NATIONAL Growth Areas ALLIANCE
NGAA

SESSION ONE.

THE COMPETITIVE ADVANTAGE OFGROWTH AREAS

PROGRAM PARTNERS

RPM

TERRALYTICS

MAYOR TERRESA LYNES

MAYOR, CITY OF GOSNELLS
CHAIR, NGAA

NATIONAL Growth Areas ALLIANCE

Manufacturing in Australia

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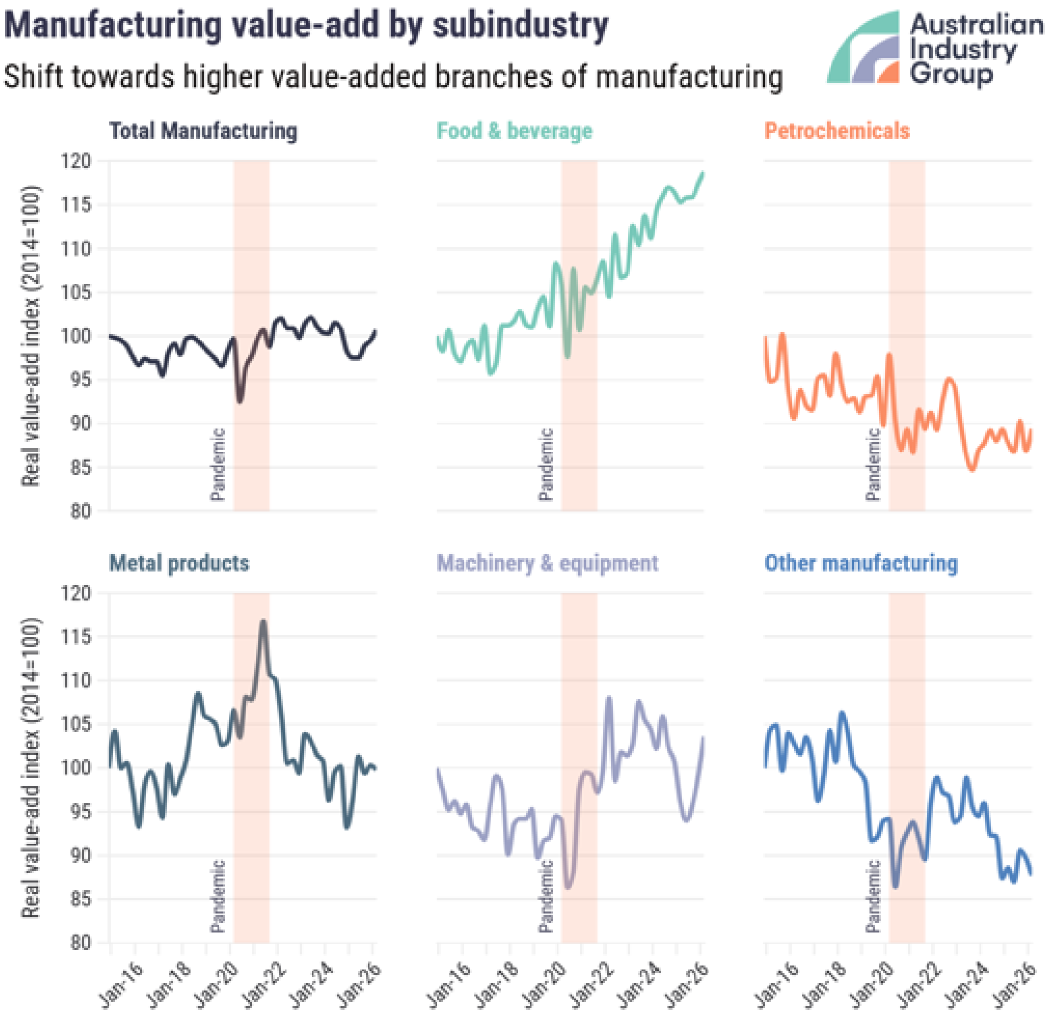
https://www.australianindustrygroup.com.au/resourcecentre/research-economics/

Industry composition: Continued consolidation towards higher value products

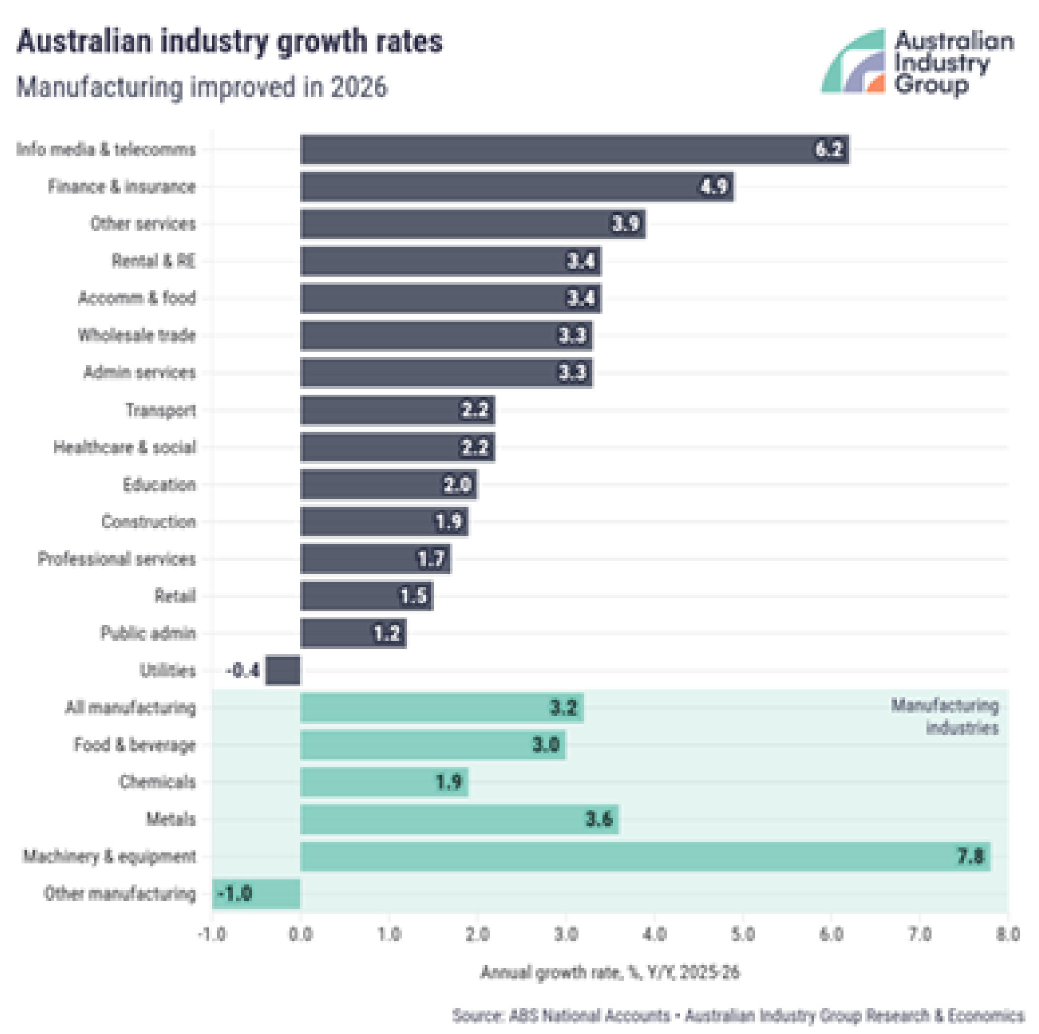
- Australia has around 90,000 manufacturing businesses.
- Sixth largest industry, generates $142 billion in value-added output, employs 930,000 people.
- The sector contributes more than its GDP share - accounts for 12.4% of exports and 7.9% of capital investment, despite representing 5.1% of GDP.
- Centre of the industrial ecosystem – closely engaged with construction, transport, wholesale trade, utilities.
- Manufacturing has transformed significantly over recent decades, becoming a hub for research and development, capital investment, innovation and advanced products.



