

Australia Non-Alcoholic Beverages Market 2026-2034 | Size, Share, Growth, Trends

Australia non-alcoholic beverages market size was valued at USD 28.86 Billion in 2025 and is projected to reach USD 48.01 Billion by 2034,, CAGR 5.82% 2026-2034

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The [Australia non-alcoholic beverages market](#) size was valued at USD 28.86 Billion in 2025 and is projected to reach USD 48.01 Billion by 2034, growing at a compound annual growth rate of 5.82% from 2026-2034. The market is experiencing robust growth as health-conscious consumers are increasingly gravitating toward functional beverages, low-sugar formulations, and plant-based alternatives that align with wellness-focused lifestyles. With innovations spanning flavoured water, kombucha, craft sodas, and premium zero-alcohol options, the sector is being reshaped by shifting consumer preferences, sustainable packaging commitments, and the expanding influence of digital retail channels. Australia's active outdoor culture and warm climate are further sustaining year-round demand for refreshing and hydrating beverage options across the country.

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The Australia non-alcoholic beverages market is commanding significant attention as the share of Australians purchasing zero-alcohol beverages more than doubled between August 2020 and January 2025, according to Circana data. Suntory is launching Suntory Oceania, a AUD \$3 billion multi-beverage powerhouse combining 40 brands across alcohol and non-alcohol segments, becoming the fourth-largest ANZ beverage group. The Australian Medical Association's 2026-27 Pre-Budget Submission is proposing a sugar-sweetened beverage tax at 50 cents per 100g of sugar, projected to reduce sugar consumption by 14% and generate \$937 million in government revenue. Meanwhile, Jim is launching Australia's first functional soda with 5g protein, prebiotics, and BCAAs per can, now stocked in over 100 wellness centres and health food stores nationwide.

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- The Australia non-alcoholic beverages market is witnessing a transformative shift as consumers are moving away from traditional sugary drinks toward functional and wellness-oriented beverages enriched with probiotics, adaptogens, botanical extracts, and vitamins,

reflecting a broader trend where beverages are increasingly viewed as integral components of holistic health strategies.

- Carbonated soft drinks are maintaining market leadership with a 32% share, driven by strong brand equity from Coca-Cola Europacific Partners and Asahi Holdings, which together account for over 82% of soft drink manufacturing industry revenue, while continuous product reformulation toward zero-sugar and low-calorie variants is sustaining consumer relevance.
- The zero-alcohol and moderation-focused beverage segment is experiencing remarkable growth, with Melbourne-based NON gaining international recognition as the World Alcohol-Free Awards reported a 30% increase in entries, with nearly 600 non-alcoholic beverages from over 30 countries participating, underscoring strong global and domestic momentum.
- The kombucha segment is expanding significantly with the Australia kombucha tea market valued at USD 42.25 Million in 2025, as fermented beverages are gaining mainstream acceptance across supermarkets, cafes, and fitness centres, driven by consumer interest in gut health and probiotic-rich products.
- Sustainable packaging initiatives are reshaping industry practices, with Visy partnering with Lion, Stone & Wood, Novelis, and Rio Tinto to launch a beverage can containing 83% recycled aluminium, achieving an estimated 59% reduction in carbon emissions, while Victoria's largest PET bottle recycling plant is processing up to one billion bottles annually.
- The bottles segment is leading packaging with a 49% market share, driven by consumer preference for resealable convenience and product freshness, while the shift toward recycled PET materials and biodegradable alternatives is accelerating as sustainability concerns are influencing purchasing decisions across all consumer demographics.
- Australia Capital Territory & New South Wales is leading regionally with a 31% market share, supported by dense urban populations, higher disposable incomes, developed retail infrastructure, and tourism-driven demand, while Melbourne, Sydney, and Brisbane are serving as primary hubs for premium and craft beverage innovation and distribution.

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The Australia non-alcoholic beverages market, valued at USD 28.86 Billion in 2025 and projected to reach USD 48.01 Billion by 2034 (CAGR 5.82%), reflects a structurally attractive and innovation-led industry environment.

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- The supplier ecosystem is well-established, with Australia sourcing raw materials from diversified domestic and international networks, including sugar, fruit concentrates, botanical

extracts, and packaging materials, while a \$50 million PET recycling facility in Melbourne (joint venture between Pact Group, Cleanaway, Asahi Beverages, and Coca-Cola Europacific Partners) is strengthening the domestic packaging supply chain.

- Major ingredient suppliers and contract manufacturers are providing flexible formulation capabilities that enable beverage producers to rapidly develop functional, low-sugar, and plant-based products in response to evolving consumer demand.

Consumer trends and market dynamics - Key insights

- Consumers are benefiting from an expanding range of beverage options across functional, premium, and value segments, with digital platforms and price comparison tools empowering informed purchasing decisions, while Woolworths is reporting a 39% rise in fast grocery delivery services.
- Retail represents the largest distribution channel with a 34% market share, with supermarkets, hypermarkets, and online stores offering extensive product assortments that enable consumers to compare brands and make value-driven choices across categories.

