital investment for brewing equipment, venue acquisition or leasing, licensing and renovations to create an inviting atmosphere for patrons. Operating a brewpub also incurs substantial ongoing costs, particularly in staffing. Brewpubs must employ brewing personnel and a full hospitality team, including chefs, servers and management staff, leading to higher wage bills.

Consumers will continue drifting away from beer, threatening manufacturers' viability

- Per capita beer consumption will continue its long-term decline over the next five years, seriously threatening the Beer Manufacturing industry's operations. This decline aligns with a broader reduction in overall alcohol consumption as health consciousness rises.
- Breweries must increase selling prices to maintain steady revenue amid falling sales volumes. However, significant price hikes risk weakening demand if consumers perceive them as too expensive. Balancing price adjustments without deterring price-sensitive customers will be crucial for manufacturers seeking to offset volume declines.
- Mid-strength beers are forecast to continue performing well as consumers avoid excessive alcohol consumption. While appealing to health-conscious consumers, these products are often sold at lower prices, hindering revenue growth.
- Improved economic conditions, with real household discretionary income and consumer sentiment poised to grow because of normalising inflation and reduced interest rates, present opportunities for breweries. Consumers with higher disposable income may be more willing to spend on premium or craft beers for their perceived quality and taste, helping to offset declining volumes through higher priced offerings.

Growing environmental consciousness will continue to alter production processes

- Consumers' increasing environmental consciousness will prompt beer manufacturers to adopt more sustainable production processes over the next five years. By focusing on sustainability, breweries can enhance their reputation and appeal to eco-conscious consumers, gaining a competitive edge in the market.
- Major brewer Asahi aims to make all its packaging recyclable, compostable, or reusable by the end of 2025. It has installed Australia's largest solar project at its Yatala, QLD, brewery and begun delivering beer in solar-powered trucks. While these initiatives involve initial costs, they're forecast to improve efficiency and reduce expenses over time.
- Lion is working towards eliminating plastic shrink wrap from its bottles by the end of 2025 and plastic labels by 2030 to improve its environmental credentials. These efforts align with growing regulatory pressures and consumer expectations for sustainable practices.
- Smaller breweries are embracing sustainability to differentiate themselves in a competitive market. For example, Bodriggy declared itself carbon neutral in April 2024, becoming the first Victorian independent brewery accredited by the Federal Government's Climate Active program. Such commitments attract environmentally conscious consumers.
- In the coming years, sustainability will become a key differentiator in the beer market. Breweries investing in eco-friendly practices are set to gain market share as consumers increasingly prioritise environmental responsibility in their purchasing decisions. By implementing sustainability measures, breweries can enhance efficiency, reduce long-term costs despite high initial capital outlays and strengthen their market position.

Mid-strength beers' growing popularity will shape future market trends

- Mid-strength beers will continue gaining popularity over the next five years, capturing a larger share of the Beer Manufacturing industry. As consumers become more health conscious and avoid excessive alcohol consumption, they're increasingly switching from full-strength to mid-strength beers to make more responsible drinking choices.
- There's growing social acceptance of mid-strength beers, with less stigma around reducing alcohol intake. In 2024, Asahi's newly released Carlton Dry 3.5% was named the highest selling new beer by market research firm Circana, highlighting rising demand for mid-strength options. Campaigns like Asahi's "Embrace the Mid" underscore this movement by promoting beer enjoyment without the effects of higher alcohol content.
- While mid-strength beers appeal to health-conscious consumers, they're often sold at lower prices than full-strength beers. This pricing may hinder revenue growth for manufacturers despite increased sales volumes. However, popularity will continue driving overall market expansion as more consumers choose these products over not purchasing beer at all.
- Releasing mid-strength beers will help beer manufacturers appeal to a wider variety of consumers and stay competitive in the evolving market. By expanding their product portfolios to include mid-strength options, breweries can tap into this growing segment, meet changing consumer preferences and potentially offset revenue challenges associated with lower per-unit prices. This strategic move could help manufacturers maintain or increase their market share in a landscape where traditional full-strength beer consumption is declining.

Life Cycle Decline

Why is the industry declining?

Contribution to GDP

Though the wider economy has expanded, the Beer Manufacturing industry's contribution to GDP has fallen because of rising production costs, excise taxes and falling per capita beer consumption. As beer sales weaken, manufacturers generate less profit, exerting downwards pressure on the industry's contribution to GDP.

Market Saturation

Declining per capita alcohol consumption signals a saturated market for standard beers. While craft brews provide a niche growth area, the broader industry faces limited opportunities to win new consumers. Competing brands increasingly vie for the same customer base, reflecting an industry struggling to generate new demand.

Innovation

Manufacturers have launched products like low-carb and flavoured beers to attract health-conscious and adventurous consumers. These efforts temporarily boost sales and differentiate offerings in an otherwise saturated market. However, technical breakthroughs are incremental rather than transformative, aligning with an industry that relies on product tweaks instead of radical innovation.

Consolidation

Asahi and Lion dominate the market through mergers and acquisitions, consolidating established brands under fewer corporate umbrellas. Despite consolidation at the top, craft beer's popularity has encouraged the emergence of independent breweries that aim to capture niche consumer segments. These trends underscore an industry shaped by both concentration and fragmentation.

Technology & Systems

Automation and enhanced brewing processes have improved efficiency for large-scale producers, mitigating rising costs and realizing marginal gains in output. Smaller operators often lack the capital to adopt expensive equipment, amplifying large brewers' competitive advantages. The focus on cost reduction rather than expansive product evolution underscores the industry's inability to rejuvenate demand.

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries

*Growth is based on change in share of economy combined with change in establishment numbers

Source: IBISWorld

Products and Markets

Key Takeaways

Craft beer sales are outpacing other segments. Consumers are increasingly favouring craft beers for their perceived quality and trendiness, boosting craft beer's revenue share over the past five years.

Mid-strength beer is gaining popularity as people drink less alcohol. With declining per capita alcohol consumption, consumers are shifting from full-strength to mid-strength beers, doubling this segment's share of total beer sold since 2000.

Light beer's appeal is declining as consumers opt for non-alcoholic options. Light beers' revenue share has nearly halved over the past five years as consumers favour zero-alcohol beers, which are not part of the industry, over light beers.

Liquor retailers are increasingly bypassing wholesalers to purchase directly from manufacturers. Major retailers like Coles and Woolworths are also developing private-label beer brands, reducing reliance on wholesalers and challenging their market position.

Largest Market
$2.4bn Full-strength traditional beer

Product Innovation
Low

Products and Services

How are the industry's products and services performing?

Classic full-strength beer lives on as the highest sales segment despite drops in recent years

- Classic full-strength beers are non-craft, non-international beers with an alcohol by volume (ABV) of 3.5% or greater. Examples are popular brands like Victoria Bitter and Carlton Draught.
- Despite being the largest revenue contributor, classic full-strength beers' market share is declining, falling from 32.7% of industry revenue in 2019-20 to 27.9% in 2024-25. The decline has stemmed from consumers increasingly preferring craft beers, mid-strength beers and low-carb options, influenced by growing health consciousness and decreasing per capita alcohol consumption.
- As demand for classic full-strength beers wanes, beer manufacturers have been forced to diversify their product portfolios by introducing low-carb and flavoured beers to align with changing market trends.

Mid-strength beer is growing in popularity as people drink less

- Mid-strength beers have an ABV content between 3.0% and 3.5%, offering a middle ground between full-strength and light beers. Notable brands in this segment include XXXX Gold and Great Northern Super Crisp.
- As Australia's per capita alcohol consumption declines, many consumers are shifting from full-strength to mid-strength beers. This segment's share of total beer sold has doubled since 2000, reflecting a significant change in drinking habits towards lower-alcohol options.
- Mid-strength beers' growing popularity has outpaced the overall industry. This has pushed most popular beer brands to offer mid-strength variants, expanding consumer choice.
- Australia's tiered alcohol taxation system, which imposes higher taxes on beverages with greater alcohol content, means mid-strength beers are more profitable for producers. This financial incentive encourages breweries to promote and expand their mid-strength offerings.

Premium beer sales have begun to decline amid economic strain

- Premium beers are made with high-quality ingredients and meticulous brewing processes and are sold at higher prices than standard beers. This segment includes domestic brands like James Boag's and Crown Lagers and international beers like Peroni, Corona and Carlsberg.
- Rising inflation and the cost-of-living crisis have reduced consumers' discretionary income, leading them to curb spending on premium beers. This has caused this segment's popularity to fall as people opt for more affordable options.
- Consumers are increasingly preferring craft beers over premium beers when deciding to splurge because of their trendiness. This shift directs spending away from premium international and domestic brands towards the growing craft segment.
- The premium beer segment has experienced a revenue slump over the past five years, impacted by economic pressures and shifting consumer preferences favouring value or distinctive craft options over traditional premium beers.

Consumer preferences are shifting towards premium craft beers

- Craft beer is produced by a craft brewery. Although it isn't widely accepted precisely what makes a beer a craft beer, the term commonly refers to a beer produced by a small-scale, independent brewery.
- Craft beers' share of overall beer market revenue has grown from 16.7% in 2019-20 to 21.0% in 2024-25. Australians are consuming less

beer overall, so they're willing to spend more on premium-priced craft beers for their perceived quality and unique drinking experiences.

- Large breweries like Asahi and Lion are strategically entering the craft beer market through acquisitions and significant marketing investments. An example is Lion's 2021 purchase of Fermentum Group, creators of the popular craft beer Stone & Wood. By leveraging their substantial resources and scale, these companies promote their craft beer brands, bolstering sales and contributing to the segment's revenue growth.

Australians' laser focus on health has been a catalyst for low-carb beer sales

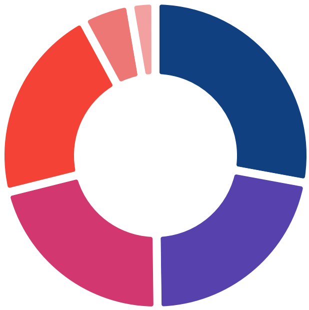
- Low-carb beers are brewed to reduce carbohydrate content, offering consumers a beer option with fewer carbs than traditional brews. They don't have a specific ABV and this can vary across different brands and styles.
- Increased health consciousness among Australians has boosted low-carb beers' popularity. As consumers become more mindful of their dietary intake, they're opting for beverages perceived as healthier alternatives without sacrificing alcohol content.
- Many beer brands, like Better Beer, are actively promoting their low-carb beers as healthy choices, attracting health-focused consumers. Most major brands now offer low-carb versions of their beers, leading to a surge of new low-carb options in recent years.
- Growing demand for low-carb beers has led to this segment's robust growth and outperformance of traditional beer categories.

Light beer's appeal is slowly falling away

- Light beers have an ABV under 3.0%, offering a lower alcohol choice for consumers seeking moderation without eliminating alcohol entirely. The light beer segment's revenue share has nearly halved from 4.4% in 2019-20 to 2.7% in 2024-25, reflecting a significant decline as consumers shift their preferences.
- Despite deteriorating per capita alcohol consumption, consumers are increasingly bypassing light beers in favour of non-alcoholic beers, which are not included in the Beer Manufacturing industry. Many of those looking to cut back on alcohol intake are opting to cut alcohol entirely and drink zero-alcohol options rather than light beers.
- Non-alcoholic beers' popularity diverts sales away from the light beer segment, challenging producers within the industry. Brands may need to adapt by innovating or expanding into the non-alcoholic market to recapture alcohol-abstaining consumers.

Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



- Full-strength traditional beer ($2.4bn) 27.9%
- Mid-strength beer ($1.9bn) 21.9%
- Premium beer ($1.8bn) 21.3%
- Craft beer ($1.8bn) 21.0%
- Low-carbohydrate beer ($451.1m) 5.2%
- Light beer ($234.2m) 2.7%

IBISWorld

Source: IBISWorld

What are innovations in industry products and services? Low

Health-focused beers and new flavours are meeting changing consumer preferences

- Rising health consciousness among consumers has spurred beer manufacturers to develop healthier options, like low-carb beers. In 2024, Victoria Bitter introduced VB Low Carb, catering to health-conscious drinkers seeking traditional beer tastes with fewer carbohydrates.
- With per capita beer consumption declining, many breweries have launched light and mid-strength beers. These products offer reduced alcohol content, appealing to consumers who wish to moderate their intake without abstaining entirely.
- Brewers are creating beers with unique flavours to retain consumer interest and tap into new markets. Matso's, owned by Good Drinks, specialises in alcoholic ginger beer and also offers mango- and chilli-flavoured beers, while Lion has released new Byron Bay Brewery Fruit Lagers.
- Newly released beers have reflected an emphasis on product differentiation to remain competitive. By expanding product lines to include health-focused beers and flavourful alternatives, breweries aim to meet evolving consumer preferences.

Beer manufacturers are increasingly using automation throughout their processes

- Beer manufacturers are increasingly leveraging technology to assist them and reduce operational expenses.
- In 2021, global tech company Bühler introduced a malting plant solution that enables breweries to produce their own malt in-house, increasing production efficiency and ensuring consistent quality by granting greater control over ingredients. Coopers Brewery has adopted this technology, which has helped maintain high and consistent malt quality while boosting production capabilities.

- Breweries are using innovative technologies like Frigid, which help reduce energy consumption and improve operational efficiency. Frigid's technology optimises essential cooling processes, leading to significant energy savings. Smaller breweries like Nowhereman Brewing Co and Big Shed Brewing have implemented Frigid's solutions to enhance their brewing processes, resulting in lower operational costs and a reduced environmental footprint.

Key Success Factors

What products or services do successful businesses offer?

Establish brand names

Manufacturers must ensure that their brand names are well-marketed, recognisable and synonymous with quality and taste, especially in the craft beer segment where consumers are willing to pay extra.

Market differentiated products

Manufacturers need to develop a wide range of products in accordance with changing consumer preferences. Offering mid-strength and low-carb beers can stop consumers from turning to competitors or substitutes.

Major Markets

What's influencing demand from the industry's markets?

Wholesalers remain the primary beer buyers

- Liquor wholesalers purchase large quantities of beer at low prices from manufacturers and distribute them to liquor retailers and hospitality venues, which then sell to consumers. They remain the primary purchasers in the beer sector, representing the largest market for manufacturers.
- Retailers and hospitality venues are increasingly bypassing wholesalers to buy directly from manufacturers, aiming to reduce costs and increase profit margins. This trend reduces wholesalers' purchasing volumes and challenges their market position, shrinking their market size over the past five years.
- Many small craft breweries rely on wholesalers for distribution because of their limited resources and negotiating power compared to large companies like Asahi. As direct purchasing becomes more prevalent, smaller breweries may face distribution challenges, as they depend on wholesalers to reach broader markets and lack the means to distribute widely on their own.

Liquor retailers are rapidly cutting out the middlemen

- Liquor retailers are businesses that sell alcoholic beverages to consumers for off-premises consumption. This segment includes dedicated liquor stores and supermarket chains with liquor outlets.
- Major retailers like Coles and Endeavour Group are purchasing beer directly from manufacturers rather than through wholesalers. This strategy reduces costs, increases profit margins and streamlines their supply chains. They're also developing private-label beer brands, diminishing the need for wholesalers. By producing their own brands, supermarkets offer exclusive products at competitive prices, attracting consumers and expanding their market share.
- Large retailers' dominance and direct purchasing practices make it challenging for small beer manufacturers to secure shelf space. Smaller breweries struggle to compete and reach consumers through major retail channels without the negotiating power of larger companies.

Direct relationships with manufacturers and onsite brewing influence the hospitality market's performance

- Hospitality venues, like pubs and clubs, are included in this market. These establishments purchase beer directly from manufacturers for on-premises consumption.
- Many hospitality venues establish direct relationships with beer manufacturers, bypassing wholesalers. Manufacturers often offer incentives to these venues, like discounts or exclusive products, in exchange for tap real estate and brand promotion within their establishments.
- Some venues, like brewpubs, produce beer onsite and sell it directly to consumers. This vertical integration allows them to control the brewing process and cater to consumer preferences for locally produced, unique beer experiences.

Major Markets Segmentation

Industry revenue in 2025 broken down by key markets

- Wholesalers ($4.1bn) 47.1%
- Retailers ($2.9bn) 32.9%
- Other markets ($1.7bn) 20.0%

IBISWorld

Source: IBISWorld

International Trade

Imports Low Decreasing

What are the industry's import trends?

Imports from China have surged following Corona's move from Mexico and tariff removals

- China's beer imports to Australia spiked from $3.6 million in 2023 to $110.9 million in 2024, marking a substantial shift in trade dynamics and making China the leading source of beer imports for Australia. The import surge results from tariffs on Chinese products lifting in 2023, enhanced trade relations between the two countries and Corona now being brewed in China for the Australasian market.
- China removed its 80.5% tariff on Australian barley in August 2023, which had hindered trade and increased costs for Chinese brewers since May 2020. The removal of the barley tariff reduced production costs for Chinese breweries, enabling them to increase beer exports to Australia and other Oceanian markets.
- Imports from Mexico sunk from $115.0 million in 2023 to $21.9 million in 2024. This drop is down to Corona, previously brewed exclusively in Mexico, now being brewed in China for the Australasian market. This shift has redirected import origins from Mexico to China, contributing to China's considerable expansion in the beer production market.

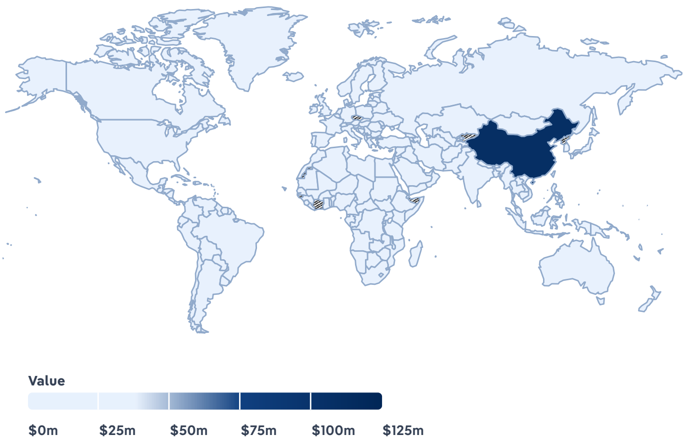
Imports are falling as beer drinkers opt for Australian brews

- Imports of beer to Australia have fallen significantly, with volumes dropping by an annualised 12.4% over the past five years. This decline contrasts with the broader beverage sector, where imports have remained relatively stable, highlighting a unique trend within the beer market.
- Companies like Asahi and Good Drinks produce popular international beers domestically, reducing the need for imports and contrasting with sectors that rely more heavily on imported products. These contract brewing arrangements uniquely influence the industry's import patterns compared to the broader beverage sector. While other beverage industries might depend more on imports, the beer market leverages domestic production of international brands like Heineken and Guinness.
- Australian consumers are increasingly favouring locally produced craft beers over premium international brands. Craft beers, primarily made by independent Australian breweries, have gained popularity because of their innovative flavours and local appeal. This shift has redirected spending away from imported premium beers towards domestic products that offer quality and a connection to local communities.
- Imported beers are often marketed as premium products and are typically sold at higher prices than standard beers. Rising inflation and the cost-of-living crisis, which have reduced consumers' discretionary income, have led Australians to curb spending on these premium international beers in favour of more affordable local options. When consumers do choose to splurge, they're increasingly opting for craft

beers in favour of international beers, reducing import demand.

International Trade: Imports

Concentration of imports and exports from each country based on industry revenue:



Total Imports
$282.3m
'20-'25 ↓12.8 %
'25-'30 ↓2.7 %

Total Exports
$33.8m
'20-'25 ↓3.9 %
'25-'30 ↑3.2 %

Trade Balance
Net Importer
Deficit: $-248.5m

IBISWorld
Source: IBISWorld

Exports

Low Decreasing

What are the industry's export trends?

Exports remain slow as Australian beer for international consumption is brewed elsewhere

- Australian beer exports have remained minimal as major brewers produce domestic brands overseas instead of exporting from Australia. Companies like Asahi and Lion, which own popular Australian beer brands, operate multiple production and distribution facilities around the globe, reducing the need to export Australian beer.
- Fosters, owned by Asahi Holdings, is the top-selling Australian beer brand worldwide, but it's manufactured in countries like the United States and the United Kingdom. By brewing locally in key markets, these companies lower transportation costs, take advantage of lower wage costs in countries outside Australia and cater to local tastes more effectively. This strategy efficiently satisfies consumer demand and bypasses import tariffs and regulations.
- Beer manufacturing export levels are significantly lower compared to the broader beverage sector. While other segments like wine have a strong export presence, with Australian wines being highly sought after globally, the beer market doesn't share this trend because of the major brewers' localised production strategies.

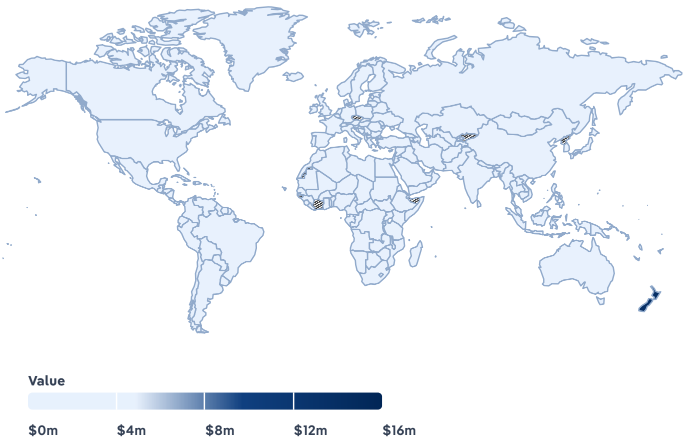
Beer exports to Asia have surged amid improved trade relations and rising demand

- Australian beer exports to China have soared from $243,731 in 2023 to $1.4 million in 2024 following the removal of barley tariffs. China's decision to lift its 80.5% tariff on Australian barley in August 2023 has reopened the barley trade and strengthened overall trade relations, benefiting Australian beer exporters.
- Improved trade relations with China have had a ripple effect, boosting Australian beer exports to other Asian countries like Indonesia, Japan, South Korea and Singapore.
- New Zealand remains the largest export destination for Australian beer, primarily because of its geographic proximity and similar consumer preferences. The ease of logistics and shared cultural ties make New Zealand a consistent and significant market for Australian breweries.
- Exports to ships and aircraft stores are substantial, accounting for around one-quarter of overall exports in 2023-24. Supplying beer to international carriers and duty-free outlets allows Australian breweries to reach a global audience and capitalise on international travel

routes.

International Trade: Exports

Concentration of imports and exports from each country based on industry revenue:



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Total Exports

$33.8m

'20-'25 ↓3.9 %

'25-'30 ↑3.2 %

Trade Balance

Net Importer

Deficit: $-248.5m

Source: IBISWorld

Geographic Breakdown

Key Takeaways

Most of Australia's beer manufacturers are based in New South Wales and Victoria. Unsurprisingly, the two most populous states in the country are home to the most breweries, as businesses try to stay close to their consumer base.

