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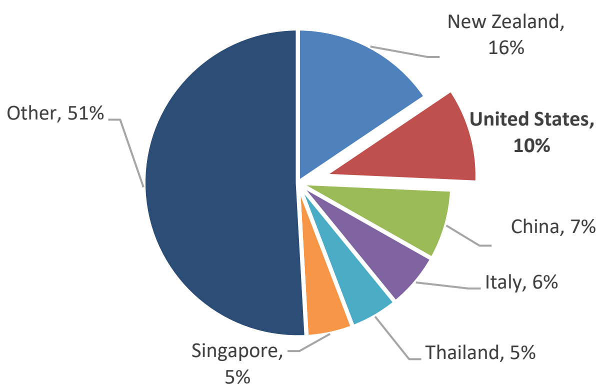
Report Highlights:

The Australian foodservice sector is demonstrating resilience and innovation by overcoming rising costs and labor shortages through strategic adaptation. Capitalizing on consumer demand for unique, ethical, and high-quality experiences, the industry is transforming its operations. Despite current cost-sensitivity pushing consumers toward value-driven take out, the sector is rapidly adopting AI, automation, and advanced digital systems to boost efficiency and personalization. This technological focus ensures the industry is well-prepared to deliver both premium experiences and efficient, value-focused service for sustained growth as the economy improves and consumption recovers. Opportunities for U.S. exporters exist in consumer-oriented products, particularly pork, dairy products, distilled spirits, snack foods, bakery goods, and confectionary products.

Market Fact Sheet: Australia

Executive Summary
Australia possesses a substantial economy, ranking 14th globally, and enjoys a high level of prosperity, evidenced by its high per capita GDP and second-highest median wealth per adult worldwide (UBS 2024). The U.S.-Australia Free Trade Agreement further benefits U.S. exporters by eliminating tariffs on many food products.

Consumer-Oriented Agricultural Imports
In 2024, Australia imported $13.6 billion worth of consumer-oriented products with the United States' market share at 10 percent of the total imports ($1.4 billion). Most of Australia's imports in this sector are sourced from New Zealand with 16 percent of the market share.



Source: Australian Bureau of Statistics

Food Retail Industry
Australia is currently grappling with a cost-of-living crisis fueled by rising inflation, which is changing how people shop. Consumers are increasingly prioritizing sustainability, waste reduction, food quality, and healthy eating when making purchasing decisions. In 2024, Australia imported US$15.3 billion worth of consumer-oriented foods (including snacks, breakfast items, meat, dairy, produce, and beverages), fish, and seafood. The United States is the second-largest supplier in these categories, accounting for US$1.4 billion (9%) of Australia's total food imports, while New Zealand leads as the primary source. For more information, please see the Retail Foods report.

Food Processing Industry
Australia's food processing industry is the largest manufacturing sector in the country. In 2022-2023, the sector grew 11 percent. The food manufacturing turnover was US$ 107 billion. The sector's revenue is mainly generated by large companies.

Food Service Industry
High inflation and living costs have constrained Australia's consumer foodservice industry in 2023-24. Consumers, facing rising prices, cut discretionary spending, reducing demand for full-service restaurants and favoring cheaper, limited-service options like fast food. This shift has slowed the sector's growth after its post-pandemic recovery. For more information, please see the Food Service Report,

Quick Facts CY 2024

Total Imports of Consumer Oriented Products - $13.6 billion

Australia's Top Consumer-Oriented Growth Products

1) Bakery Goods	6) Pork & Pork Products
2) Food Preparations	7) Condiments & Sauces
3) Processed Vegetables	8) Non-alcoholic beverages
4) Chocolate & Cocoa Products	9) Dog & Cat Food
5) Processed Fruit	10) Coffee

Food Industry by Channels ($ billion)

Retail Food Industry	$141.1
Food Service – HRI	$40.9
Food Processing (2022-2023 latest available data)	$107
Food and Agriculture Exports	$47.7