Source: ABS Australian National Accounts • Australian Industry Group Research & Economics

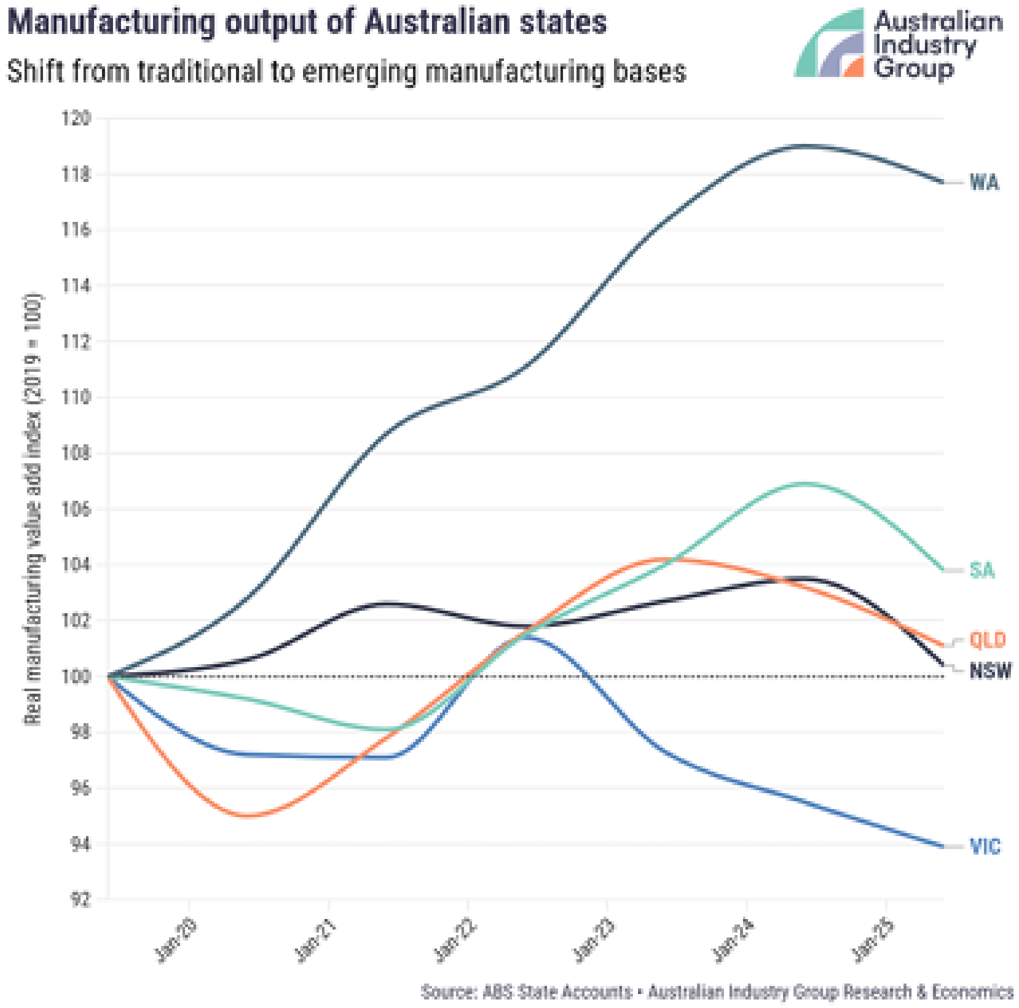
Manufacturing sector: Industry sector grows above rate of GDP

- Manufacturing grew in Q1 2026, with total sector growth of 3.2%.
- Machinery and equipment was the standout performer, expanding at around twice the rate of other manufacturing sub-sectors.
- This data pre-dates the fuel crisis, which has placed pressure on manufacturers through trade disruptions, higher inputs, fuel and freight costs.



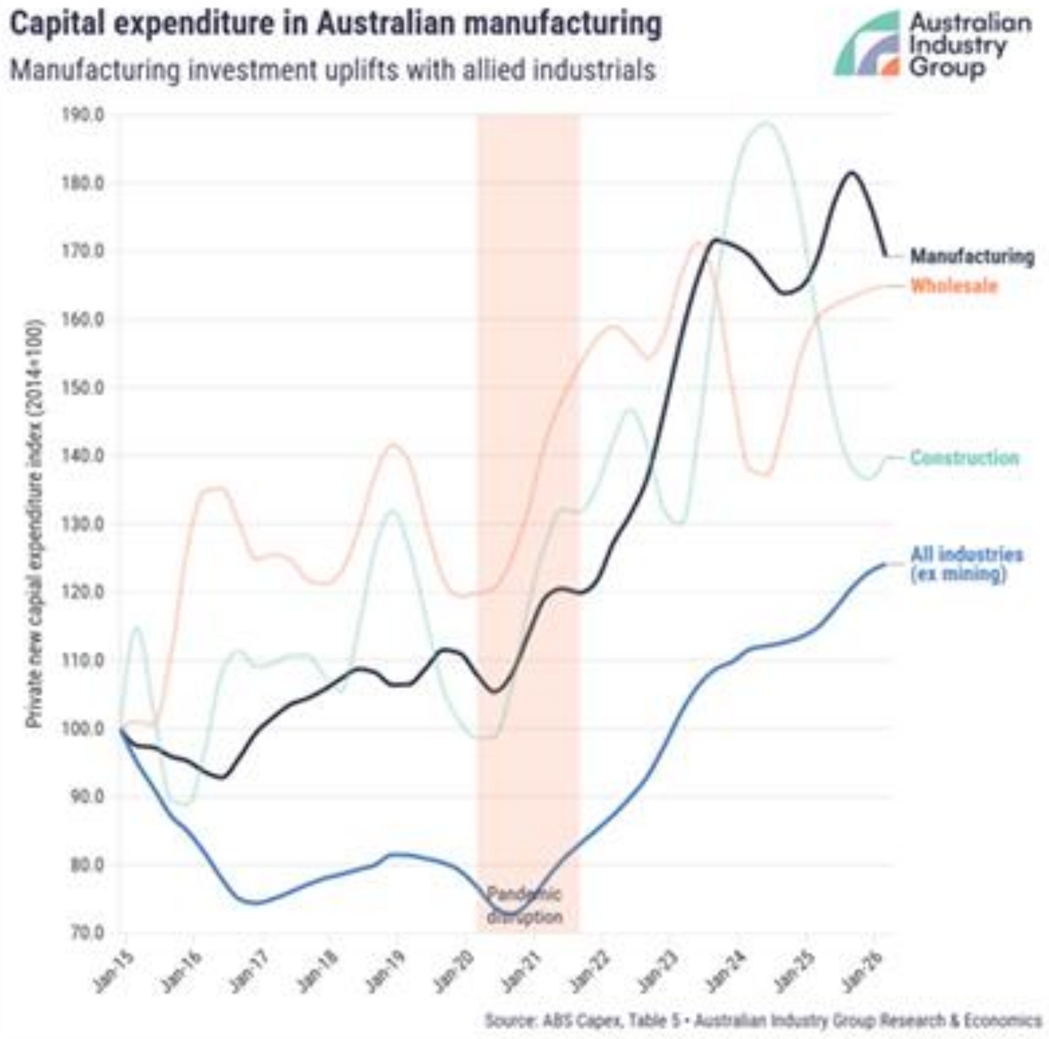
Industrial geography: Shift from traditional to emerging manufacturing bases

- The location of Australian manufacturing has rapidly shifted since the pandemic.
- The emerging states - WA and QLD – have seen dramatic growth in manufacturing output, driven by backward and forward connections to dynamic local resource sectors.
- VIC and SA saw output decline. This reflects pressures on the chemicals and metals industries.
- After a decade of decline, NSW manufacturing has enjoyed a post-pandemic boost driven by equipment and food.
- As industry composition shifts, so too will its geography within Australia.



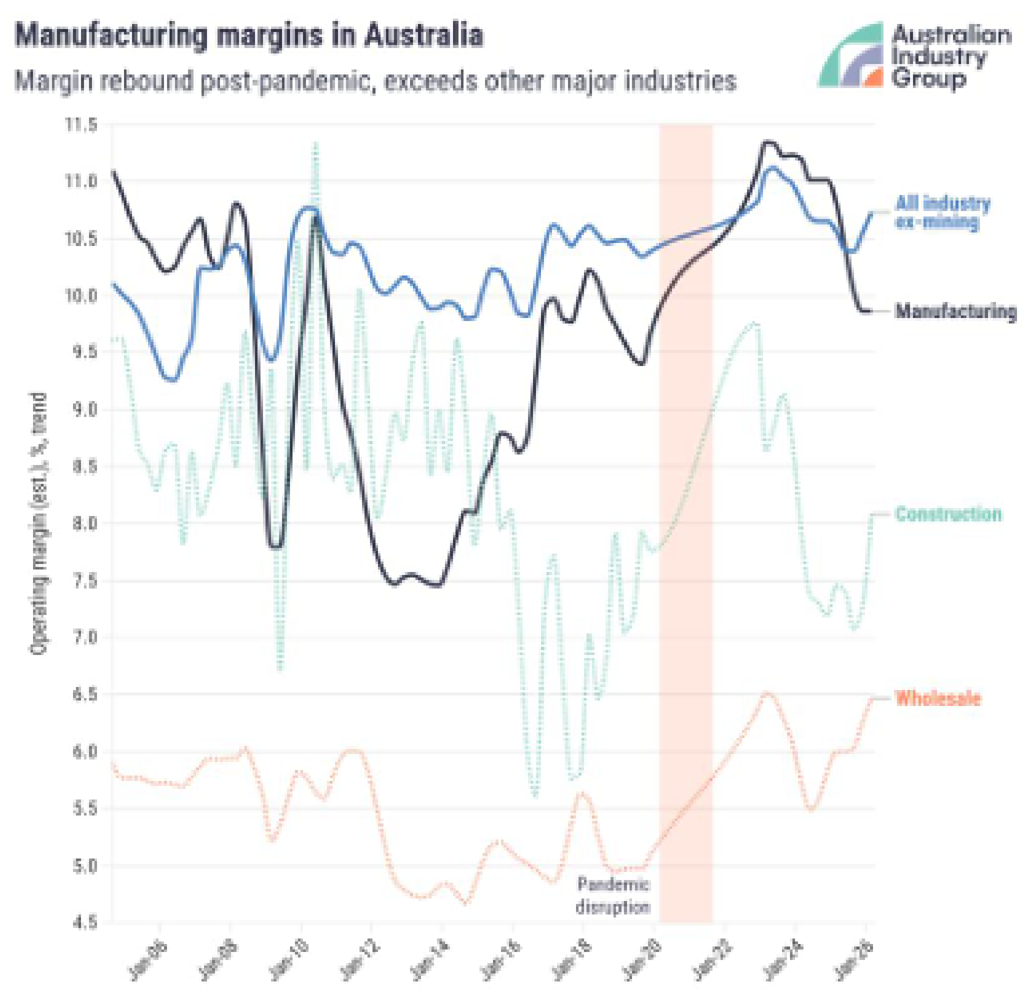
Capital expenditure: Structural uplift in manufacturing and allied investment