Government initiatives are spurring brewery growth in Queensland. Queensland's share of industry enterprises has climbed over the past few years as the state's Craft Brewing Strategy and favourable conditions attract new breweries.

Western Australia, Tasmania and South Australia have a high brewery concentration relative to their populations. Historical roots, access to quality inputs and supportive environments contribute to the over-representation of breweries in these states.

Business Locations

State/Territory	Estab. %	Population %
NSW	25.7	25.7
VIC	23.7	23.7
QLD	18.4	18.4
WA	13.9	13.9
SA	10.4	10.4
TAS	6.5	6.5
ACT	1.4	1.4
NT	0	0.0

Where are industry businesses located?

New South Wales is home to the most breweries

- New South Wales accounts for 25.7% of Australia's breweries, the highest share among all states. Being the most populous state attracts breweries as they're provided access to a vast consumer base.
- Densely populated cities like Sydney offer both advantages and challenges to breweries. Being close to a large consumer base reduces transport distances, allowing products to reach consumers quickly and reducing distribution expenses. The high population density presents a substantial market for breweries to tap into, boosting sales and brand visibility. However, the cons involve operational challenges like traffic congestion, which can complicate the transportation of goods and make deliveries slower and less predictable.
- Inner-city locations are particularly important for craft breweries operating brewpubs, as being situated in populous areas enhances their visibility and popularity, driving foot traffic and sales.
- Coastal areas in New South Wales, like Byron Bay, attract high levels of tourism activity, prompting breweries to establish operations there. For example, Byron Bay is home to the Stone & Wood Brewery, while Jervis Bay hosts the Jervis Bay Brewing Co.
- New South Wales hosts a diverse range of breweries, from large-scale producers to a growing number of craft breweries. The state's beer market caters to varied consumer preferences, supporting different industry segments.
- New South Wales's efficient distribution networks and high consumer demand make it an attractive location for breweries. The state's infrastructure and population density continue to support industry growth and expansion.

Victoria's share of the industry is falling

- Victoria is home to 23.7% of enterprises, making it one of the leading states for beer manufacturing. Although its share has declined from 30.9% in 2019, Victoria remains a central hub.
- Melbourne's unique bar and pub scene and sophisticated fine dining environment have bolstered the state's beer scene. Consumers in Victoria demand higher quality and greater variety in their beer choices, encouraging breweries to establish operations in the state to meet this demand.
- Victoria is Australia's largest hops grower and barley is also cultivated locally. Brewers in the state benefit from lower transport costs and fresher ingredients, which enhance the quality of their beers and allow for innovative brewing practices. This encourages enterprises to locate themselves in the state, which hosts notable breweries like Mountain Goat and Hawkers.
- Victoria's declining industry share is partly because of high operational costs, like rent and labour, in the major city of

Melbourne. Congestion poses logistical challenges, resulting in breweries like White Rabbit and Little Creatures relocating to regional areas like Geelong to reduce costs and avoid congestion.

- Victoria faced long and strict lockdowns during the pandemic, severely impacting breweries, leading to closures and prompting breweries to be established in states with fewer restrictions.
- In 2024, Asahi closed the Matilda Bay Brewpub in Healesville, with its beers now brewed in Port Adelaide. This indicates a shift of operations out of Victoria.

Queensland's government initiatives are seeing new breweries popping up

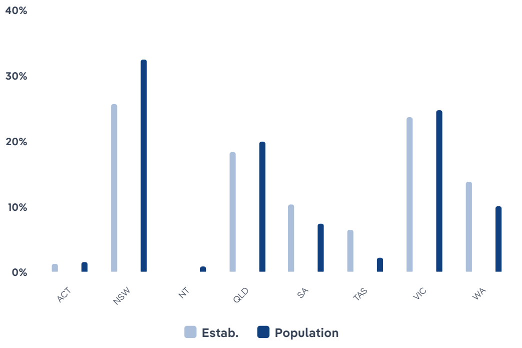
- Queensland's share of industry enterprises has risen from 15.7% in 2019 to 18.4% in 2024. The state's brewery numbers have more than doubled since 2017, indicating significant industry growth.
- The Queensland Government introduced the Craft Brewing Strategy in November 2018 to support rapid expansion. This strategy aims to enhance the beer manufacturing culture and stimulate demand for locally produced brews.
- Queensland's optimal weather conditions are conducive to beer brewing. The state is home to Australia's largest brewery, Carlton & United Breweries in Yatala and major brands like Lion's XXXX Gold, one of the most popular beers in Australia.
- Despite support, the craft beer industry's development has been constrained by the warm climate and the dominance of non-craft brands like XXXX. Craft brewers have also cited restrictive elements in the licensing regime hindering growth. Notable breweries like Balter Brewing Company and Brisbane Brewing contribute to Queensland's emerging beer scene, while government support and shifting consumer preferences gradually overcome previous constraints.

Western Australia, Tasmania and South Australia are over-represented in terms of establishments to population

- Western Australia is regarded as the home of Australian craft beer. It hosted the nation's first craft brewery, Matilda Bay Brewery, established in the late 1980s. This legacy has fostered a strong brewing culture in the state, with prominent breweries like Little Creatures, Good Drinks and CBCo Brewing also operating in Western Australia. Despite operational challenges because of the state's isolation, the government has supported providing grants since 2018 and introducing the Western Australian Craft Beer Strategy 2024-2034 to expand the market.
- Tasmania boasts the highest number of breweries per head of population in Australia. Ideal growing conditions for hops and barley and access to clean, renowned water sources make it an attractive location for breweries. Tasmania has a deep-rooted beer culture with brewing traditions dating back to the early 1800s. Craft breweries like Moo Brew and Seven Sheds leverage local ingredients to produce high-quality, unique beers.
- South Australia has a higher percentage of Australia's breweries than its population. This reflects a strong local industry presence and commitment to brewing excellence. Many independent breweries in South Australia collaborate to reduce costs through bulk ordering and shared storage and delivery, enhancing their competitiveness.
- The over-representation of breweries in Western Australia, Tasmania and South Australia highlights how historical roots, access to quality inputs and supportive environments contribute to industry concentration.

TAS has the largest spread of businesses compared to its population

Share of Estab. (%) vs. share of population (%)



IBISWorld Source: IBISWorld

Key Success Factors

How do businesses use location to their advantage?

Control distribution arrangements

Manufacturers need to be located in regions that allow for easy distribution and help them supply their buyers reliably and efficiently.

Operate in a highly visible location

Breweries that serve beer out of their manufacturing location need to ensure that it's in a densely populated area with high foot traffic to attract customers.

Competitive Forces

Key Takeaways

New entrants to the Beer Manufacturing industry must obtain land and manufacturing equipment. Businesses must also obtain licenses and compete with major players for shelf and tap space.

Asahi and Lion dominate the market through economies of scale and acquisitions. Controlling over half the industry's revenue, these manufacturers' large production scales, promotional budgets and strategic acquisitions make it challenging for smaller breweries to compete.

Substitutes like wine, spirits and non-alcoholic beverages intensify competition for beer manufacturers. Rising health consciousness and shifting consumer preferences towards alternatives are diminishing beer demand, forcing brewers to adapt.

Concentration Moderate

What impacts the industry's market share concentration?

International brewers continue to dominate the market

- Japanese-owned multinational companies Lion and Asahi dominate the Australian beer market, accounting for 58.9% of industry revenue.
- Major acquisitions have fuelled the two major brewers' market share, as they have the scale and financial power to make substantial acquisitions that significantly shift market dynamics. In 2020, Asahi acquired Carlton & United Breweries for $16.0 billion, bringing popular brands like Victoria Bitter and Carlton Draught into its portfolio. In 2021, Lion acquired Fermentum, the owner of Stone & Wood Brewing Co., for over $500.0 million. This move allowed Lion to add one of Australia's leading independent craft breweries to its portfolio, enhancing its offerings in the growing craft beer segment.
- Smaller breweries are engaging in acquisitions, with Good Drinks acquiring Matso's Brewery in 2018 and attempting to acquire Stomping Ground, although this acquisition was called off in 2023.

The army of craft breweries is fighting back

- A growing consumer preference for craft beers has increased the viability of small independent breweries, leading to a more fragmented industry. Consumers seek unique flavours and locally produced beers, encouraging the establishment and growth of numerous small breweries. This has decreased market share concentration, with the four largest brewers' revenue share falling from 68.4% in 2020-21 to 62.4% in 2024-25, reflecting how small breweries are capturing a larger portion of the market.
- Craft beer drinkers tend to favour independently owned breweries. This desire to support local businesses drives consumers away from mass-produced beers offered by large multinational companies. Asahi, for example, controls around 40% of overall beer revenue but less than 20% of the craft beer sector.
- Asahi and Lion have expressed their intentions to grow the popularity of their craft brands in response to shifting consumer preferences.

Large brewers' economies of scale and distribution deals give them a competitive advantage

- Large breweries Asahi and Lion capitalise on their large production scale and promotional budgets, enabling them to absorb cost increases in utilities, aluminium prices and excise taxes. In contrast, smaller breweries with smaller production volumes struggle with climbing operational expenses, limiting their market reach and at times forcing them to exit the industry.
- Access to prime retail placements and tap space in hospitality venues reinforces large brewers' dominance, as independent operators lack the resources and scale to secure similar distribution agreements. The necessity of securing such agreements limits small breweries' ability to expand.
- Asahi and Lion leverage their scale to add brands across various product segments to their portfolio, ensuring wide market reach. This bolsters their market share compared to smaller manufacturers focusing on specific niches.

Market Share Concentration

Combined market share of the four largest companies in this industry

IBISWorld Source: IBISWorld

Key Success Factors

How do successful businesses handle concentration?

Market differentiated products

Beer manufacturers must develop differentiated products that align with consumers' preferences to attract customers away from the two major players, Asahi and Lion.

Secure economies of scale

Beer manufacturers can work on securing economies of scale to reduce their per-unit costs and maintain profitability amid rising operational expenses and excise taxes.

Barriers to Entry High Decreasing

What challenges do potential industry entrants face?

Legal

- Australia's Beer Manufacturing industry is heavily regulated, requiring breweries to hold producer or wholesale licenses, excise tax licenses and adhere to strict labelling laws. Securing these permits demands time and capital, creating a considerable barrier for new entrants. Ensuring compliance with constantly evolving regulations reinforces the importance of legal expertise.

Start-Up Costs

- Entering the Beer Manufacturing industry demands high upfront expenses for equipment, real estate and skilled labour. Developing distribution channels and obtaining necessary packaging materials compound these costs. Prospective brewers may struggle to handle these expenditures without sufficient capital or investor backing, deterring many would-be entrants from launching full-scale brewing operations.

Differentiation

- Established brands dominate retail shelves and tap space through longstanding supplier agreements. To stand out, newcomers must create distinctive flavours, packaging or marketing strategies. However, limited promotional budgets constrain their visibility, increasing the challenge of breaking into the market. Customer loyalty to well-known labels complicates efforts to differentiate new offerings.

Capital Expenses

- Brewing operations require costly infrastructure, including fermentation tanks, cooling systems and related machinery. These capital-intensive investments increase barriers for small entrants that cannot easily scale production. However, small breweries' costs aren't as extensive as those of larger, more established competitors because of their smaller production volumes.

Key Success Factors

How can potential entrants overcome barriers to entry?

Secure economies of scale

Beer manufacturers with larger production facilities can achieve lower per-unit costs, allowing them to reduce pricing and increase marketing expenditure or capital investment.