Top Australian Food Retailers

1) Woolworths	4) Metcash/IGA
2) Coles (Wesfarmers)	5) Costco
3) Aldi	6) Australian United Retailers Ltd

GDP/Population
Population (millions): 27.2 (June 2024)
GDP (billions USD): $1.73
GDP per capita (USD): $64,820

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
• U.S. products have excellent image and acceptance. • Northern hemisphere seasonal advantage for fresh foods, e.g. fruit and vegetables.	• Australia has strict quarantine requirements for fresh products. Import permits are required for fresh produce and some products are prohibited. • Australian labeling and advertising laws are different from the United States, which may require some changes to food labels.
Opportunities	**Threats**
• The U.S./Australia Free Trade Agreement enables many U.S. products to enter Australia tariff free. • Australian consumers are experimental and desire new and innovative products.	• Most categories have substantial market leaders. • Country of origin labeling is compulsory, and many Australian-made products bear the "Australian Made" logo.

SECTION I. MARKET SUMMARY

The Australian consumer foodservice sector, with cafés and pubs as central components, is currently navigating a landscape defined by significant economic strain and operational hurdles. Despite the deeply entrenched national coffee culture which typically supports the industry, businesses are being squeezed by rising cost pressures and persistent labor shortages, making it difficult to maintain competitiveness and profitability. Culturally, the market is overwhelmingly shaped by a preference for independent and locally owned venues. Australian consumers actively seek out these establishments, valuing the unique, artisanal experiences and personalized service they offer, positioning them as high-quality alternatives to branded chains. However, this environment has been complicated by a recent economic downturn, which has forced a material shift in consumer behavior.

Many Australians are cutting back on discretionary spending like dining out, leading to a pivot toward limited-service restaurants which cater directly to a price-driven mindset by offering budget-conscious takeaway options. This cost-sensitivity was further evident in 2024, as the additional expense of mark-ups and service fees on orders caused delivery services to falter, prompting a clear move among consumers toward either in-store collection or completely abandoning the purchase of takeaway food.

The Australian consumer foodservice industry was valued at A$65 (US$43) billion in 2024. Food and non-alcoholic beverage price inflation averaged 3% for much of 2024.

Trends:

- **Consumer & Menu Focus** towards particular values and product attributes, including transparency, ethics, and health, driving demand for plant-based foods, local and sustainable sourcing, and the expansion of high-quality low/no-alcohol beverages

- **Operational & Business Strategies** are centered on maximizing efficiency and value; this means prioritizing value-driven experiences to counter cost-of-living pressures, rapidly expanding off-premises dining (takeaway/pickup), and diversifying income through multiple revenue streams like meal kits and branded products.

- **Technology & Efficiency** is a critical enabler, with businesses adopting automation and AI to combat labor shortages, implementing comprehensive digital ordering systems (QR codes, kiosks) for speed, and utilizing data to offer highly personalized customer experiences.

What lies ahead of the foodservice industry:

- **Growth Driven by Value and Experience**: The industry will see strategic growth, driven by an expected economic ease that boosts consumer spending. However, this spending will be highly scrutinized, forcing a split where Quick Service (QSR) and Fast-

Casual thrive on convenience and value, while Full-Service dining must justify prices with unique, highly personalized, and ethical experiences (e.g., sustainable sourcing, sophisticated menus).

- **Technology is the Operational Backbone**: To combat persistent labor shortages and rising costs, the industry will rely heavily on automation and AI for efficiency, and on sophisticated digital ecosystems (QR ordering, mobile apps). These technologies will not only streamline operations but also provide the crucial data needed to run personalized loyalty programs and maximize sales from both dine-in and the rapidly expanding off-premise market.