- Investment levels in Australian manufacturing rose significantly following the pandemic.
- Industrial capex levels leaped following the pandemic, as businesses invested to meet growing demand from economic recovery and disrupted supply chains.
- Manufacturing investment levels in 2023 were 55% higher than in 2019. Allied industrial sectors saw a similar degree of uplift.
- As conditions deteriorated in 2025, manufacturing investment eased back by around 10%.
- However, capex levels remains structurally higher than the years before the pandemic.



Financial performance: Margins ease from post-pandemic peak

- Manufacturer margins have improved over the past decade in Australia, although they have moderated since their post-pandemic peak.
- Margins declined following the GFC, associated with the exit of the auto industry.
- They recovered from 2015 to return to near the all-industry level, reflecting the consolidation toward more competitive subindustries.
- Following the post-pandemic recovery, manufacturer margins increased from 10% to 12% but declined in late 2025 and are now below the all-industry rate.
- Despite the recent decline, manufacturing remains one of the few industrial sectors to have achieved a sustained improvement while most others remain close to their long-term averages.



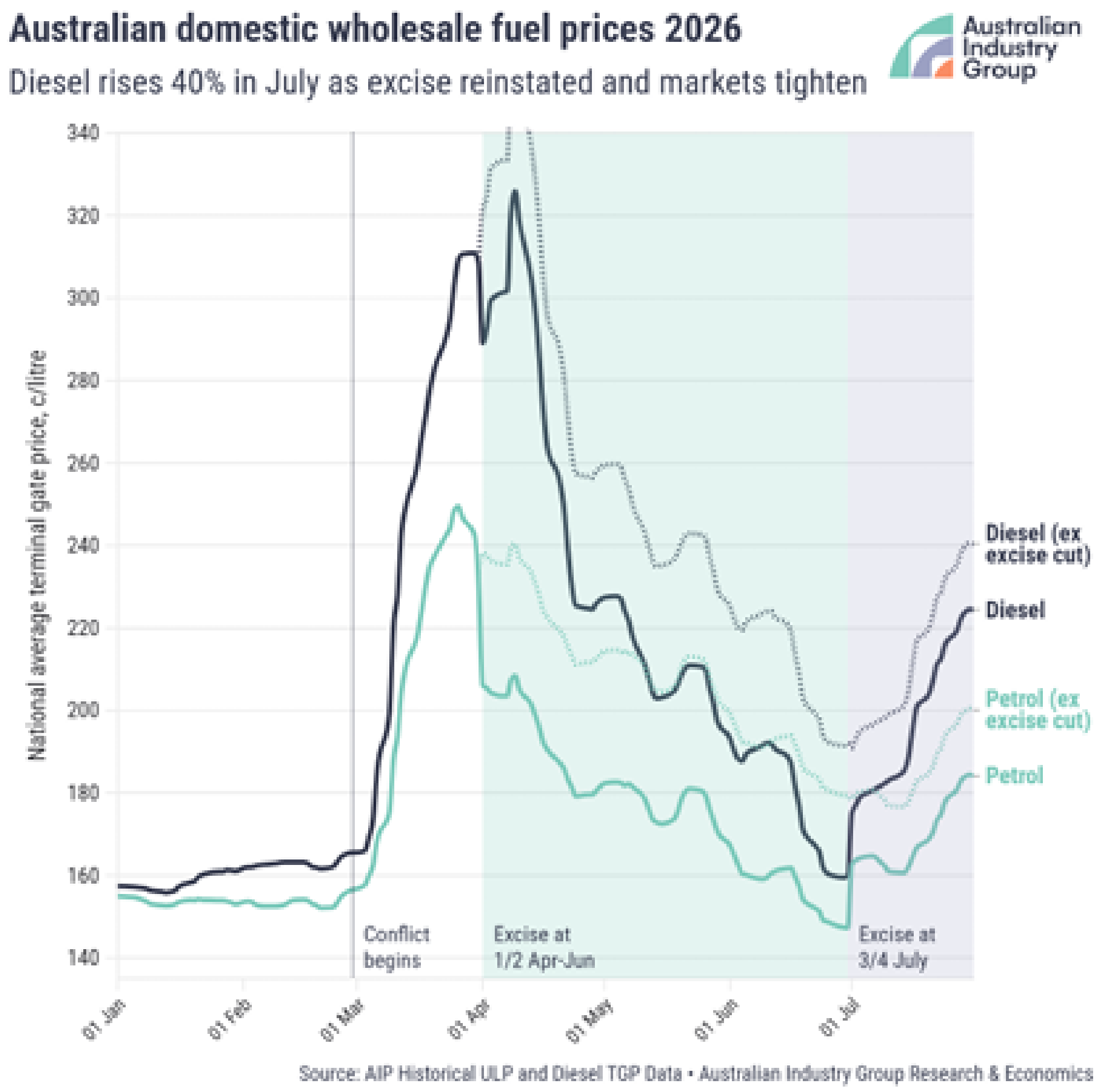
Source: ABS Business Indicators • Australian Industry Group Research & Economics

Manufacturing prices: surging prices not evenly distributed

- Subsectors such as beverages, paper, textiles, polymer & rubber, non-metallic minerals and machinery & equipment show output prices rising broadly in line with, or above, input prices over time.
- Chemicals, metals, fabricated metals, food and transport equipment face costs rising faster than sales prices.
- These industries are more exposed to global commodity cycles than domestic demand conditions.

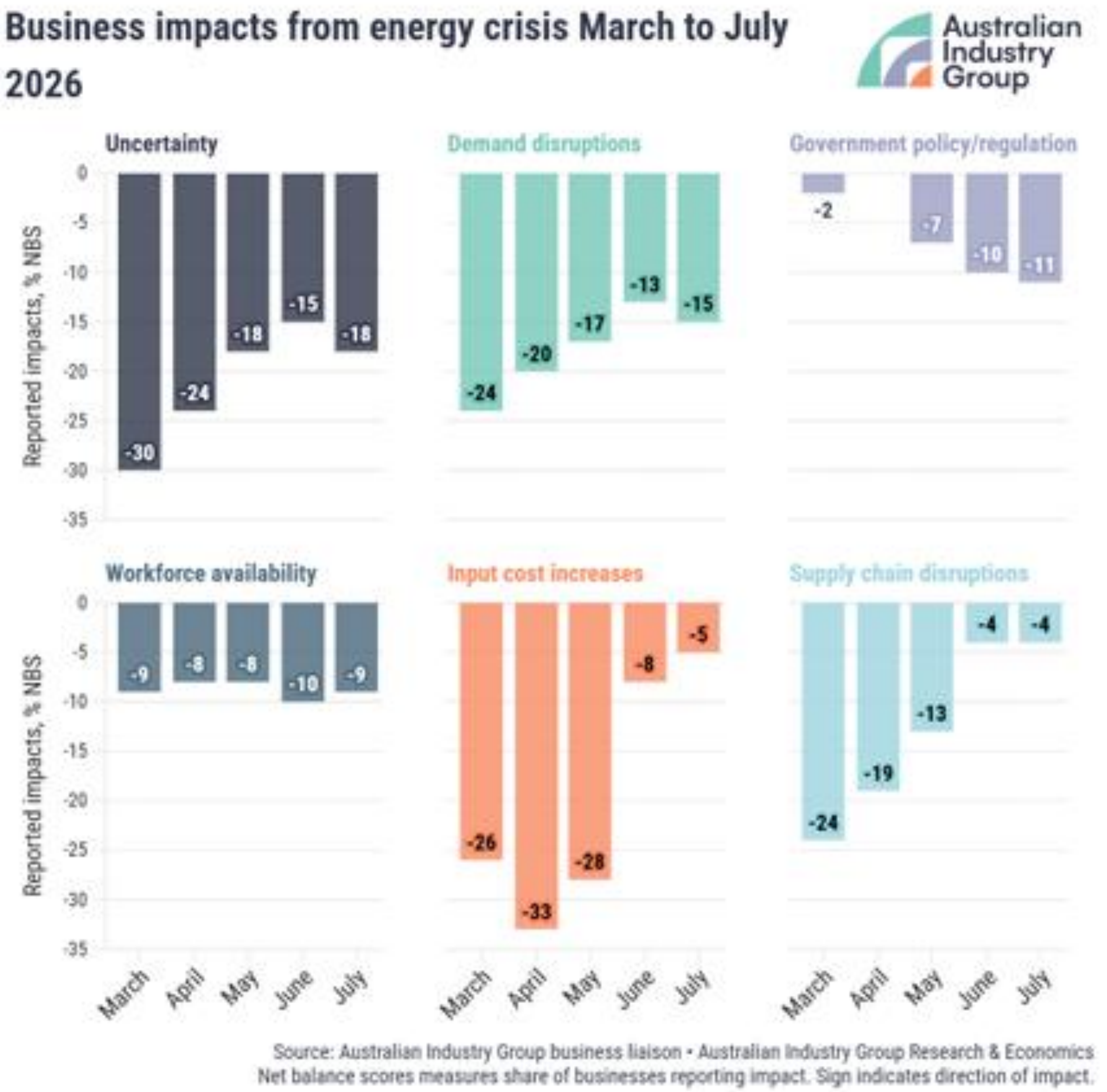
Energy prices: Petrol and diesel prices rise and diverge