Market outlook and growth drivers - Key insights

- The market is welcoming innovative entrants, with Australian wellness brand Hyro projected to surpass \$10 million in revenue in 2026 and Jim launching the country's first functional soda with protein and prebiotics, demonstrating accessible pathways for differentiated brands.
- E-commerce channels are reducing traditional distribution barriers, enabling craft producers and specialty brands to access broader consumer bases without extensive retail infrastructure investments.

Competitive landscape and market structure - Key insights

- Non-alcoholic beverages are serving as substitutes themselves for alcoholic drinks, with the zero-alcohol segment experiencing remarkable growth as moderation-focused consumption is becoming a mainstream lifestyle choice among Australian consumers.
- The breadth of product categories spanning carbonated soft drinks, juices, bottled water, sports drinks, RTD tea and coffee, and functional beverages is ensuring that internal category migration occurs within the market rather than to external substitutes.

Key challenges and opportunities - Key insights (Future outlook)

- Multi-tier competition spans multinational leaders (Coca-Cola Europacific Partners, Asahi Beverages, Suntory Beverage & Food Australia), established domestic brands (Bundaberg Brewed Drinks, Sobah), and premium craft entrants (Lyre's Spirit Co, NON, Brunswick Aces, ETCH Sparkling, Altina Drinks) — with Suntory Oceania's AUD \$3 billion launch creating a powerful new competitive force that is driving innovation across product development, sustainability, and digital engagement.

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- The premiumisation of non-alcoholic beverages is accelerating across the Australia market as consumers are seeking sophisticated drinking experiences without intoxicating effects, with craft sodas, botanical-infused sparkling waters, and artisanal zero-alcohol cocktails commanding premium price positioning in hospitality venues, specialty retail stores, and online platforms. Ingredient provenance, artisanship, and brand storytelling are increasingly influencing purchasing decisions, with limited-edition variants and exotic flavour profiles including native Australian botanicals capturing consumer interest.
- The functional beverages segment is experiencing substantial growth as products enriched with probiotics, adaptogens, electrolytes, and botanical extracts are gaining mainstream acceptance, with consumers increasingly viewing daily beverage choices as integral components of preventive health strategies targeting immunity support, digestive wellness, mental clarity, and sustained energy.
- Digital retail transformation is reshaping beverage distribution across Australia, with e-commerce platforms enabling subscription services, direct-to-consumer delivery models, and personalised product discovery that are expanding market reach for specialty and craft beverage brands beyond traditional retail limitations. Online platforms are enabling smaller craft producers to access broader consumer bases without extensive distribution infrastructure investments, while manufacturers are optimising packaging formats for e-commerce fulfilment with sustainable materials.
- Native Australian botanicals and locally sourced ingredients are emerging as key differentiators, with brands incorporating lemon myrtle, Davidson plum, Kakadu plum, and wattleseed into innovative beverage formulations that celebrate Australian provenance and appeal to consumers seeking authentic, locally inspired flavour profiles.
- The ready-to-drink (RTD) tea and coffee segment is gaining significant traction as convenience-oriented consumers are seeking premium, on-the-go caffeine alternatives that offer clean labels, lower sugar content, and functional health benefits compared to traditional energy drinks and sugary iced beverages. Cold brew coffee, matcha-based RTD beverages, and herbal tea infusions are attracting health-conscious demographics seeking sustained energy without the crash associated with traditional high-sugar energy drinks.
- Sustainability credentials are becoming critical competitive differentiators as brands are adopting recycled PET bottles, aluminium cans with 83% recycled content, plant-based packaging solutions, and carbon-neutral production practices to attract environmentally conscious

consumer segments that are actively prioritising eco-friendly brands.

Health-Focused Beverages

Key Trend: Australian consumers are increasingly embracing health-focused lifestyles that are fundamentally influencing beverage purchasing decisions. Growing awareness of diet-related health concerns including obesity and diabetes is driving sustained demand for lower-sugar, natural, and functionally enriched alternatives. The Australian Medical Association is actively advocating for a sugar-sweetened beverage tax at 50 cents per 100g of sugar, which is projected to reduce sugar consumption by 14% and generate \$937 million in annual government revenue. This regulatory momentum is accelerating industry reformulation efforts, with major producers including Coca-Cola Europacific Partners, PepsiCo, Asahi Beverages, and Frucor Suntory having pledged to cut sugar content by 25% across their product portfolios. The wellness orientation is particularly pronounced among millennial and Generation Z demographics who are demonstrating sophisticated understanding of nutritional content and ingredient transparency, increasingly seeking clean-label beverages with natural sweeteners and functional health benefits.