Major Advantages and Challenges for U.S. Exports

Advantages	**Challenges**
U.S. culture well accepted and similar to Australia.	Australia has strict quarantine requirements for fresh products. Import permits are required for fresh produce and some products are prohibited.
U.S. products have excellent image and acceptance.	Australia is a significant producer of a similar variety of agricultural products.
Northern hemisphere seasonal advantage for fresh foods, e.g., fruit and vegetables.	Australian labeling and advertising laws are different from the United States, which may require some changes to food labels.
The U.S./Australia Free Trade Agreement enables most U.S. products to enter Australia tariff free.	"Buy Australian" campaign is significant.
Australian consumers constantly seeking new tastes and cuisines.	A focus on purchasing fresh local food by many restaurants and cafés provides advantages to local producers and suppliers.
Strong dining out culture provides opportunities to supply the consumer foodservice sector with new products.	

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

FAS Canberra recommends that U.S. exporters establish partnerships with local distributors, importers, agents, or brokers who deeply understand the Australian market and can effectively target specific food categories or merchandise managers at major wholesale and supermarket chains. Additionally, engaging with specialist distributors or wholesalers can be beneficial.

Due to Australia's significant geographic expanse and high transportation costs, participating in trade shows represents the most cost-effective strategy for U.S. companies to identify and connect with potential partners and customers within the Australian market.

- Fine Food Australia is recognized as the foremost international exhibition for the food, beverage, and equipment industries in the Southern Hemisphere. Endorsed by the U.S. Department of Agriculture, this annual event rotates between Sydney and Melbourne each September. The exhibition draws a significant number of major manufacturers, buyers, and importers from throughout the region. The 2026 edition is scheduled to take place in Melbourne, from August 31 to September 4, 2026. Contact agcanberra@usda.gov if you are interested in exhibiting at the USA Pavillion.

- The Restaurant and Foodservice Show is part of Hospitality week, alternating between Sydney in Melbourne each year. The 2026 edition will take place in Sydney, May 25-27.

Market Structure

Restaurants: The Australian restaurant industry is characterized by a large number of small, independent operators. This fragmented landscape makes it highly competitive, with businesses facing pressure from both other restaurants and establishments in related sectors, such as cafes and pubs.

The restaurant industry has seen strong revenue growth primarily driven by consumers' busy lifestyles, increasing demand for restaurant meals and the rise of food delivery platforms. However, the sector is currently strained by falling discretionary incomes and significant cost pressures, including elevated operational costs (input, wage, energy) and extreme labor shortages, curbing profitability and forcing exits, despite an overall increase in enterprise numbers. Looking ahead, the industry is expected to grow at a slower annualized rate of 1.0% to $25.5 billion through 2029-30, supported by improving consumer confidence. Restaurants will focus on diversifying revenue streams (merchandise, events), enhancing operational efficiencies, and increasing sustainability efforts to improve future profitability.

Cafes and Coffee Shops: Australia's deeply ingrained coffee culture serves as a steady and resilient revenue base for cafes and coffee shops, even during periods of economic difficulty. Despite coffee being a discretionary purchase, consumers view it as an affordable luxury, making demand resistant to fluctuations in household income. This well-established nature of the industry ensures that revenue is generally on an upward trajectory, supported either by increasing consumption or necessary upward price adjustments to maintain viability. The primary challenge, however, is the sector's thin profit margins, which are a persistent point of concern for businesses.

Artisan bakeries and patisseries that are repositioning themselves as cafes to capitalize on the popularity of brunch culture. These new entrants, selling coffee alongside gourmet baked goods, intensify market rivalry and raise the overall quality of food offerings. Looking forward, industry revenue will be supported by strong consumer demand for high-quality and convenient food and beverages. Cafes are strategically responding by focusing on premiumization—offering gourmet, higher-margin products like specialty coffee blends and cafe-style meals (e.g., acai bowls). This profitability push will be further supported by consumer interest in ethical consumerism, driving demand for sustainably sourced, fair-trade coffee and environmentally friendly packaging, including offering discounts for customers using reusable cups.