- Middle East conflict began on 28 February, fuel prices rose sharply in March.
- Fuel excise relief temporarily reduced prices:
  - 32c cut from April to June,
  - tapering to 16c in July,
  - full excise returned from 2 August.
- Diesel and petrol prices diverged as consumers reduced petrol use, industry demand for diesel inflexible despite higher prices.
- Diesel prices rose 40% in July, driven by the partial reinstatement of fuel excise and further price increases linked to intensifying Middle East conflict.
- The rebound in fuel prices is likely to add renewed pressure to inflation, after lower fuel prices helped reduce CPI from 4.0% to 3.8% in June.



Fuel crisis: Business impacts March - July

- The impact of the energy crisis on industry lifted slightly in July, as fuel prices continued to rise.
- Demand impacts (15%) were linked to fuel-driven cost-of-living pressures and reduced business confidence.
- Government policy and regulation (11%) added to fuel-related cost pressures and uncertainty.
- Workforce availability (9%) - shortages of skilled labour, difficulties recruiting both skilled and unskilled workers, and a lack of training pathways into some trades.
- Input cost pressures (5%) eased slightly even as volatility in fuel, freight and material costs added to uncertainty around profitability.
- Supply chain issues (4%) were a significant concern for a small number of businesses reporting delayed imports and shortages of specialist equipment.



Australian Industry Index – July 2026

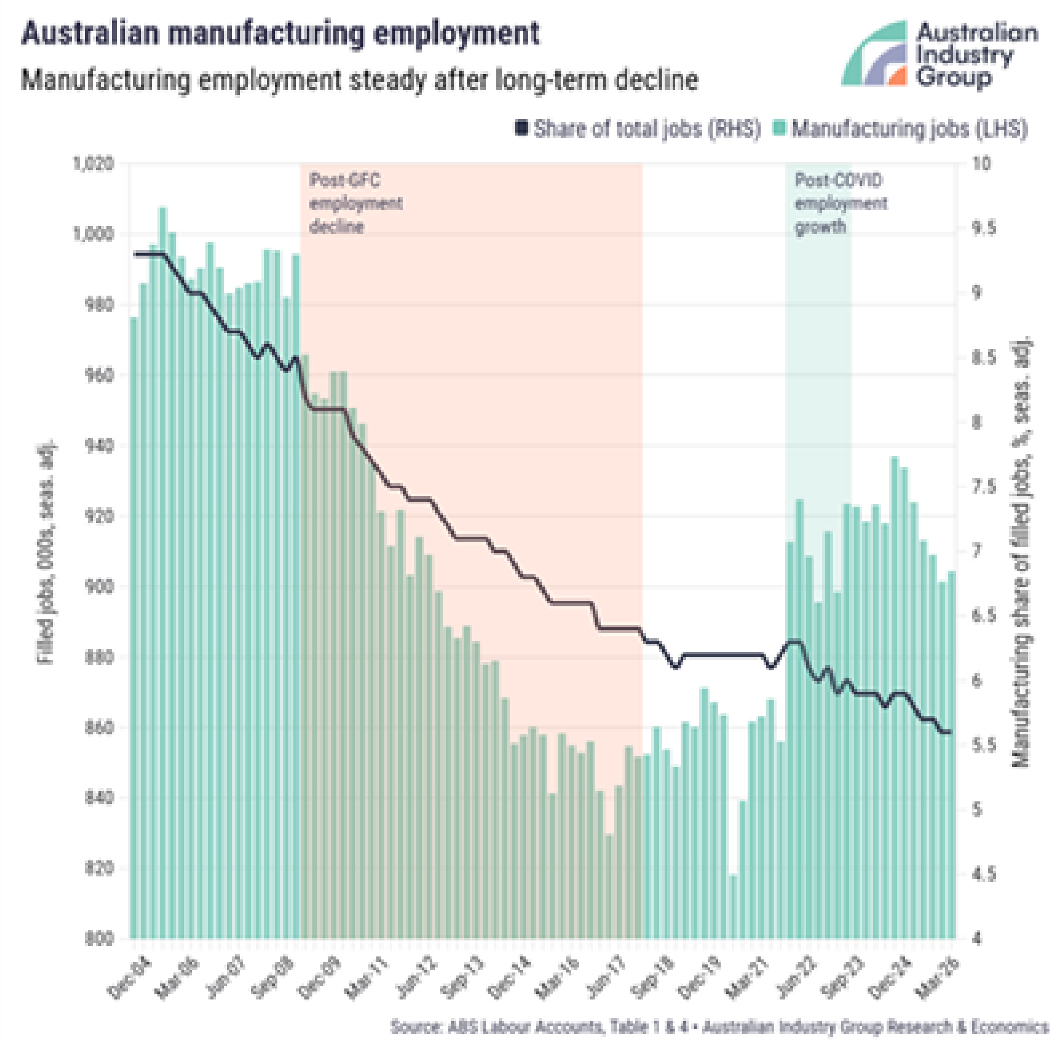
- The Australian Industry Index® continued to signal weakness in July, declining to -29.9 (seasonally adjusted).
- While the contraction in activity and new orders eased somewhat, employment and input volumes deteriorated further, indicating uneven performance across industrial sectors.
- Pricing indicators softened suggesting a modest reduction in pressure on industrial margins.
- Manufacturing remained very weak – showing no sign of recovery yet. Rising energy costs and government regulation are holding back recovery in manufacturing relative to other industrial sectors.
- Energy crisis-related pressures moderated but uncertainty rose as fuel excise relief policies wound back.

Australian Industry Group

Employment and workforce indicators

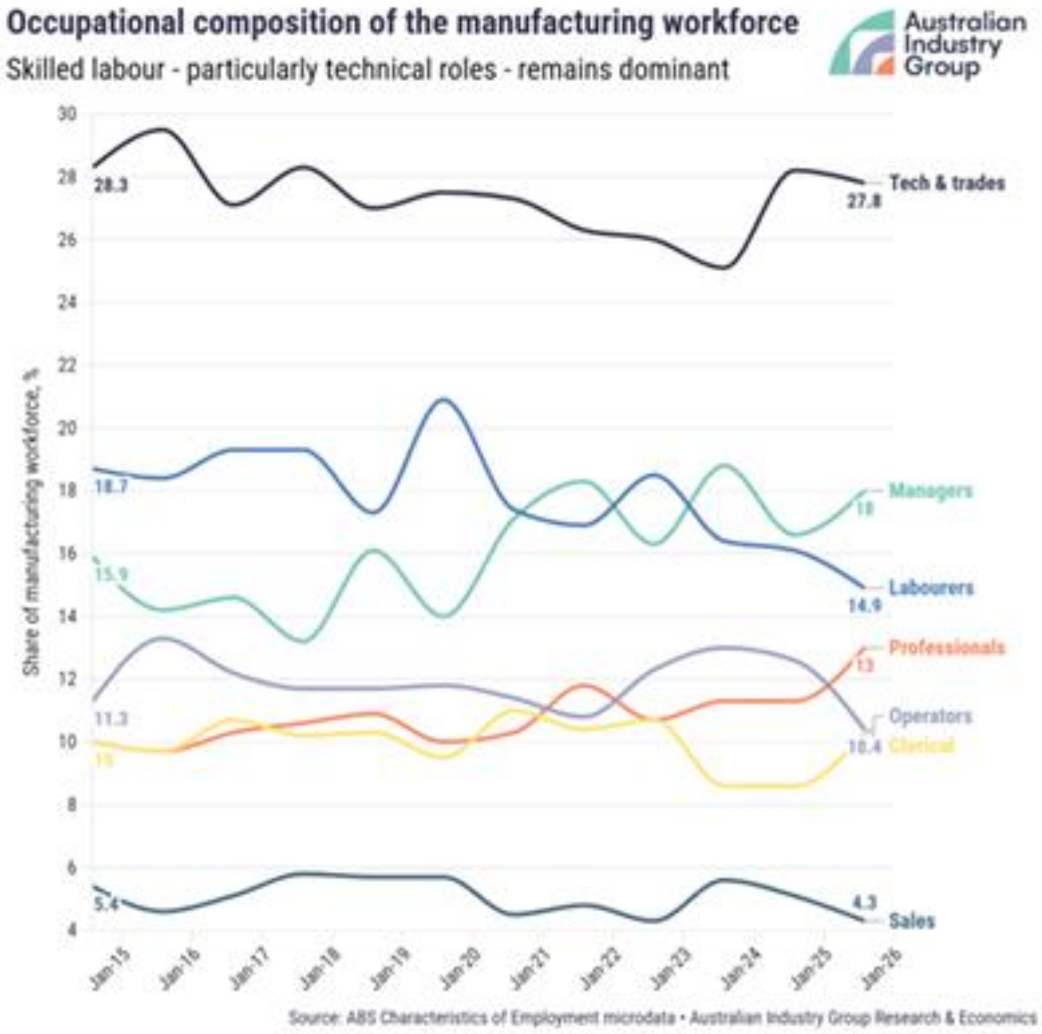
Manufacturing jobs: Pandemic partially reverses post-GFC workforce falls