Attract local support

New entrants can attract support by building relationships with local hospitality venues and liquor retailers to get their products on tap and on shelves.

Substitutes Moderate Increasing

What are substitutes for industry services?

Other types of alcohol

- Alcoholic substitutes for beer come in the form of wine, spirits and other ready-to-drink mixed spirit beverages. Wine and spirits consumption has surged over the past decade, while beer intake has notably declined. As tasting tours enrich wine's appeal and seltzers and mixed spirit drinks gain popularity, these options increasingly divert consumers from traditional beer offerings.
- To capitalise on shifting tastes, Asahi introduced its Hard Rated brand, now Australia's top light RTD spirit, eroding beer's market share. By diversifying into these alternatives, Asahi has hedged against the country's declining per capita beer consumption.
- Ready-to-drink spirit beverages often appeal to younger demographics seeking convenient, flavour-focused alcohol choices. Their rise diminishes demand for beer, magnifying the threat these substitutes pose to brewers facing shrinking domestic beer sales.

Non-alcoholic beer

- Non-alcoholic beer is a beverage with little to no alcohol that aims to reproduce the taste of regular beer. Their production falls outside this industry's scope. As per capita beer consumption falls because of rising health consciousness and wellness trends, non-alcoholic beer has gained popularity.
- Consumers looking to cut back on alcohol are bypassing light beers in favour of zero-alcohol offerings, driving light beer's revenue share down from 4.4% in 2020 to 2.7% in 2025.
- Major brewers, including Carlton & United Breweries and Coopers, have rapidly expanded their zero-alcohol lines like Carlton Zero, highlighting how non-alcoholic beers are effectively displacing light beer as the go-to low-alcohol alternative.

Do-it-yourself

- Home-brewing involves producing beer at home on a small scale rather than purchasing from retailers or venues.
- Home-brewing enthusiasts benefit from cost savings, custom flavours and hands-on control over the brewing process. However, home brewing demands patience, space and equipment, which can deter casual consumers seeking convenience.
- Coopers has capitalised on rising do-it-yourself trends by offering a home-brewing kit, reflecting how established brewers can accommodate hobbyists. Despite the complexity, this DIY option remains a niche but growing threat, particularly appealing to budget-conscious consumers.

Key Success Factors

How do successful businesses compete with substitutes?

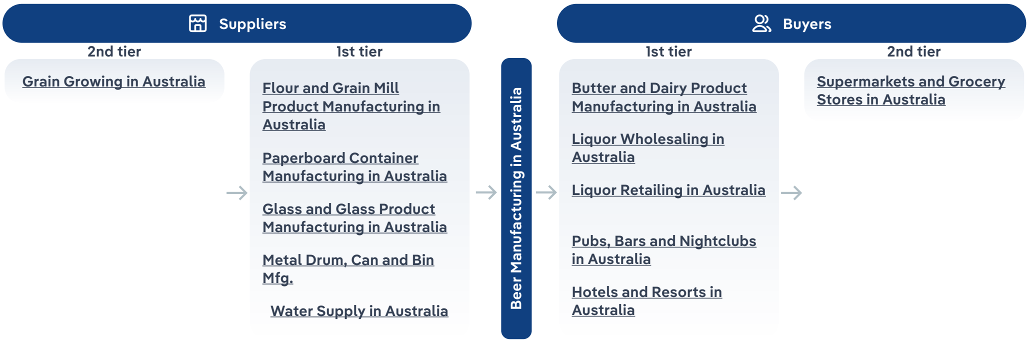
Conduct market research

Beer manufacturers need to stay up to date with current market trends. For example, they may consider introducing mid-strength or low-carb beers to offer a compromise for people trying to reduce their alcohol consumption or improve their health.

Supply a diverse range of products

Beer manufacturers can capture consumers' changing tastes and desire for variety by supplying a diverse range of products, which will stop them from turning away to substitutes.

Buyer & Supplier Power



IBISWorld

Source: IBISWorld

What power do buyers and suppliers have over the industry?

Moderate Increasing

Buyers: An influx of new breweries elevates buyers' choice

- Asahi and Lion dominate Australia's top-selling beers, compelling many hospitality venues to stock these brands to remain competitive. However, larger liquor retailers can use their scale to negotiate favourable terms, offering them more power than smaller hospitality venues.
- Craft beers' surging popularity has led to an influx of new breweries, growing from 723 establishments in 2019-20 to 1,004 by 2024-25, which provides retailers and hospitality venues with more options, increasing their leverage when selecting or promoting particular brewers.
- Major supermarkets have amplified their buying power by introducing private-label beers, reducing their dependence on established manufacturers and enabling more aggressive pricing and shelf-placement strategies.

High Steady

Suppliers: Essential inputs and limited alternatives strengthen supplier power

- Raw materials like malt, hops and sugar are vital for beer production. Farmers set prices according to global commodity markets, leaving brewers with minimal negotiation leeway.
- Switching suppliers is challenging because brewers risk quality inconsistencies and the process is time-consuming. This dependence on specific ingredients boosts suppliers' leverage.
- Larger brewers can slightly mitigate supplier power with bulk purchasing, whereas smaller, independent producers have less negotiating power.
- Utilities are critical for beer manufacturing. However, as there are few companies to choose from, suppliers' influence on operational costs is amplified.

Key Success Factors

How do successful businesses manage buyer & supplier power?

Control distribution arrangements

Beer manufacturers can work hard to control distribution arrangements and secure shelf and tap space for their beer in liquor retailing stores and hospitality venues. This will drive attention to their beer.

Establish long-term working relationships with raw material suppliers

Beer manufacturers that develop working relationships with their barley and hops suppliers can ensure that inputs are of high quality and are delivered on time.

Companies

Key Takeaways

Lion and Asahi continue to dominate the market. These Japanese companies make up over half the market, having recently acquired smaller breweries. Their scale and power make it hard for independent breweries to compete.

Barring the heavyweights, the Beer Manufacturing industry is fragmented. However, craft beer's increasing popularity has encouraged new players to enter the industry.

Asahi is focused on premiumisation and its craft brands to enhance margins amid declining volumes. By acquiring popular craft brands like Mountain Goat and Balter Brewing, Asahi aims to offset declining sales volumes with higher margin products.

Facing reduced consumption of classic brands like XXXX Gold, Lion acquired Fermentum Pty Ltd in 2021. The firm is the parent company of Stone & Wood, and epitomises Lion's shift in focus towards capitalising on craft beers' growing popularity.

Major Players

Company	Revenue	Market Share
Asahi Holdings	$3.1bn	35.5%
Lion	$1.8bn	21.0%
Coopers Brewery	$203.4m	2.3%
Good Drinks Australia	$94.5m	1.1%
Other Companies	$3.5bn	40.1%

Companies

Company	Market Share (%) 2025	Revenue ($m) 2025
Asahi Holdings	35.5 ↗	3,078.3 ↗
Lion	20.9 ↘	1,817.1 ↗
Coopers Brewery	2.3 ↘	203.4 ↗
Good Drinks Australia	1.1 ↗	94.5 ↗
Coca-Cola Europacific Partners Holdings (Australia)	N/A	N/A

Asahi Holdings

Company Details

Registered Name	Asahi Holdings (Australia) Pty Ltd
IndustrySpecificRevenue (2025)	$3.1bn
Industry Profit (2025)	N/A
CompanyEmployees (2025)	N/A
MarketShare (2025)	35.5%

Description

Owned by Japan-based Asahi Group Holdings Limited, Asahi Holdings (Australia) Pty Ltd manufactures and distributes a range of beverages, including soft drinks, bottled waters, fruit juices, cordial and beer. The company was formed in April 2009, when Japanese beverage company Asahi purchased Cadbury Schweppes' Australian beverage business for $1.2 billion. The company employs over 4,500 people and is based in Southbank, Melbourne.

Brands & Trading Names

- Dirty Granny
- Cricketers Arms
- Asahi Super Dry
- Bulmers
- Carlton and United Breweries
- Schweppes
- Spring Valley
- Wild Moose
- Carlton Drought
- Pepsi
- StrangeLove
- Spring Cider Co.
- Mercury
- Somersby
- Pirate Life
- Solo
- Vodka Mudshake
- Good Tides
- Frantelle
- Woodstock Bourbon
- 4 Pines Brewing Company
- Highland
- Vodka Cruiser
- Green Beacon Brewing Company
- Voss
- Vodka O
- Real Iced Tea Co
- Mountain Goat
- Balter Brewing Company
- Pure Blonde
- Cottee's
- Mountain Dew
- Victoria Bitter
- Grolsch
- Woodstock Bourbon and Cola
- Sunkist
- Pop Tops
- Charlie's
- Gatorade
- Cool Ridge
- Phoenix Organic
- Crown Lager
- Vibe

Other Industries

- Cider Production in Australia
- Fruit Juice Drink Manufacturing in Australia
- Bottled Water Manufacturing in Australia
- Craft Beer Production in Australia
- Functional Beverage Production in Australia
- Soft Drink Manufacturing in Australia
- RTD Mixed Spirit Production in Australia
- Spirit Manufacturing in Australia

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)
2013	3.0	199.9
2014	3.2	216.5
2015	3.4	224.6
2016	3.3	211.8
2017	5.4	324.3
2018	6.6	412.7
2019	4.4	295.4
2020	31.5	2,075.8
2021	39.0	2,442.6
2022	38.0	2,649.8
2023	34.5	2,796.4
2024	35.2	2,911.9
2025	35.5	3,078.3

What's impacting Asahi Holdings's performance?

Asahi has considerably expanded by acquiring Carlton United Breweries

- In June 2020, Asahi completed a major horizontal acquisition by purchasing Carlton & United Breweries (CUB), the largest brewer in Australia, for $16.0 billion. This acquisition expanded Asahi's market share from 4.4% in 2018-19 to 31.5% in 2019-20, reshaping the industry's competitive dynamics.
- Through the acquisition, Asahi diversified its offerings across multiple segments. It now owns traditional beers like Carlton Draught and Great Northern, craft beers like Balter Brewing Company and Mountain Goat and premium international beers Peroni and Corona. This broad portfolio allows Asahi to cater to a wide range of consumer preferences, strengthening its market position.
- The ACCC approved the acquisition despite fears of reduced competition limiting consumer choice. Once approved, Asahi was required to divest some of its cider and beer brands, including Stella Artois and Beck's. In 2021, Heineken acquired the remaining divested brands.

Asahi leverages its scale and marketing to outperform smaller independent brewers

- Asahi's significant scale enables it to invest heavily in marketing and brand promotion, achieving widespread brand awareness and market reach. Smaller independent craft brewers lack comparable resources, making competing with Asahi's substantial marketing expenditure challenging. This advantage allows Asahi to dominate shelf space and consumer mindshare.
- The company's large production volumes provide economies of scale, allowing it to better absorb rising operational costs like utilities, aluminium prices and excise taxes. These costs significantly impact the profitability of smaller breweries, but Asahi can mitigate their effects and maintain competitive pricing and healthier profit margins compared to the industry average.

Asahi has built close relationships with key suppliers

- After acquiring CUB in 2020, Asahi established direct deals with over 100 cereal crop growers across Victoria and New South Wales. This strategic move gives Asahi greater control and transparency over its raw materials, ensuring consistent quality in its beer products.
- In 2021, Asahi began sourcing malt and other inputs directly from Australian farmers, reducing its reliance on international suppliers and mitigating risks associated with global supply chain disruptions and trade policies. This approach allowed Asahi to avoid tariffs imposed on imports from China, enhancing cost efficiency and supply stability.
- Building close relationships with key domestic suppliers aligns with consumer preferences for locally sourced products, strengthening Asahi's brand image and providing a competitive advantage.