Fast Food and Takeaway: Consumer preferences have created challenges for fast food and takeaway services, shifting consumer demand driven by greater nutritional awareness and a preference for healthier eating. In response, major fast-food brands are evolving. They are reformulating existing items and expanding menus with more nutritious, premium options featuring reduced fat, sugar, and salt. For instance, McDonald's has developed a premium burger line, and KFC is prioritizing fresh, locally sourced ingredients. Furthermore, the growth of chicken-based fast food, seen as a healthier alternative, is notable. While the recent cost-of-living crisis has led consumers to cut back on overall dining out, it has ironically provided a boost to fast food, as people are "trading down" from full-service restaurants to more affordable fast-food meals.

Pubs, Bars and Nightclubs: The pubs, bars, and nightclubs industry have faced significant difficulties in the last few years, stemming from decreased patronage during the pandemic, lower per capita alcohol consumption, increased online gambling competition, and stricter regulations. All of these factors constrained overall growth for the industry. Despite these challenges and declining profits for traditional pubs and clubs due to reduced alcohol consumption and limited gambling expenditure, small-scale bars with refined food and beverage menus have thrived, capitalizing on Australia's evolving foodie culture and quality-conscious consumers. This success has prompted many pubs to enhance their own offerings, often converting to gastropubs.

Hotels and Resorts: Australia's hotel and resort industry is experiencing a dramatic financial rebound after historic revenue and occupancy lows during the pandemic. The recovery, which started in 2022, was powered by renewed demand from domestic and returning international and business travelers. Crucially, major operators have leveraged this demand to increase Average Daily Rates (ADR), particularly in the high-end luxury market. This ability to charge higher prices has been the primary driver of revenue growth and improved profitability, compensating for occupancy rates that remain slightly below pre-pandemic peaks, while benefiting from stable operations and lower cost bases. These include Accor Asia Pacific, the industry's largest operator; Event Hospitality and Entertainment Ltd (Rydges, QT, and Atura brands); Hilton International Australia; IHG Hotels & Resorts (Australian subsidiary of InterContinental Hotels Group); Marriott International Inc.

Corporate Catering: Corporate catering firms serve both businesses and government entities, offering flexible options ranging from ad-hoc event catering (e.g., meetings, seminars) to comprehensive full-service agreements. These extensive contracts often bundle catering with related services like facilities management and cleaning. The industry's structure is stratified: major players capture the high-value, full-service contracts, leaving smaller operations to specialize in geographically specific niche markets, often providing simple corporate lunches. The market is poised for growth, fueled by the return of employees to offices and expanding government investment in infrastructure. Caterers capable of successfully tendering for full-service contracts tied to these large infrastructure projects are best positioned for future profit. Large players in this sector are: Compass Group (Australia) Pty Ltd; Sodexo Australia; and The Big Group.

Consumer Foodservice: Independent vs Chain Restaurants by Percent Value

	2019	2020	2021	2022	2023	2024
Chain Foodservice	25.9	28.5	30.5	31.6	32.2	32.6
Independent Foodservice	74.1	71.5	69.5	68.4	67.8	67.4
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

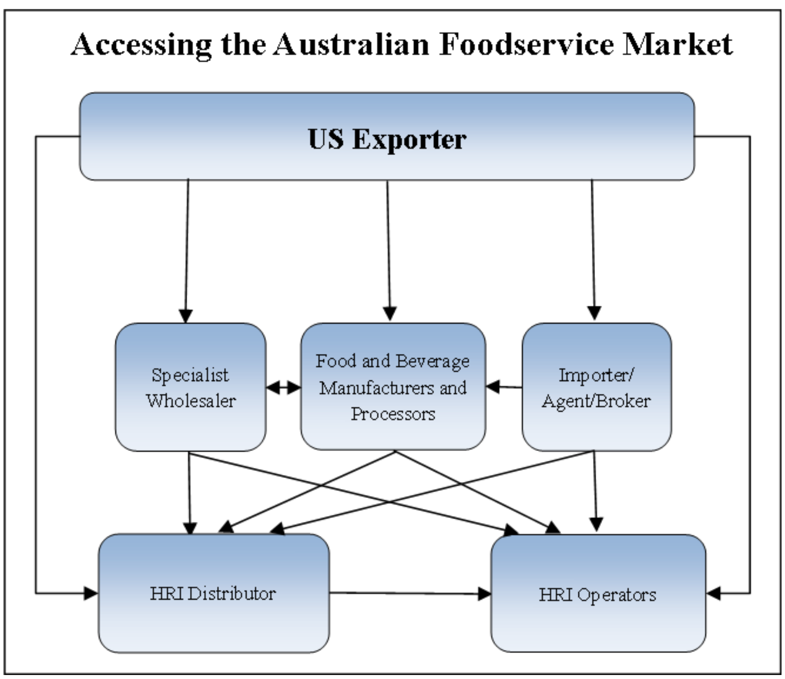
Consumer Foodservice: Independent vs Chain Restaurants by Type (Number) 2024