- There were 904,300 manufacturing jobs in Australia in the March quarter of 2026.
- Manufacturing employment stabilises as the post-COVID rebound partially offsets the long-term contraction that followed the Global Financial Crisis
- There has been a 5% increase in manufacturing jobs since the pandemic, reflecting recent growth in the industry.
- The manufacturing share of total Australian jobs declined from around 10% two decades ago to 6% by 2018.
- The share of Australian jobs in manufacturing has been broadly stable but dipped under 6% since then.



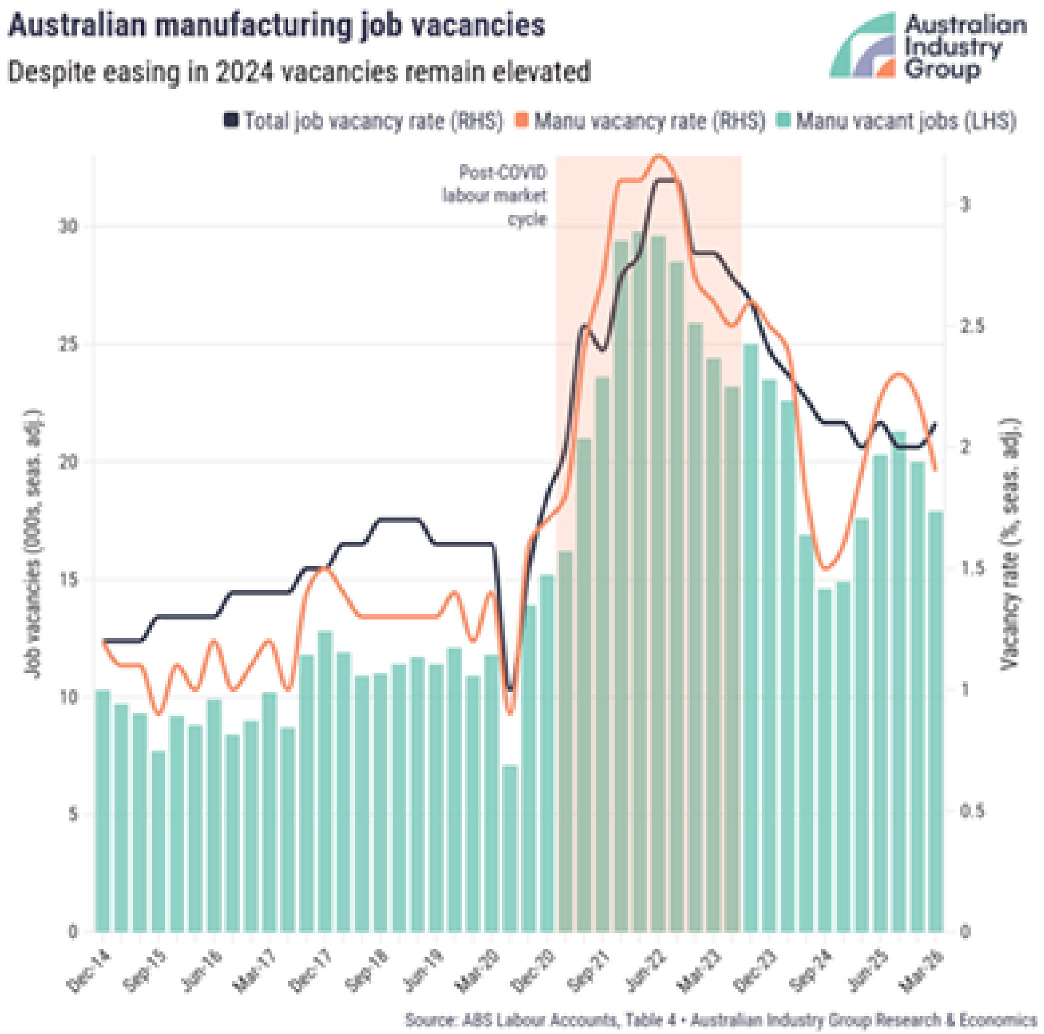
Occupational composition: Skilled roles remain dominant labour source

- The occupational composition of the manufacturing workforce has maintained a high reliance on skilled labour.
- Skilled roles - managers, professionals and technicians & trades - account for 59% of all manufacturing jobs.
- Manufacturing is considerably more trades intensive (27.8% of workforce) than economy-wide level (12.2%)
- The occupational composition of manufacturing has changed only slightly in the last decade, with a slight uptick in professional and operator roles.
- This makes manufacturing highly sensitive to skills availability, particularly for trades roles which are in acute national shortage.



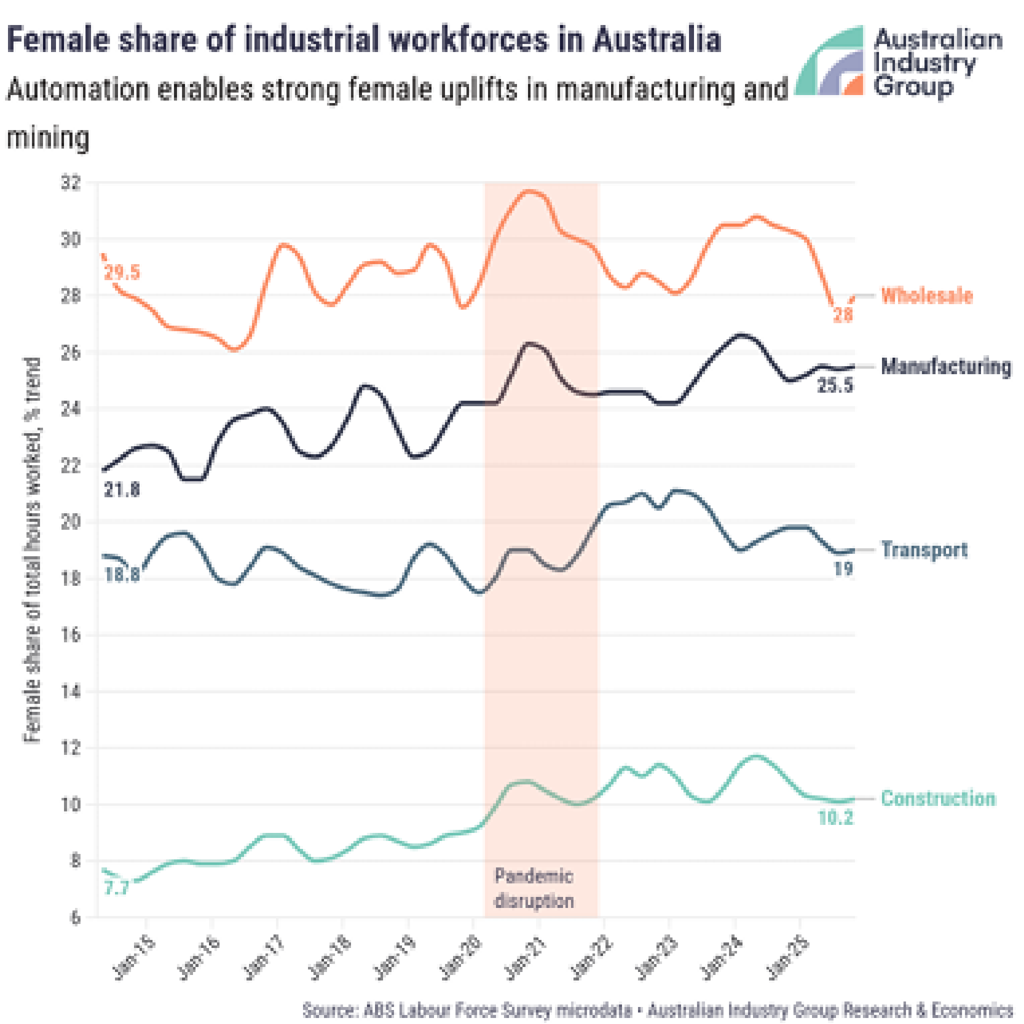
Job vacancies: Vacancies ease with manufacturing slowdown but remain high

- There are currently 17,900 job vacancies in Australian manufacturing.
- The tight labour market following the pandemic saw job vacancies in manufacturing increase dramatically.
- Vacancies peaked in the March quarter of 2022 and fell substantially in 2024, lifted in 2025.
- The manufacturing vacancy rate currently sits at 1.9%. This is lower than the national (2.1%) vacancy rate and reflects the slowdown in the industry.
- Manufacturing vacancies remain elevated above their long-run rate of 1.0-1.5%, pointing to ongoing labour and skills shortages.