Asahi has focused on premiumisation and craft beer to boost margins amid declining volumes

- Facing sliding beer consumption and sales volumes, Asahi has worked on increasing unit sales prices to drive revenue growth. Between 2023 and 2024, the company achieved a 1.4% increase in unit sales price, reflecting its strategy to offer higher priced products.
- One of Asahi's key initiatives is establishing itself as the market leader in Australia's craft beer market. Recognising consumers are willing to pay more for craft beers, evidenced by a 130% price index compared to its core portfolio, Asahi is investing heavily in this segment to offset declining volumes with higher margin products.
- Asahi has expanded its craft beer portfolio through acquiring popular brands like Mountain Goat, 4 Pines and Balter Brewing Company. To grow brand awareness and establish these brands, the company has used its scale to invest in high-profile marketing initiatives, like partnering with the Australian Open tennis tournament to promote the Balter brand.

Lion

Company Details

Registered Name	Lion Pty Ltd
IndustrySpecificRevenue (2025)	$1.8bn
Industry Profit (2025)	N/A
CompanyEmployees (2025)	N/A
MarketShare (2025)	20.9%

Description

Lion Pty Ltd is a wholly owned subsidiary of Japan-based Kirin Holdings Company Limited. Lion operates across Australia and New Zealand, producing and distributing a variety of beverages and food products including beer, wine, spirits, fruit juice, milk, cheese and soy beverages. The company employs approximately 4,700 people and is administered from its head office in Sydney.

Brands & Trading Names

- Heineken
- West End Draught
- Furphy
- James Squire Orchard Crush
- Little Creatures
- James Boag's
- 5 Seeds
- Iron Jack
- White Rabbit
- James Squire
- Blowflex Mouldings
- Byron Bay Brewery
- Kosciuszko Pale Ale
- XXXX
- Pipsqueak
- Kirin Cider

Other Industries

- Craft Beer Production in Australia
- Cider Production in Australia
- Plastic Bottle Manufacturing in Australia

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)
2013	29.6	1,986.9
2014	27.9	1,899.4
2015	27.3	1,815.8
2016	26.2	1,671.5
2017	29.6	1,779.0
2018	27.4	1,720.6
2019	25.3	1,715.9
2020	23.5	1,549.4
2021	25.5	1,600.3
2022	23.2	1,616.9
2023	20.8	1,682.5
2024	21.2	1,755.1
2025	20.9	1,817.1

What's impacting Lion's performance?

Lion has divested from less profitable ventures and is focusing more on craft beer

- Lion has divested non-core assets to concentrate on alcohol production. The company sold its cheese businesses in 2015 and 2019 to Saputo Dairy Australia for $137.0 million and $280.0 million, respectively. In 2020, it also sold its Dairy and Drinks division to Bega Cheese Limited for $560.0 million. These divestments allowed Lion to reallocate resources and capital towards growing its beer portfolio.
- Facing declining consumption of its classic brands, XXXX Gold and Tooheys, Lion is shifting its focus towards the higher margin craft beer segment, where consumers are willing to pay premium prices.

Acquiring Fermentum has fed the company's presence in craft brewing

- In 2021, Lion reinforced its commitment to craft beer by acquiring Fermentum Pty Ltd, the parent company of Stone & Wood, for $500.0 million. The acquisition has been a key growth driver for Lion in the Australian market, supporting its efforts to capitalise on growing demand for craft beer, enhance profitability and offset declining sales in traditional beer markets.
- The ACCC initially feared that demand for independent breweries would suffer when Stone & Wood became part of Lion. However, the it

eventually determined that there were enough independent breweries to fill the void and approved the acquisition.

Lion has closed different breweries across the country

- Lion is closing breweries to improve efficiency and concentrate on its core portfolio. In June 2024, it announced the closure of the Malt Shovel Brewery in Sydney, moving production to larger facilities in northern New South Wales and Geelong, VIC. It also closed the Tiny Mountain taproom in Townsville in 2023 and Adelaide's West End Brewery in 2021.
- By consolidating production under fewer roofs, Lion aims to reduce overhead costs and enhance economies of scale. This strategy allows the company to reallocate resources towards growing its beer brands, particularly in the craft and premium segments.

Coopers Brewery

Company Details

Registered Name	Coopers Brewery Limited
IndustrySpecificRevenue (2025)	$203.4m
Industry Profit (2025)	N/A
CompanyEmployees (2025)	N/A
MarketShare (2025)	2.3%

Description

Coopers Brewery Limited is a locally owned public unlisted company that derives revenue from brewing and distributing beer and cider, selling brewers' products, and manufacturing and selling malt extract. The company employs approximately 140 full-time staff, operates in Australia and the United States, and is administered from its head office in Regency Park, SA.

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)
2015	2.7	181.7
2016	3.0	192.6
2017	3.4	206.2
2018	2.7	170.9
2019	2.8	187.2
2020	2.8	182.0
2021	3.1	191.1
2022	2.6	182.3
2023	2.3	184.1
2024	2.4	195.6
2025	2.3	203.4

What's impacting Coopers Brewery's performance?

Coopers is widening its product range to attract new customers

- Coopers is actively widening its product range by releasing new beers that cater to different consumer preferences, aiming to boost its market share. In 2024, the company launched Coopers Botanic Ale, a juniper-infused beer designed to appeal to both gin and beer enthusiasts, tapping into growing interest in botanical flavours. In 2023, Coopers introduced its Australian Lager, an easy-to-drink beer targeting consumers who prefer lighter, approachable beers.
- The company has expanded its international beer offerings by securing distribution rights for the Japanese beer Sapporo in 2021, adding to its portfolio of imported brands like Carlsberg, Kronenbourg and Mythos. This diversification enhances Coopers' appeal to consumers seeking global beer experiences.
- Coopers maintains a strong position in the home-brewing market, offering home-brewing kits and accessories. This unique selling point distinguishes it from competitors and fosters brand loyalty among DIY brewers.

Coopers is increasing its investment in marketing to boost brand awareness

- Marketing has been a key avenue for Coopers to boost its brand recognition and differentiate itself in a beer market dominated by multinational corporations. In 2022, Coopers rebranded its beer logo and packaging. That same year, it released a short film and augmented reality game as part of its Coopers Roll campaign, which involved $25,000 worth of prizes.
- In 2021, Coopers partnered with advertising agency The Royals to introduce the "Forever Original" tagline, emphasising its long history as Australia's largest family-owned brewery. This strategic marketing approach highlights Coopers' unique selling point, its family-owned nature and independence.
- By investing in creative marketing initiatives and rebranding efforts, Coopers aims to strengthen brand loyalty, focus on brand authenticity and consumer engagement and compete more effectively with larger brewers.

Coopers outperforms competitors with premium offerings and sales volume growth

- In 2024, Coopers outpaced the wider beer market and achieved revenue growth through increased selling prices and a 1.5% rise in sales volumes. The company upped its selling price through inflation-driven price adjustments and a heightened focus on selling higher priced beers like Stouts and XPAs.
- Both keg and packaged beer sales volumes increased despite consumer cost-of-living pressures. This indicates strong brand loyalty and effective market positioning, which allowed Coopers to maintain and grow its customer base even in a challenging economic environment.
- Coopers' contract brewing arrangement with Molson Coors performed particularly well, contributing to revenue diversification. This partnership enhances Coopers' market presence.

Good Drinks Australia

Company Details

Registered Name	Good Drinks Australia Limited
IndustrySpecificRevenue (2025)	$94.5m
Industry Profit (2025)	N/A
CompanyEmployees (2025)	N/A
MarketShare (2025)	1.1%

Description

Good Drinks Australia Limited (previously Gage Roads Brewing Co Ltd) is a publicly listed company that primarily generates revenue through producing beer under its own brands and under contract for a range of customers. The company was founded in 2002 and is based in Perth. The company listed on the ASX in late 2006. The company is a notable craft beer manufacturer but in recent years has also moved into the wholesale liquor space.

Brands & Trading Names

- Alby
- Matso's Broome Brewery
- Gage Roads
- Atomic Beer Project

Other Industries

- Craft Beer Production in Australia

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)
2015	0.4	25.0
2016	0.4	26.1
2017	0.5	27.9
2018	0.5	34.0
2019	0.6	40.7
2020	0.6	37.7
2021	0.8	52.4
2022	0.8	58.9
2023	1.0	77.5
2024	1.0	82.9
2025	1.1	94.5

What's impacting Good Drinks Australia's performance?

Good Drinks is refining its hospitality presence

- In January 2022, Good Drinks expanded its hospitality footprint by opening the 3,000-square metre Gage Roads Fremantle Brewpub, improving consumer engagement and brand visibility.
- In April 2024, Good Drinks announced plans to sell its Atomic Brewpub in Sydney and the Atomic brand itself because it was "not reaching its potential." This decision follows the cancellation of its planned $30.0 million acquisition of Stomping Ground Brewery in Collingwood, Melbourne, in 2023, indicating a strategic shift towards concentrating on more promising ventures.
- Good Drinks opened a second Matso's Brewery location in Sunshine Coast, QLD, in January 2024. By investing in successful brands like Matso's, the company aims to strengthen its presence, drive growth and improve overall performance.

Growing demand for contemporary and flavoured beers is boosting Good Drinks' performance

- Growing consumer demand for contemporary and flavoured beers is boosting Good Drinks' performance. The Matso's brand, acquired in 2018, has experienced significant revenue growth because of strong demand for its ginger beer.
- To capitalise on market trends, Good Drinks has widened its product offering by introducing new beers like the no-carb Rider Beer, appealing to health-conscious consumers, and re-releasing popular Gage Roads Brew Co beers like the Little Dove New World Pale Ale, attracting craft beer enthusiasts.
- The company's flagship brand, Single Fin, has been a key growth driver. Promoted as a lifestyle brand, Single Fin commands premium pricing and achieves wider distribution and higher sales than traditional craft beers, highlighting its market relevance and brand strength.
- Good Drinks has established a national call centre for buyers to expand distribution in regional areas, enhancing its market reach and accessibility across Australia.

Good Drinks has teamed up with sporting organisations and venues

- In September 2017, Good Drinks became the exclusive supplier of beer and cider to the 60,000-seat Perth (Optus) Stadium, with the contract extended until 2028 in 2021.
- Good Drinks entered a partnership with Cricket NSW in 2021 after its 2018 partnership with Cricket Victoria ended. The Cricket NSW sponsorship includes supplying its drinks at stadiums and securing signage space.
- In 2022, Good Drinks partnered with AFL team the Adelaide Crows to become the team's exclusive supplier of beer, cider and ginger beer. This means its products are available at club functions and premium areas of the club's stadium. It also extends to signage at the club's

stadium.

Coca-Cola Europacific Partners Holdings (Australia)

Company Details

Registered Name	CCEP Holdings (Australia) Pty Ltd
IndustrySpecificRevenue (2025)	N/A
Industry Profit (2025)	N/A
CompanyEmployees (2025)	N/A
MarketShare (2025)	N/A

Description

CCEP Holdings (Australia) Pty Ltd, trading as Coca-Cola Europacific Partners Holdings (Australia), is a foreign-owned proprietary company. The company's head office is in North Sydney. CCEP Holdings (Australia) Pty Ltd's ultimate parent is the UK-based Coca-Cola Europacific Partners plc. The company acquired Coca-Cola Europacific Partners Australia Pty Ltd in 2021 and has assumed its operations.