Outlet Type	Independent	Chain	Total
Cafes/Bars	11,501	3,062	14,563
Full-Service Restaurant	21,822	337	21,59
Limited-Service Restaurant	13,775	11,286	25,061
Self-Service Cafeterias	14	10	24
Street Stalls/Kiosks	3,110	294	3,404
Total Consumer Foodservice	50,222	14,989	65,211

Source: Euromonitor International

Distribution

Distribution centers and wholesalers are the two main distribution channels. Distribution points in Australia are centralized. Food products are stored in warehouses prior to delivery. Transport between distribution centers in Australia is predominantly by road. Major players are: Metcash Ltd, Bidfood Australia Ltd, and PFD Food Services Pty Ltd.



Sub-Sector Profiles

Leading Chain Consumer Foodservice Brands by Number of Outlets (2024)

Rank	Operator	Main Sector	Global Brand Owner	No. of Outlets
1	Subway	Fast Food/Takeaway	Doctor's Associates Inc.	1,279
2	McDonald's	Fast Food/Takeaway	McDonald's Corp	1,044
3	McCafé	Café/Coffee Shops	McDonald's Corp	1,039
4	KFC	Fast Food/Takeaway	Yum! Brands Inc	747
5	Domino's Pizza	Fast Food/Takeaway	Domino's Pizza Inc	727
6	Hungry Jack's	Fast Food/Takeaway	Restaurant Brands International Inc	460
7	Red Rooster	Fast Food/Takeaway	Craveable Brands Ltd	325
8	Boost Juice	Fast Food/Takeaway	Retail Zoo Pty Ltd	295
9	Pizza Hut	Fast Food/Takeaway	Yum! Brands Inc	284
10	The Coffee Club	Café/Coffee Shops	Minor International PCL	232

Source: Euromonitor

SECTION III. COMPETITION

Imported products must contend with the popularity of domestically produced 'Australian Made' goods, especially in the retail sector where country-of-origin labeling is mandated. While this factor is less prominent in the hospitality industry, a significant proportion of Australian consumers (over two-thirds) value restaurants using locally sourced ingredients. Recent initiatives have emphasized increased transparency in food sourcing, including disclosing products' origin. Nevertheless, higher prices for local and imported goods can pose a significant challenge.

Australia's stringent quarantine regulations and distinct import and food labeling requirements diverge from U.S. standards. The Food and Agriculture Import Regulations and Standards (FAIRS) report offers comprehensive information on Australian import and labeling regulations. The latest copy of the FAIRS report is available on the FAS website.

The value of Australian consumer-oriented food imports totaled $13.36 billion in 2024. The United States accounted for $1.4 billion, or 10 percent of total imports. New Zealand is the top source of food imports for Australia, followed by the United States as the second largest supplier. U.S. products are well regarded as safe and an excellent value for money. See the Exporter Guide Report for Australia, available on the FAS website.

The U.S.-Australia Free Trade Agreement, ratified in 2005, has facilitated the duty-free entry of most U.S. products into the Australian market.