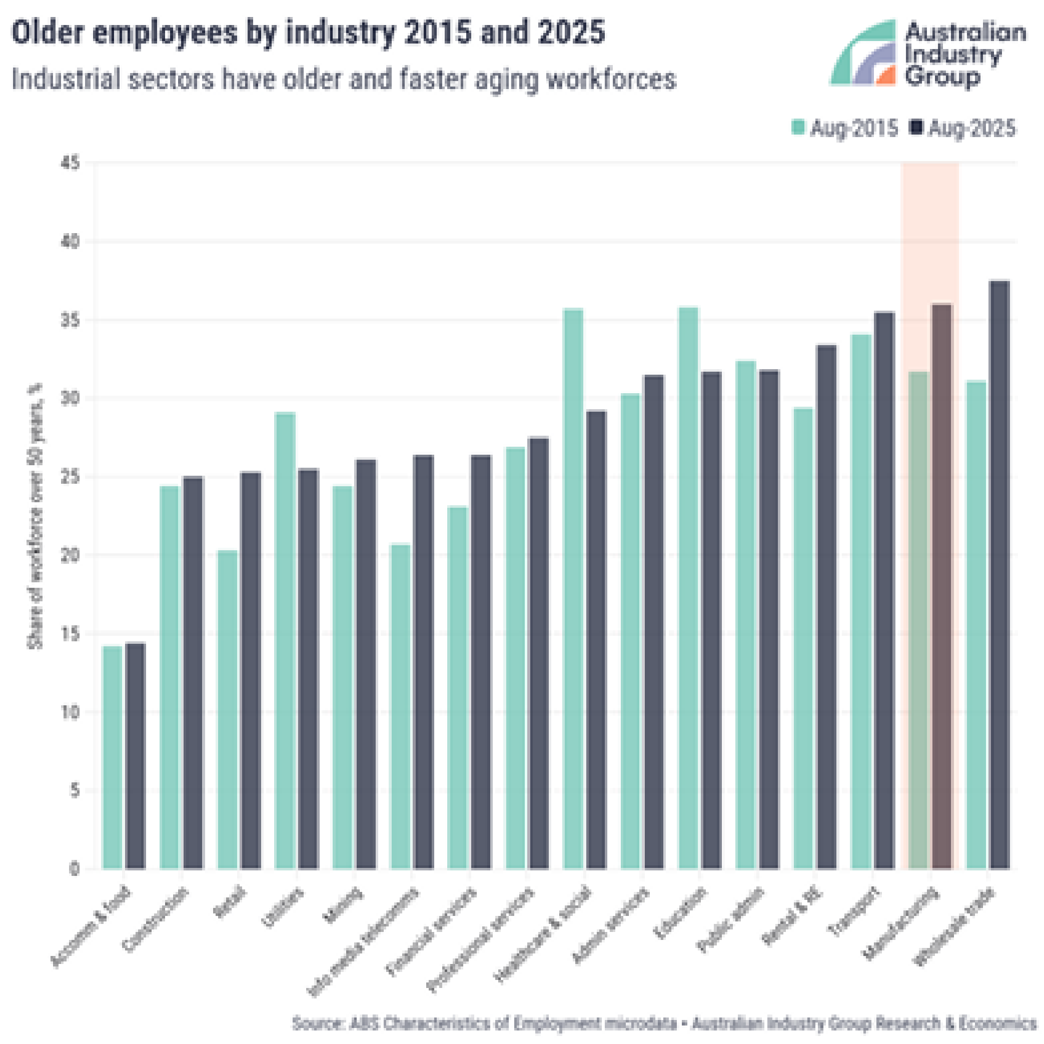
Workforce gender composition: lift in female participation over the 10 years

- The gender composition of the Australian manufacturing workforce has shifted slightly in the last decade.
- Over the past ten years, the female share of the manufacturing workforce rose from 21.8% to 25.5% of hours worked.
- Full-time male employment remains the industry norm, accounting for two-thirds of the current workforce.
- Manufacturing has delivered the second largest uplift in female participation amongst industrial sectors, edged out only by mining.
- Higher rates of automation in mining and manufacturing have enabled their increase in female participation.



Ageing population: Workforce ageing accelerates in manufacturing

- In 2025, manufacturing stood out as one of Australia's fastest-aging workforces.
- More than 36% of manufacturing employees are now aged 50 and over, up from roughly 30% in 2015.
- The sector's aging profile is sharper than most service industries, highlighting ongoing challenges in skills renewal, succession planning, and labour supply.
- As older workers retire, manufacturers face increasing pressure to attract younger entrants and adapt workplaces to support longer careers.



Key manufacturing data

Manufacturing employment data, Feb 2026

	Employment ('000)	Share (%)
Manufacturing total	867.5	100
Food, beverage & tobacco products	212.2	24.5
Machinery & equipment w/ transport	76.6	8.8
Machinery and equipment	142.5	16.4
Metal products	136.2	15.7
Chemicals, petroleum and rubber	83	9.6
Building, wood, furniture & other	131.4	15.1
TCF, paper & printing products	74.2	8.5
Manufacturing nfd	4.8	0.5

Key manufacturing statistics

Total Manufacturing	2025-26
GDP	$35,961 million (5.2% of total)
Number of employees	867,500 (5.9% of total)
Number of employing businesses	47,709 (4.8% of total)
Export earnings	$23,814 million (54.5% of total)
Manufacturing profits	$11,663 million (8.8% of total*)
Manufacturing revenue	$7,633 million (17.8% of total*)
Manufacturing wages bill	$15,686 million (8.7% of total*)
Manufacturing investment	$3,601 million (7.8% of total)
BERD (2021-22)	$5,203 million (27.1% of total)

Source: ABS National Accounts, ABS Australian Industry, Research and Experimental Development, Businesses, ABS Private New Capita Expenditure and Expected Expenditure, ABS International Trade in Goods and Services • Australian Industry Group Research & Economic

Australian Industry Group Research & Economics

Australianindustrygroup.com.au

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Real-world AI in action – meet the leaders shaping industry transformation | Australian Industry Group

SA1 INDUSTRIAL

Industrial Land as Productivity Infrastructure

What growth-area stakeholders should know about the land that supports the economy

August 2026

Michael Satterley · Head of Client Services, SA1 Property

PROPERTY COUNCIL of Australia

Stockland

lendlease

ESR

Aliro

Centuria

SA1 INDUSTRIAL

CBRE

Hale

City of Brisbane Investment Corporation CBIC

Modus Property

GROWTHPOINT PROPERTIES

savills

NSW GOVERNMENT

REALTERM

EQT REAL ESTATE

mirvac

Colliers INTERNATIONAL

Gateway CAPITAL

AURIZON

KKR

Charter Hall

The GPT Group

FRASERS PROPERTY

GibbGroup.

PAG

dexus

LaSalle INVESTMENT MANAGEMENT

Blackstone

Elanor

CENTENNIAL PROPERTY GROUP

HB PROPERTY

aware real estate

WHY THIS MATTERS

Growth areas are where the country is growing

The scale behind today's conversation — in the NGAA's own numbers:

1 in 5
Australians live in a growth area

NGAA

~2×
the national rate of population growth

2016–21 (NGAA)

1 in 4
Australian children are growing up in one

NGAA

82.3

Industrial Jobs supported per 10,000sqm of industrial building

SA1 analysis (VIC, NSW & QLD) & ABS Census 2021

65%

Share of the major city Industrial construction activity is currently underway in growth LGA's (average)

SA1 analysis – as of July 2026 – VIC, NSW & QLD.