Brands & Trading Names

- Powerade
- Fanta
- Kirks
- Fruit Box
- Juice
- Vitaminwater
- Coca-Cola
- Keri Juice
- Cascade
- Goulburn Valley
- Lift
- Sprite
- Grinders Coffee Roasters
- Mother
- Impressed Cold Pressed

Other Industries

- RTD Mixed Spirit Production in Australia
- Spirit Manufacturing in Australia
- Coffee Bean Distributors in Australia
- Soft Drink Manufacturing in Australia
- Functional Beverage Production in Australia
- Bottled Water Manufacturing in Australia

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)
2023	0.6	51.4
2024	N/A	N/A
2025	N/A	N/A

What's impacting Coca-Cola Europacific Partners Holdings (Australia)'s performance?

Coca-Cola Europacific Partners has exited the industry

- CCEP has exited the industry by selling Feral Brewing Company to Nail Brewing and Beerfarm in 2024. This comes after selling Australian Beer Co. to Casella in 2022.
- Coca-Cole Amatil sold itself to CCEP in 2020, preceding its exit from the industry.

- The company had decided that reaching scale in the beer market would require significant investment, coming at the expense of its core of spirits, ready-to-drink and non-alcoholic beverages.

You can view and download more company details on my.ibisworld.com.

External Environment

Key Takeaways

Per capita alcohol consumption has declined in recent years, primarily because of a rapid decrease in per capita beer consumption driven by health-conscious consumers. This decline threatens demand and adversely affects beer manufacturers' performance.

Rising coarse grain prices have increased production costs for beer manufacturers, leading to higher beer prices and price-driven revenue growth. Although manufacturers have partially absorbed these costs, their profit margins have suffered.

Regulation & Policy
High Increasing

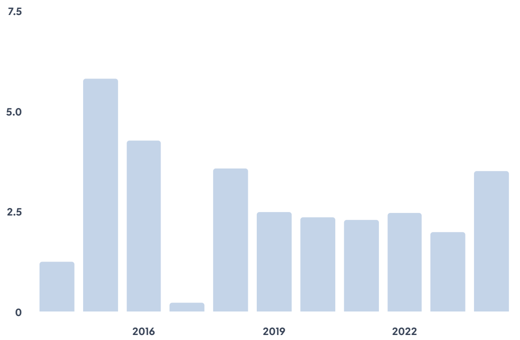
Assistance
Low Increasing

External Drivers

What demographic and macroeconomic factors impact the industry?

Demand from liquor retailing

Growth

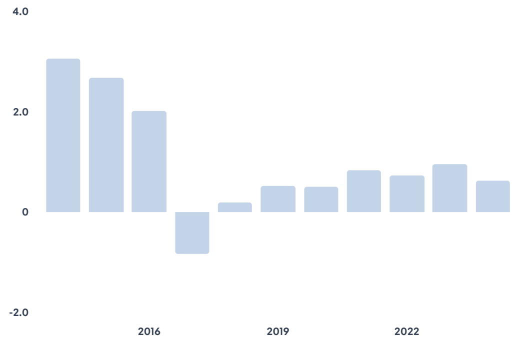


IBISWorld Source: IBISWorld

Liquor retailing plays a big part in downstream demand, as it accounts for the largest proportion of beer sold at the consumer level in Australia. Increases in demand from liquor retailing signify greater alcohol consumption, leading to retailers purchasing larger quantities of beer to meet demand. Growth in demand from liquor retailing represents an opportunity for the industry.

Demand from pubs, bars and nightclubs

Growth

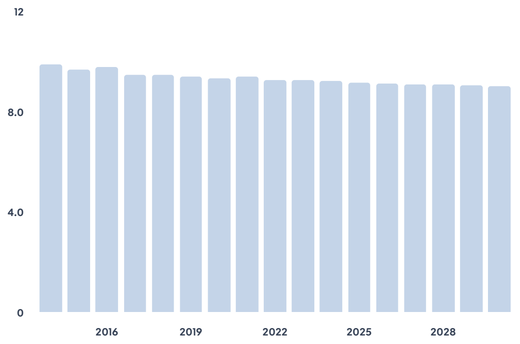


IBISWorld Source: IBISWorld

Pubs, bars, and nightclubs are a key market for beer, which they then sell to consumers for on-premises consumption. Rising demand from pubs, bars, and nightclubs would represent an increase in alcohol consumption, boosting sales and revenue for beer manufacturers as pubs, bars and nightclubs aim to meet consumer demand.

Per capita alcohol consumption

Litres

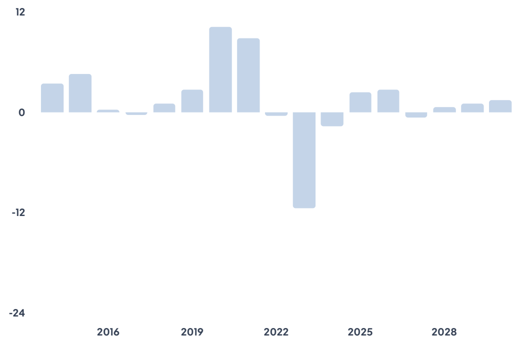


IBISWorld Source: IBISWorld

Per capita alcohol consumption is closely related to beer demand. As alcohol consumption grows, demand for beer tends to climb. Beer manufacturers compete with other alcoholic beverage manufacturers, like wineries and distilleries, so shifts in alcohol consumption don't solely reflect demand for the industry. Should demand for different alcoholic beverages like wine and spirits remain stagnant, increases in per capita alcohol consumption will result in greater demand for beer.

Real household discretionary income

Growth

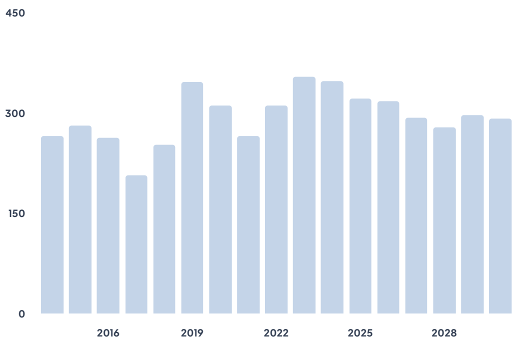


IBISWorld Source: IBISWorld

Trends in real household discretionary income have an influence on beer demand since it's considered a non-essential commodity. Increases in real household discretionary income lead to greater spending on beer. In contrast, as discretionary income decreases, people tend to save more of their money for essential groceries and bills and spend less on nice-to-have items like beer.

Domestic price of coarse grains

$ per tonne



IBISWorld Source: IBISWorld

Coarse grains are a crucial ingredient in the beer manufacturing process. An increase in the price of coarse grains raises purchase costs, reducing profit margins. Brewers can try to pass these costs on to consumers, but this may result in less competitive pricing. Increases in the price of coarse grains represent a threat to the industry.

Regulation & Policy

High Increasing

What regulations impact the industry?

Food Standards Australia New Zealand (FSANZ)

FSANZ enforces comprehensive labelling requirements for all alcoholic beverages, including beer. Labels must clearly state alcohol by volume (ABV), the number of standard drinks per serving and a pregnancy warning symbol. Noncompliance can result in product recalls that harm brand reputation. Low- and zero-alcohol beers are also subject to these rules, requiring accurate ABV disclosure. In August 2023, FSANZ introduced new labelling guidelines for pregnancy warnings, mandating consistent text and imagery across all beer packaging.

Excise Tax Compliance

Beer manufacturers in Australia are subject to excise duty. Businesses require an excise license to manufacture beer. The excise tax rate a business must pay depends on its beer's strength and the package's size. The regulations force companies to keep track of their beers' alcoholic content, a register of raw materials, a recipe sheet and any other records for tax purposes. The excise tax is increased every six months to the consumer price index. Frequent seasonal changes in craft breweries' recipes can complicate compliance, as each new batch must be accurately recorded for duty calculations. The leader of the National Party, David Littleproud, said in 2024 that continual increases in beer excise tax may be frozen should the Coalition be elected; however, this suggestion was shut down by Liberals leaders.

Modern Slavery Act 2018

The act has a moderate effect on the Beer Manufacturing industry. It compels larger beer manufacturers with consolidated annual revenue of at least $100.0 million, including Asahi, Lion and Coopers, to report annually on the risks of modern slavery in their operations and supply chains and actions taken to address those risks. Smaller craft breweries below the $100 million threshold often escape these reporting obligations, although retailers and investors increasingly expect supply-chain transparency. In May 2023, the Attorney-General's Department concluded a statutory review that recommended stronger enforcement powers, which may introduce penalties for non-compliant companies. In December 2024, the federal government responded to the review, indicating it would continue to consult with stakeholders to address the recommendations.

Liquor Control Reform Act

The Liquor Control Reform Act aims to minimise harm from misuse and abuse of alcohol, develop diversity among licensed facilities, contribute to responsible development of liquor and licensed hospitality industries and regulate licensed premises that provide sexually explicit entertainment. Regulations include minimum age requirements for purchasing alcohol and drink-driving policies. These regulations can make operating a licensed venue more complex, which may deter new entrants and shrink the hospitality market for beer manufacturers. Manufacturers running brewpubs must also comply with the Act, potentially increasing their operational challenges.

Container deposit schemes

Most states and territories in Australia operate a container deposit scheme. The scheme charges brewers around $0.12 per glass or aluminium container, while consumers typically receive a $0.10 refund upon return. However, rates vary among the states and territories. It aims to reduce the waste associated with beer sales and can potentially boost beer sales as drinkers can recoup part of the purchase price. Large brewers face higher cumulative fees because of their extensive output, whereas smaller craft brewers pay less but still incur administrative overheads for tracking container volumes.

Workplace laws

Beer manufacturers must comply with national workplace laws regarding employees' treatment. These cover minimum wages, safe working environments and licensing requirements, such as forklift licenses. Under the Work Health and Safety Act, employers are responsible for eliminating or minimising hazards like handling heavy brewing machinery or chemicals. Craft breweries often have smaller workforces but handle frequent, small-batch production, increasing the physical handling of raw materials and influencing WHS compliance needs.

Assistance Low Increasing

What assistance is available to this industry?

Government
Energy Efficient Communities Program

This federal initiative awards grants of up to $25,000 to small and medium-size enterprises, including breweries, to reduce energy consumption and costs. Funding is often used to replace older equipment with more efficient machinery, like cooling or heating systems. The scheme has provided grants to numerous breweries across Australia, including Philter and Stomping Ground, which integrated solar energy technologies. Independent craft brewers typically benefit most, as they operate on tighter margins and face proportionally higher utility costs.

Government
Manufacturing Modernisation Fund (MMF)

The MMF is an initiative to scale up local manufacturing, generate jobs and enhance global competitiveness. Since 2020, it has allocated over $5.0 million to breweries like Brick Lane, Moon Dog and Ballistic Beer Company Pty Ltd, enabling them to acquire advanced brewhouses and packaging lines. The initiative specifically benefits small to medium-size breweries, typically craft breweries, allowing them to improve efficiency through subsidised machinery upgrades they couldn't otherwise afford.

Government
Excise Remission Scheme

The Federal Government provides a tax-free threshold for beers containing less than 1.15% alcohol. The government also issues tax rebates through the Excise Remission Scheme for Alcohol Manufacturers, which gives breweries a full remission for their excise tax, up to an annual cap of $350,000. Innovative breweries can also access an R&D tax offset. This scheme significantly reduces operational costs and substantially improves the viability of smaller breweries, which often struggle to absorb excise taxes compared to larger competitors.