Key Trend: The functional beverages segment is expanding rapidly as consumers are prioritising products offering benefits beyond basic hydration. Beverages enriched with probiotics, antioxidants, electrolytes, and immunity-supporting compounds are accelerating across all demographic groups. Australian wellness brand Hyro, launched in early 2024, is projected to surpass \$10 million in revenue in 2026, fuelled by influencer collaborations and growing demand for healthy electrolyte drinks. The zero-alcohol movement is reinforcing this trend, with the share of Australians purchasing zero-alcohol beverages more than doubling between August 2020 and January 2025, as moderation-focused consumption is becoming embedded in mainstream lifestyle choices. The kombucha tea market alone is valued at USD 42.25 Million in 2025 and is anticipated to grow at a CAGR of 19.12% through 2034, reflecting the strong consumer appetite for fermented, gut-health-focused beverages.

Key Trend: Environmental consciousness is reshaping packaging strategies across the Australian beverage industry, with consumers actively seeking brands that demonstrate genuine commitment to sustainability through recyclable materials and reduced plastic usage. The joint venture between Pact Group, Cleanaway, Asahi Beverages, and Coca-Cola Europacific Partners has established a \$50 million PET recycling facility in Melbourne capable of processing up to one billion bottles annually, enabling the production of 100% recycled PET bottles at scale. Visy's partnership with Lion, Stone & Wood, Novelis, and Rio Tinto has produced a beverage can with 83% recycled aluminium achieving a 59% reduction in carbon emissions. Carbon-neutral operations, water stewardship initiatives, and transparent sourcing practices are becoming critical differentiators in the market. Simultaneously, digital commerce is transforming distribution, with Woolworths reporting a 39% rise in fast grocery delivery services, and e-commerce platforms enabling craft producers and specialty brands to

reach broader consumer audiences through subscription models and direct-to-consumer channels that bypass traditional retail distribution requirements.

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The report has segmented the market into the following categories:

Breakup by Product Type:

Carbonated Soft Drinks

Juices

Bottled Water

Sports and Energy Drinks

RTD Tea and Coffee

Others

Breakup by Packaging Type:

Bottles

Cans

Cartons

Others

Breakup by Distribution Channel:

Retail

Food Service

Supermarkets and Hypermarkets

Online Stores

Others

Breakup by Region:

Australia Capital Territory & New South Wales

Victoria & Tasmania

Queensland

Northern Territory & Southern Australia

Western Australia

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Some of the key players in the Australia non-alcoholic beverages market that are mentioned in the report include Altina Drinks, Asahi Beverages, Brunswick Aces, Bundaberg Brewed Drinks, ETCH Sparkling, Lyre's Spirit Co, NON, Polka, Sobah Non-Alcoholic Beverages, and Suntory Beverage & Food Australia Pty Ltd, among others. The market exhibits a moderately consolidated competitive structure, with multinational beverage corporations competing alongside domestic manufacturers and emerging craft beverage producers across diverse

product segments and price points.

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- May 2025: Nexus Airlines is partnering with Spinifex Brewing Co. to launch a co-branded range of non-alcoholic soft drinks crafted using native Western Australian botanicals, with the beverages being served onboard Nexus flights from early June and rolling out to select retail and hospitality venues celebrating local flavours and Indigenous partnerships.
- March 2025: Bundaberg Brewed Drinks is launching its new Refreshingly Light range in Australia and New Zealand, featuring low-sugar Raspberry & Pomegranate, Lemon & Watermelon, and Apple & Lychee flavours, each containing just 20 calories with no artificial sweeteners or colours, packaged in convenient 250ml slimline cans.
- March 2025: Visy, in partnership with Lion, Stone & Wood, Novelis, and Rio Tinto, is launching a beverage can containing 83% recycled aluminium, achieving an estimated 59% reduction in carbon emissions and setting a new benchmark for sustainable packaging in the Australian beverage industry.
- January 2025: Suntory is launching Suntory Oceania, combining Beam Suntory and Frucor Suntory into a AUD \$3 billion multi-beverage powerhouse with 40 brands across alcohol and non-alcohol segments, becoming the fourth-largest ANZ beverage group and reshaping the competitive landscape.
- January 2025: Circana is reporting that the share of Australians purchasing zero-alcohol beverages more than doubled between August 2020 and January 2025, reflecting a sustained national shift toward moderation-focused consumption and driving major retailers to expand dedicated shelf space for premium non-alcoholic options.
- November 2024: Coca-Cola Australia is launching Coca-Cola Y3000 Zero Sugar, a limited-edition AI co-created flavour under Coca-Cola Creations, available nationwide, combining zero-sugar refreshment with an innovative digital experience and demonstrating the integration of technology into beverage product development.

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IMARC Group
134 N 4th St. Brooklyn, NY 11249, USA
Email: sales@imarcgroup.com
Tel No: (D) +91 120 433 0800
United States: +1-631-791-1145

Elena Anderson
IMARC Services Private Limited
+1 201-971-6302
[email us here](#)

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