Leveraging economies of scale, U.S. manufacturers possess the capacity to develop a wide range of innovative products that surpass the capabilities of smaller Australian manufacturers. This advantage enables U.S. exporters to introduce unique product lines that are not readily available from domestic producers.

The Australian market exhibits a strong affinity for American brands and products, with many food categories aligning well with local preferences. Over the years, numerous American brands have achieved substantial success within the Australian market.

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Products Present in the Market with have Good Sales Potential

- **Pork and Pork Products:** cooked bacon, sausage in casings
- **Dairy Products:** cheese, whey, ice cream
- **Distilled Spirits:** whisky, vodka, gin
- **Processed Products:** snack foods, bread, pastry, mixes and doughs
- **Confectionary Goods**: Candy and chocolate

Top Consumer Oriented Products Imported from the World

Product Category Total Australia Import	Main Suppliers in Percentage
Bakery Goods, Cereals & Pasta $1.6 billion USD	1. Thailand – 11% 2. New Zealand – 10% 3. Italy – 9%
Food Preparations $1.6 billion USD	1. Singapore – 27% 2. New Zealand – 18% **3. USA - 8%**
Dairy Products $1.5 billion USD	1. New Zealand – 47% 2. **USA – 11%** 3. Italy – 6%
Processed Vegetables $1.1 billion USD	1. Italy – 17% 2. China – 16% 3. Belgium – 12%
Chocolate & Cocoa Products $1.0 billion USD	1. Malaysia – 16% 2. Singapore – 15% 3. Indonesia – 13%
Processed Fruit $687 million USD	1. China – 12% 2. Chile – 11% 3. Turkey – 9%
Pork & Pork Products $680 million USD	**1. USA – 46%** 2. Denmark – 23% 3. Netherlands – 14%

Source: Australian Bureau of Statistics

Top Consumer Oriented Products Imported from the United States

Product Category	Total Australia Import
Pork and Pork Products	$304 million USD
Dairy Products	$168 million USD
Food Preparations	$131 million USD
Distilled Spirits	$123 million USD

Dog & Cat Food	$122 million USD
Fresh Fruit	$81 million USD
Bakery Goods, Cereals & Pasta	$68 million USD
Processed Vegetables	$59 million USD
Processed Fruit	$58 million USD
Chocolate & Cocoa Products	$50 million USD

Source: Australian Bureau of Statistics

Products Not Present in Significant Quantities but which have Good Sales Potential

- Wine
- Non-alcoholic beverages

Products Not Present because they Face Significant Barriers

- Fresh Apples
- Bone-in Pork
- Cooked Turkey
- Fresh/frozen poultry

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

Office of Agricultural Affairs
U.S. Embassy, Canberra, Australia
Tel: +61 2 6214 5854
E-mail; Agcanberra@usda.gov

Import Regulations

- See the Department of Agriculture, Fisheries and Forestry biological import conditions (BICON) database to identify whether your product is permitted entry to Australia.

Australia's Food Regulations

- The Foreign Agricultural Import Regulations and Standards (FAIRS) report from this office contains detailed information on the Food Standards Code and other food regulations. This report is updated each year, and a copy is available on the FAS website.
- The entire Australia New Zealand Food Standards Code is available through FSANZ website.

Other Relevant Reports

Copies of other relevant reports from this office can be found by searching at: https://gain.fas.usda.gov/#/search.

- Exporter Guide (search in the Exporter Assistance category).
- Food Ingredients Report (search in the Exporter Assistance category).
- Retail Report (search in the Exporter Assistance category)

Industry Information

- Foodservice Suppliers Association of Australia Inc.
- NAFDA – Australian Foodservice Distribution
- Food and Beverage Importers Association

References/Sources

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IBISWorld, Cafes and Coffee Shops in Australia
IBISWorld, Catering Services in Australia
IBISWorld, Pubs, Bars and Nightclubs in Australia
Trade Data Monitor

Attachments:

No Attachments