Government
Western Australian Craft Beer Strategy 2024-2034

In August 2024, the WA Government introduced the Western Australian Craft Beer Strategy 2024-2034, a comprehensive 10-year plan to promote craft brewing within the state. Developed in collaboration with key private industry bodies, this public assistance aims to triple the volume or value of locally produced craft beer over the next decade. The strategy focuses on increasing brand awareness, expanding market access locally and globally, enhancing supply chain management and addressing regulatory barriers. By implementing a craft beer marketing plan and linking craft beer to Western Australia's tourism brand, the initiative seeks to attract more consumers and open new markets. This assistance specifically benefits the craft beer sector, boosting Western Australia's share of the industry and providing growth opportunities for local craft brewers, particularly small and medium-size enterprises looking to expand their reach.

Non-government
Independent Brewers Association

The Independent Brewers Association is a private industry body that operates without direct government funding. It aims to support and give a voice to independently owned breweries, advocate for its members and facilitate training and development opportunities. The association does this by working with politicians, government departments and agencies, industry or trade associations and international counterparts. Smaller breweries, often lacking the capital of large multinational firms, benefit significantly from IBA resources that help them navigate regulatory complexities.

Financial Benchmarks

Key Takeaways

Rising raw material and energy prices have increased purchase costs. Surging costs for malt, hops, aluminium and glass have pushed this trend, as brewers have struggled to pass these hikes on to consumers.

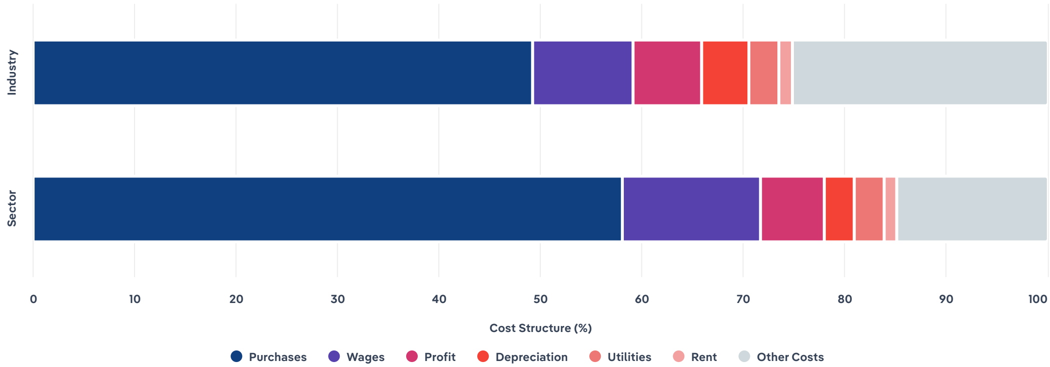
Intense price competition has eroded profit margins, as breweries keep prices low to maintain market share despite rising input costs. Economies of scale allow larger brewers to absorb these pressures better than smaller firms.

Automation has reduced labour intensity, decreasing wages' share of revenue. As breweries invest in automation, they've lowered their reliance on manual labour, while upgrading equipment has also boosted depreciation expenses' revenue share.

Profit Margin	Average Wage	Largest Cost
6.8 % Higher than sector	$73,430 Lower than sector	Purchases 49.2% of Revenue

Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2025



IBISWorld

Source: IBISWorld

What trends impact industry costs?

Rising raw material and energy prices are driving an increase in purchase costs

- Purchases, beer manufacturers' largest cost, have climbed from 42.0% of revenue in 2019-20 to 49.2% in 2024-25 because of surging raw material and packaging prices. Prices for key inputs like malt, hops, aluminium and glass have escalated over this period, partly because of supply chain disruptions stemming from the Russia-Ukraine conflict and rising energy costs affecting glass and aluminium production.
- The beer market's competitiveness has left producers struggling to pass on rising purchase costs to consumers. Coarse grain prices surged 31% from 2021 to 2024, while beer selling prices increased by only 13.3% over the same period, boosting purchase costs' revenue share.
- Smaller brewers, purchasing inputs in smaller quantities, face higher average per-unit production costs than larger beer manufacturers, amplifying the impact of rising input prices on smaller operators.

Automation reduces labour intensity, lowering wages' share of revenue

- Automation presents a way for brewers to reduce their reliance on manual labour and lower wage expenses. As brewers' investment in automation has climbed, wages' share of revenue has sunk, from 11.5% in 2019-20 to 9.9% in 2024-25, though they remain the industry's second-largest cost.
- Smaller, labour-intensive craft breweries are adopting affordable automation technologies, following the lead of larger companies. For example, breweries like Bendigo Brewing and Big Shed Brewing have implemented Fermecraft's Brewtique, an automated

fermentation system, to reduce wage expenses and improve efficiency.

- Despite adopting automation, wage expenses remain higher for smaller brewers than larger firms. Many lack the capital for extensive automation or prefer labour-intensive processes to differentiate their products from mass-produced beer, keeping wages elevated.
- Automation has been a popular solution in the wider beverage sector, driving an overall decline in wage expenses as a share of revenue.

Profit margins have fallen because of intense competition and rising input costs

- An influx of new establishments has intensified price competition, limiting beer manufacturers' ability to pass on elevated input costs to consumers.
- Climbs in expenses like utilities and aluminium prices and twice-yearly increases in excise taxes have squeezed margins. Unlike other beverage sectors, where companies can pass on costs, the competitive beer market hampers this, reducing profitability from 10.2% in 2019-20 to 6.8% in 2024-25.
- A shift towards producing diverse products like low-carb and low-alcohol beers has required additional equipment, more intricate procedures and extra time, increasing manufacturing complexities and contributing to higher operational costs.
- Larger brewers with economies of scale have managed cost pressures more effectively, maintaining higher profitability than smaller independent breweries, which lack the scale to absorb increased expenses. This has led to the closures and restructuring of breweries like Red Lion Brewery and Hawkers.

Investment in automation has elevated depreciation expenses

- Depreciation expenses have risen from 3.3% of revenue in 2020 to 4.7% in 2025 as breweries elevate investments in automation and machinery. Large beer manufacturers have upgraded their plants and equipment to enhance production efficiency and reduce labour costs, leading to higher depreciation costs relative to revenue as this capital expenditure is allocated over time through depreciation.
- While major brewers may have highly mechanised processes, craft beer manufacturers typically use less machinery, often performing tasks like bottling by hand. This has partially offset rising depreciation expenses. Less reliance on automated equipment results in lower depreciation costs for these firms than larger competitors and allows them to charge a premium for an artisanal touch.
- Compared to the broader beverage sector, the industry's depreciation costs are high because of significant investments in specialised brewing equipment, reflecting beer production's capital-intensive nature.

Utility costs have remained steady despite fluctuating energy prices

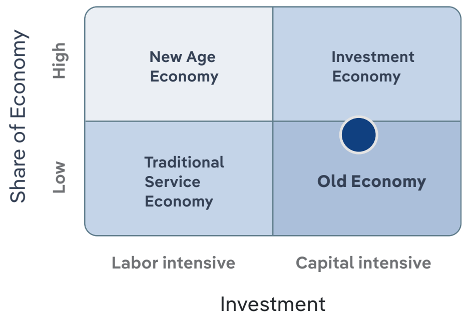
- While utilities like water, electricity and gas are necessary for beer production, particularly in the fermentation process, they account for a small proportion of industry revenue. Despite fluctuating utility prices, their revenue share has remained steady in recent years.
- From 2020-21 to 2022-23, strong liquefied natural gas demand and the Russia-Ukraine conflict drove spikes in natural gas prices, raising utility costs per unit and hindering brewers' profitability.
- Electricity and gas prices have since settled over the past couple of years, as new supplies from the United States have eased supply issues, stabilising utilities costs.
- Larger breweries have more resources to invest in energy-efficient technologies, mitigating the impact of fluctuating utility costs on their budgets.

Other costs have fallen as manufacturers cut spending amid rising purchases

- Other costs, including rent, advertising, research and development (R&D), administration and distribution expenses, have fallen as a share of revenue over the past five years as manufacturers reduced spending to offset rising purchase expenses dominating budgets.
- Rent expenses have risen as a share of revenue as these costs have outpaced revenue growth. This trend especially impacts brewers with hospitality venues, as they invest in pricey locations to attract customers.
- Advertising remains a significant cost, especially for major companies like Asahi and Lion, which produce numerous products. Promotional activities are elevated during warmer months when beer consumption peaks. Smaller companies often struggle to compete with larger brewers' extensive marketing budgets, impacting their market visibility.

Old Economy

Share of economy vs. Investment



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Source: IBISWorld

Financial Ratios

Debt / Net Worth
0.7 Higher than sector

Trade Receivables (%)
3.3 Higher than sector

Cash Flow Coverage Ratio
0.0 Lower than sector

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Cash Ratio	N/A	N/A	N/A	0.2	N/A	0.1	0.1
Current Ratio	0.9	1.0	0.8	1.5	0.7	1.0	1.0
Days' Payables	147.2	165.0	122.2	20.6	53.7	65.5	101.7
Days' Inventory	35.1	34.6	40.7	36.8	64.5	47.4	42.4
Days' Receivables	95.9	104.4	67.1	26.5	58.0	50.5	70.4
Inventory Turnover	10.4	10.6	9.0	9.9	5.7	8.2	9.1
Payables Turnover	2.5	2.2	3.0	17.7	6.8	9.2	6.4
Quick Ratio	0.8	0.8	0.6	1.3	0.5	0.8	0.8
Trade Receivables Turnover	3.8	3.5	5.4	13.8	6.3	8.5	6.6
Working Capital Turnover	-35.8	-62.6	-11.4	8.6	-6.7	-3.2	-21.6

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Cash Flow Coverage Ratio	N/A	N/A	N/A	0.2	N/A	0.1	0.1
Cash Flow Margin Ratio	0.1	0.1	0.1	0.3	N/A	0.1	0.1
Current Liability Coverage Ratio	0.2	0.2	0.2	1.3	-0.1	0.5	0.4
Interest Coverage	1.7	1.7	2.2	3.7	3.3	3.1	2.5

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Debt / Net Worth	2.2	2.1	1.5	1.8	0.7	1.3	1.7
Fixed Assets / Net Worth	3.4	3.3	3.2	1.8	1.9	2.3	2.7
Net Worth ($ million)	6618.4	6771.1	7064.5	5201.8	5982.4	6082.9	6327.7
Net Worth Ratio	4.7	4.5	3.7	4.3	19.0	9.0	7.2

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Asset Turnover	0.3	0.3	0.3	0.4	0.2	0.3	0.3
Cash & Equivalents (%)	1.8	1.4	2.4	10.9	1.7	5.0	3.6
Fixed Asset Turnover	0.3	0.3	0.3	0.5	0.2	0.4	0.4
Return on Total Assets (%)	5.6	5.8	7.5	10.5	2.5	6.9	6.4

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Fixed Assets (%)	87.8	87.7	89.7	81.9	91.6	87.7	87.7
Inventory (%)	1.6	1.5	1.6	1.7	2.1	1.8	1.7
Total Assets ($ million)	25356.8	25585.1	25207.2	11458.3	12525.7	16397.1	20026.6
Total Current Assets (%)	11.1	11.2	9.4	15.8	7.1	10.8	10.9
Trade Receivables (%)	7.8	8.3	5.3	3.2	3.3	3.9	5.6

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Long Term Debt (%)	61.9	61.8	60.1	43.9	42.0	48.7	54.0
Short Term Debt (%)	1.6	1.5	1.6	1.7	2.1	1.8	1.7
Total Current Liabilities (%)	12.0	11.7	11.9	10.7	10.2	10.9	11.3
Total Liabilities & Net Worth ($ million)	25356.8	25585.1	25207.2	11458.3	12525.7	16397.1	20026.6
Trade Payables (%)	6.7	7.5	4.8	1.5	1.6	2.6	4.4

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Expense / Income Ratio	1.7	1.3	1.4	1.4	1.4	1.4	1.4
Gross Profit Margin (%)	51.0	53.0	54.0	55.0	56.0	55.0	53.8
Mark Up (%)	78.8	75.0	100.7	66.7	95.7	87.7	83.4
Net Profit (%)	-8.0	-8.0	-8.0	-5.0	-5.0	-6.0	-6.8
Return on Net Worth (%)	9.0	9.6	14.7	17.1	3.7	11.8	10.8

Ratio	2018	2019	2020	2021	2022	3 Year Average	5 Year Average
Cash & Equivalents ($ million)	449.3	345.9	608.2	1246.9	216.0	690.3	573.2
EBIT ($ million)	1410.6	1490.0	1892.3	1208.1	315.5	1138.6	1263.3
Fixed Assets ($ million)	22271.9	22445.4	22601.9	9382.9	11468.0	14484.3	17634.0
Operating Cashflow ($ million)	483.7	633.8	490.1	1610.2	-73.9	675.5	628.8

Key Ratios

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Enterprise (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)	Imports/ Demand (%)	Exports/ Revenue (%)
2007-08	1,568,833	51.5	31.2	32.8	117,980	7.5	1.1	15.3	2.8	0.3
2008-09	1,677,009	60.8	32.9	36.3	131,219	7.8	1.1	15.4	3.6	0.3
2009-10	2,032,170	58.3	21.2	28.7	141,119	6.9	1.4	15.6	3.1	0.3

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Enterprise (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)	Imports/ Demand (%)	Exports/ Revenue (%)
2010-11	1,717,356	45.2	21.2	26.3	129,339	7.5	1.2	16.6	3.0	0.4
2011-12	1,532,787	39.8	23.0	26.0	129,120	8.4	1.1	17.8	3.5	0.4
2012-13	1,865,858	50.1	24.6	26.9	134,254	7.2	1.1	15.6	3.9	0.3
2013-14	1,885,454	42.2	18.2	22.4	143,589	7.6	1.2	19.4	5.0	0.3
2014-15	1,627,948	31.7	18.1	19.5	156,424	9.6	1.1	22.3	5.4	0.4
2015-16	1,394,353	24.2	16.1	17.4	166,638	12.0	1.1	24.4	6.3	0.5
2016-17	1,160,730	18.5	15.0	16.0	154,199	13.3	1.1	25.4	6.7	0.6
2017-18	1,190,771	16.7	12.9	14.0	151,624	12.7	1.1	24.3	6.1	0.6
2018-19	1,108,774	15.6	12.5	14.1	133,314	12.0	1.1	22.2	6.0	0.6
2019-20	1,131,459	13.8	10.2	12.2	129,592	11.5	1.2	25.0	6.4	0.5
2020-21	891,494	11.5	11.7	12.9	96,478	10.8	1.1	24.6	5.7	0.3
2021-22	840,788	10.3	10.9	12.2	84,814	10.1	1.1	22.4	4.1	0.3
2022-23	768,085	10.8	12.0	14.1	78,258	10.2	1.2	22.1	3.2	0.4
2023-24	753,017	10.5	12.2	14.0	75,836	10.1	1.1	21.8	3.4	0.4
2024-25	738,913	9.9	11.7	13.4	73,430	9.9	1.1	21.4	3.2	0.4
2025-26	718,902	9.4	11.3	13.0	71,431	9.9	1.1	21.4	3.1	0.4
2026-27	693,033	8.9	11.3	12.9	69,490	10.0	1.1	21.4	2.9	0.4
2027-28	667,357	8.6	11.3	12.9	68,396	10.2	1.1	21.6	2.9	0.4
2028-29	645,886	8.4	11.3	13.0	67,673	10.5	1.1	21.8	2.9	0.4
2029-30	628,778	8.1	11.3	12.9	67,186	10.7	1.1	21.9	2.8	0.5
2030-31	615,438	7.9	11.3	12.9	66,792	10.9	1.1	22.0	2.7	0.5

Key Statistics

Industry Data

Values

Year	Revenue ($ Million)	IVA ($ Million)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Exports ($ Million)	Imports ($ Million)	Wages ($ Million)
2007-08	8,653.7	1,324.0	177	168	5,516	29.3	251.1	650.8
2008-09	8,941.8	1,377.0	162	147	5,332	29.9	336.7	699.7
2009-10	9,559.3	1,491.2	222	164	4,704	29.6	308.0	663.8
2010-11	8,868.4	1,472.1	244	196	5,164	31.7	272.2	667.9
2011-12	8,326.1	1,482.1	236	209	5,432	30.4	300.3	701.4
2012-13	9,471.1	1,477.4	206	189	5,076	30.2	384.0	681.5
2013-14	9,449.9	1,833.2	276	224	5,012	31.7	492.0	719.7
2014-15	9,324.9	2,079.5	317	294	5,728	32.9	527.9	896.0
2015-16	8,985.2	2,192.4	401	371	6,444	43.4	605.3	1,073.8
2016-17	8,166.9	2,074.3	468	441	7,036	50.4	578.3	1,084.9
2017-18	8,379.5	2,036.2	547	503	7,037	51.6	542.0	1,067.0
2018-19	8,748.2	1,942.1	629	560	7,890	49.3	552.2	1,051.9
2019-20	8,314.0	2,078.5	723	601	7,348	41.2	561.5	952.2
2020-21	7,674.9	1,888.0	736	668	8,609	26.7	465.1	830.6
2021-22	7,972.4	1,785.8	866	775	9,482	27.3	343.0	804.2
2022-23	8,703.2	1,923.3	946	803	11,331	34.5	286.1	886.7
2023-24	8,573.9	1,869.1	934	814	11,386	35.3	298.8	863.5
2024-25	8,674.1	1,856.3	1,004	878	11,739	33.8	282.3	862.0
2025-26	8,671.4	1,855.7	1,063	927	12,062	34.1	271.9	861.6
2026-27	8,713.5	1,864.7	1,108	974	12,573	36.5	256.9	873.7
2027-28	8,735.7	1,886.9	1,156	1,011	13,090	37.2	259.3	895.3
2028-29	8,665.2	1,889.0	1,187	1,035	13,416	38.1	256.0	907.9
2029-30	8,678.4	1,900.6	1,220	1,068	13,802	39.5	246.4	927.3
2030-31	8,682.6	1,910.2	1,253	1,096	14,108	40.6	240.8	942.3

Note

Figures are inflation adjusted to 2024-2025

Industry Data

Annual Change

Year	Revenue %	IVA %	Estab. %	Enterprises %	Employment %	Exports %	Imports %	Wages %
2007-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008-09	3.3	4.0	-8.5	-12.5	-3.3	2.1	34.1	7.5
2009-10	6.9	8.3	37.0	11.6	-11.8	-1.1	-8.5	-5.1
2010-11	-7.2	-1.3	9.9	19.5	9.8	7.2	-11.6	0.6
2011-12	-6.1	0.7	-3.3	6.6	5.2	-3.9	10.3	5.0
2012-13	13.8	-0.3	-12.7	-9.6	-6.6	-0.9	27.9	-2.8
2013-14	-0.2	24.1	34.0	18.5	-1.3	5.0	28.1	5.6
2014-15	-1.3	13.4	14.9	31.3	14.3	3.8	7.3	24.5
2015-16	-3.6	5.4	26.5	26.2	12.5	31.9	14.7	19.8
2016-17	-9.1	-5.4	16.7	18.9	9.2	16.2	-4.5	1.0
2017-18	2.6	-1.8	16.9	14.1	0.0	2.4	-6.3	-1.7
2018-19	4.4	-4.6	15.0	11.3	12.1	-4.6	1.9	-1.4
2019-20	-5.0	7.0	14.9	7.3	-6.9	-16.4	1.7	-9.5
2020-21	-7.7	-9.2	1.8	11.1	17.2	-35.2	-17.2	-12.8
2021-22	3.9	-5.4	17.7	16.0	10.1	2.2	-26.3	-3.2
2022-23	9.2	7.7	9.2	3.6	19.5	26.2	-16.6	10.3
2023-24	-1.5	-2.8	-1.3	1.4	0.5	2.4	4.5	-2.6
2024-25	1.2	-0.7	7.5	7.9	3.1	-4.2	-5.5	-0.2
2025-26	0.0	0.0	5.9	5.6	2.8	0.9	-3.7	0.0
2026-27	0.5	0.5	4.2	5.1	4.2	7.0	-5.5	1.4
2027-28	0.3	1.2	4.3	3.8	4.1	1.9	0.9	2.5
2028-29	-0.8	0.1	2.7	2.4	2.5	2.4	-1.3	1.4
2029-30	0.2	0.6	2.8	3.2	2.9	3.7	-3.8	2.1
2030-31	0.0	0.5	2.7	2.6	2.2	2.8	-2.3	1.6

Note

Figures are inflation adjusted to 2024-2025

Key Success Factors

How do successful businesses overcome volatility?

Secure economies of scale

Manufacturers can work on securing economies of scale to reduce per-unit costs, making them less sensitive to tax hikes and increases in input prices.

Pass on cost increases

Manufacturers can help stabilise their revenue by passing on increased production costs to their consumers. They can do this by marketing their beers as craft or premium, as consumers are willing to pay more for these products.

What products or services do successful businesses offer?

Establish brand names

Manufacturers must ensure that their brand names are well-marketed, recognisable and synonymous with quality and taste, especially in the craft beer segment where consumers are willing to pay extra.

Market differentiated products

Manufacturers need to develop a wide range of products in accordance with changing consumer preferences. Offering mid-strength and low-carb beers can stop consumers from turning to competitors or substitutes.

How do businesses use location to their advantage?

Control distribution arrangements

Manufacturers need to be located in regions that allow for easy distribution and help them supply their buyers reliably and efficiently.

Operate in a highly visible location

Breweries that serve beer out of their manufacturing location need to ensure that it's in a densely populated area with high foot traffic to attract customers.

How do successful businesses handle concentration?

Market differentiated products

Beer manufacturers must develop differentiated products that align with consumers' preferences to attract customers away from the two major players, Asahi and Lion.

Secure economies of scale

Beer manufacturers can work on securing economies of scale to reduce their per-unit costs and maintain profitability amid rising operational expenses and excise taxes.

How can potential entrants overcome barriers to entry?

Secure economies of scale

Beer manufacturers with larger production facilities can achieve lower per-unit costs, allowing them to reduce pricing and increase marketing expenditure or capital investment.

Attract local support

New entrants can attract support by building relationships with local hospitality venues and liquor retailers to get their products on tap and on shelves.

How do successful businesses compete with substitutes?

Conduct market research

Beer manufacturers need to stay up to date with current market trends. For example, they may consider introducing mid-strength or low-carb beers to offer a compromise for people trying to reduce their alcohol consumption or improve their health.

Supply a diverse range of products

Beer manufacturers can capture consumers' changing tastes and desire for variety by supplying a diverse range of products, which will stop them from turning away to substitutes.

How do successful businesses manage buyer & supplier power?

Control distribution arrangements

Beer manufacturers can work hard to control distribution arrangements and secure shelf and tap space for their beer in liquor retailing stores and hospitality venues. This will drive attention to their beer.

Establish long-term working relationships with raw material suppliers

Beer manufacturers that develop working relationships with their barley and hops suppliers can ensure that inputs are of high quality and are delivered on time.

IBISWorld helps you find the industry information you need - fast.

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