Three things every growth-area council should know about its industrial land

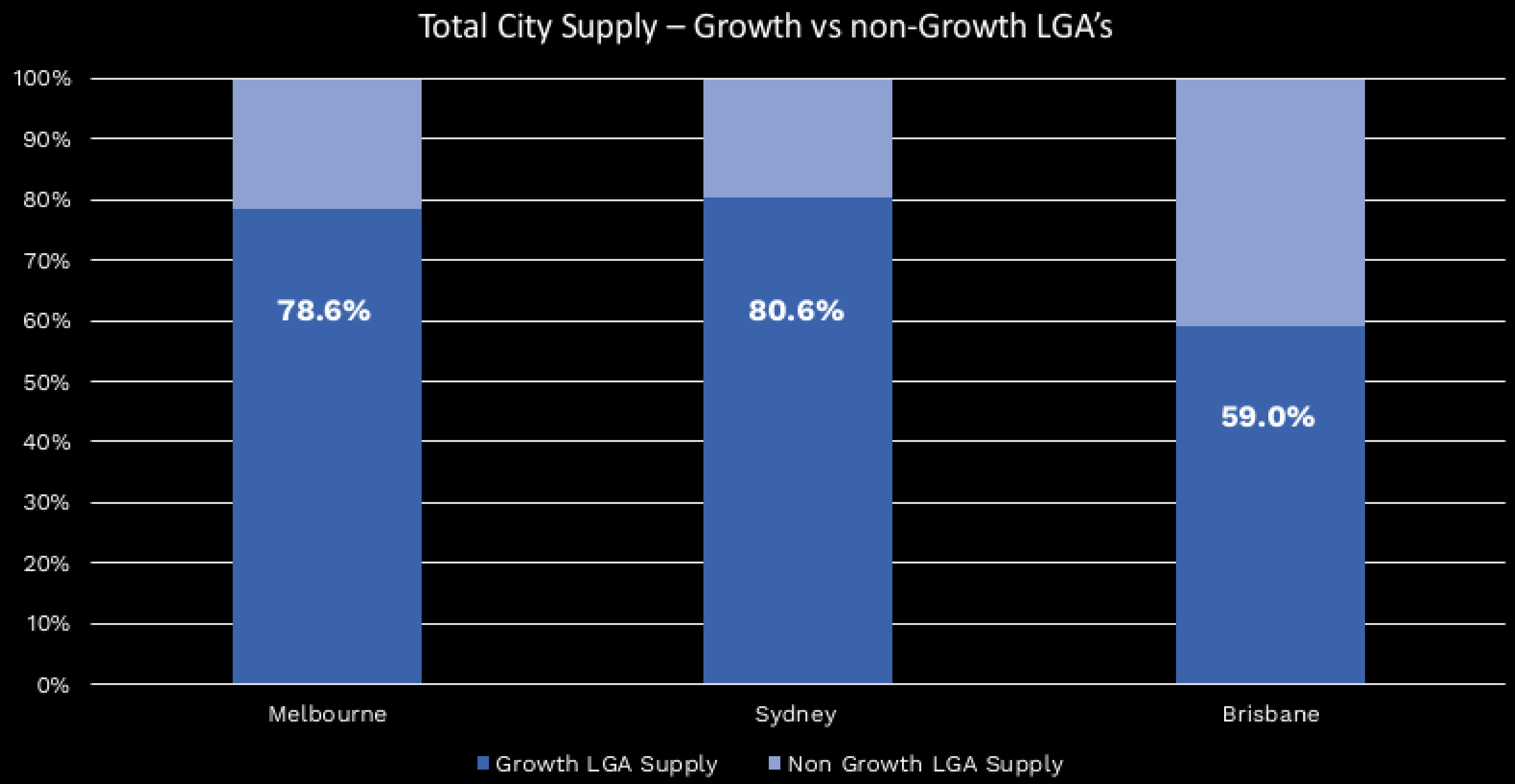
1. How much usable land you actually have
2. Who occupies it
3. What unlocks the next stage

01

How much usable land do you actually have?

Supply, absorption, and the risk of false comfort

71% of total supply is located in Growth LGA's



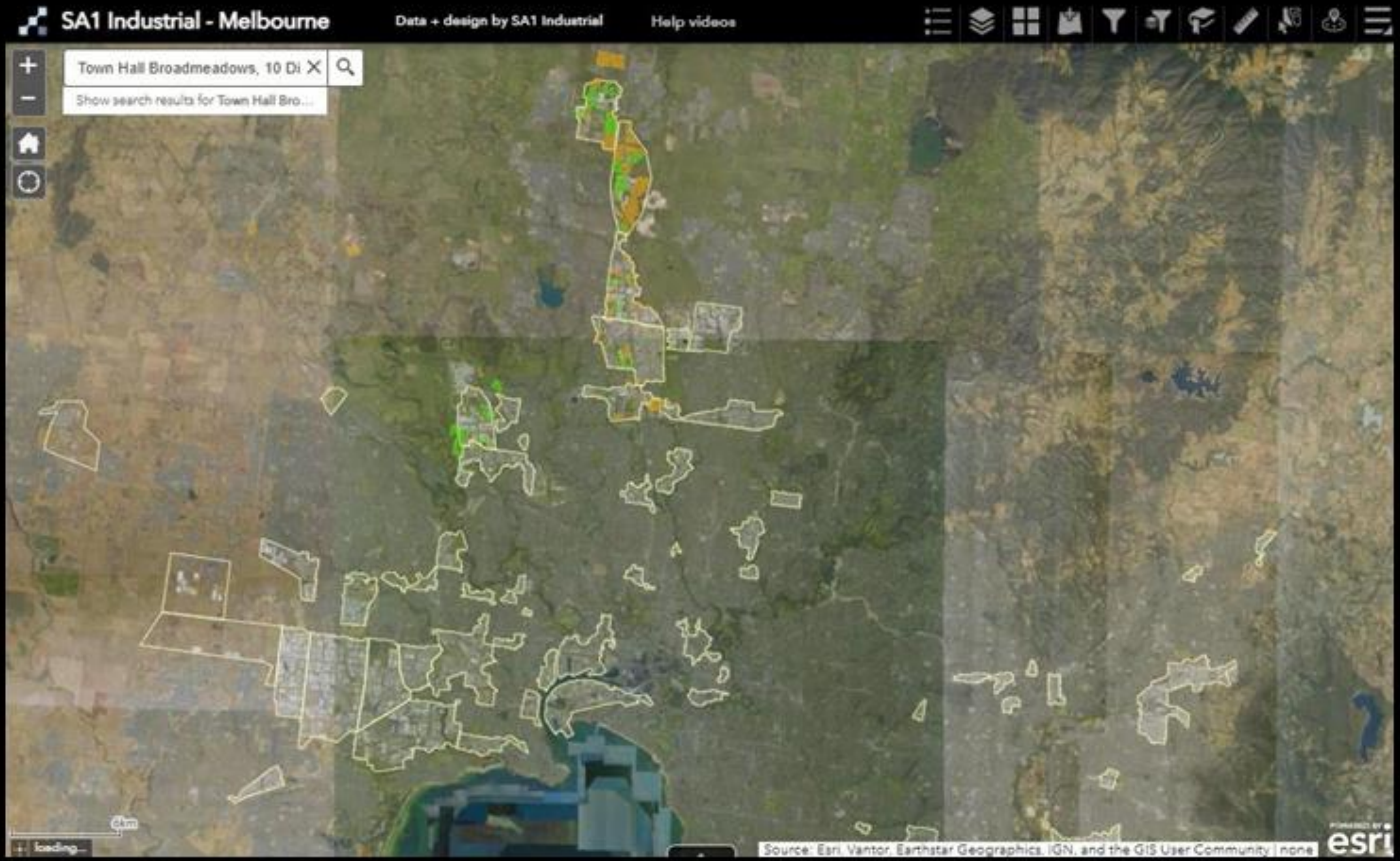
How much do you have — and is it actually usable?

Zoned / identified industrial land. The big, comforting number on the map:

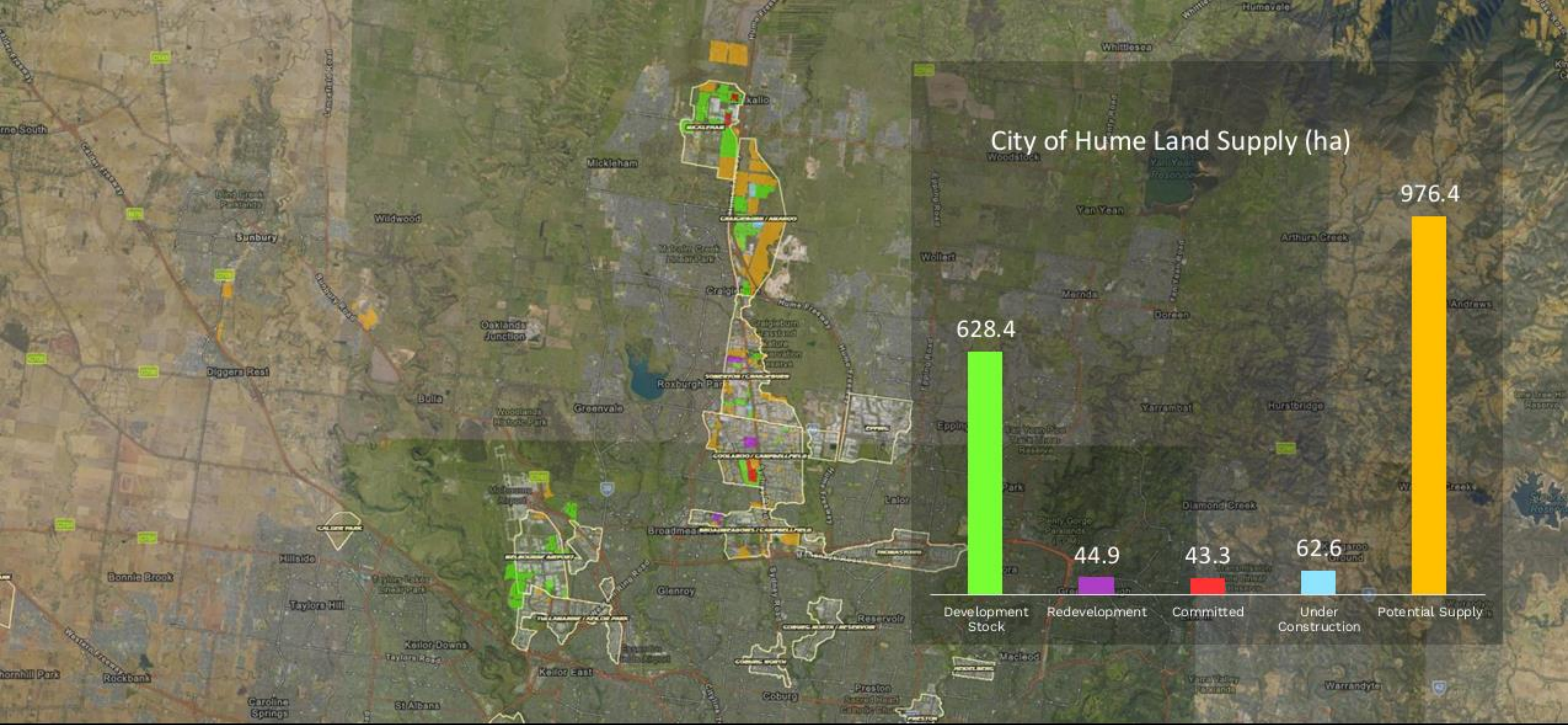
Potential Future Supply

Development-ready land, owned by a developer or for sale, able to be developed into buildings for business to occupy in the near term:

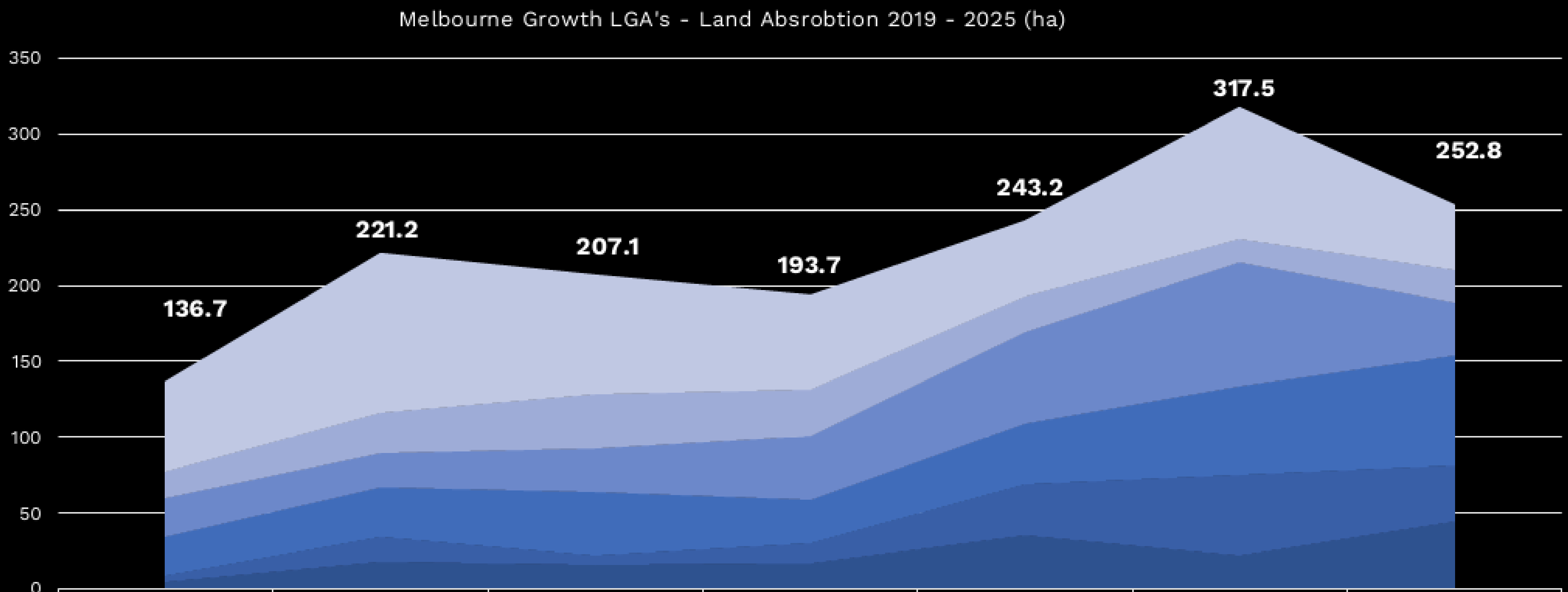
Development Stock



Potential Future Supply → Development Stock → Confirmed Redevelopment → Committed → Construction Underway → Development Complete



City of Hume – Strong activity with future supply



	2019	2020	2021	2022	2023	2024	2025
WYNDHAM	59.8	104.62	78.27	61.92	50.28	86.77	42.4
WHITTLESEA	17.35	27.31	36.35	31	23.21	15.24	21.23
MELTON	25.08	22.52	29.08	41.77	61.19	82.36	35.35
HUME	26.05	32.95	41.11	28.57	39.53	58.25	73.03
CASEY	3.47	15.83	6.87	13.6	33.74	53.16	36.41
CARDINIA	4.98	18	15.45	16.84	35.3	21.76	44.47

CARDINIA CASEY HUME MELTON WHITTLESEA WYNDHAM

Land Absorption (2019-25)

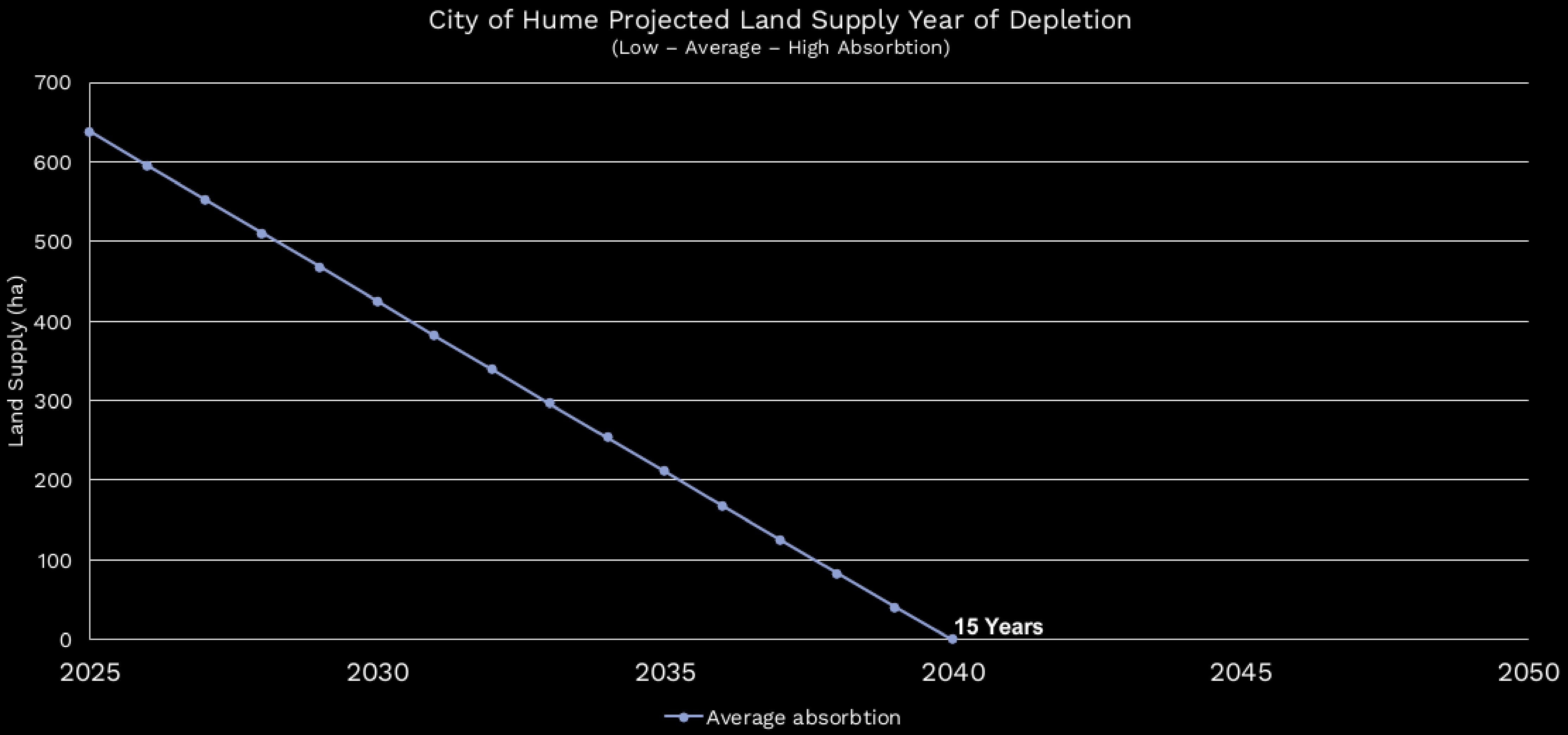
Land Absorption

Land Absorption

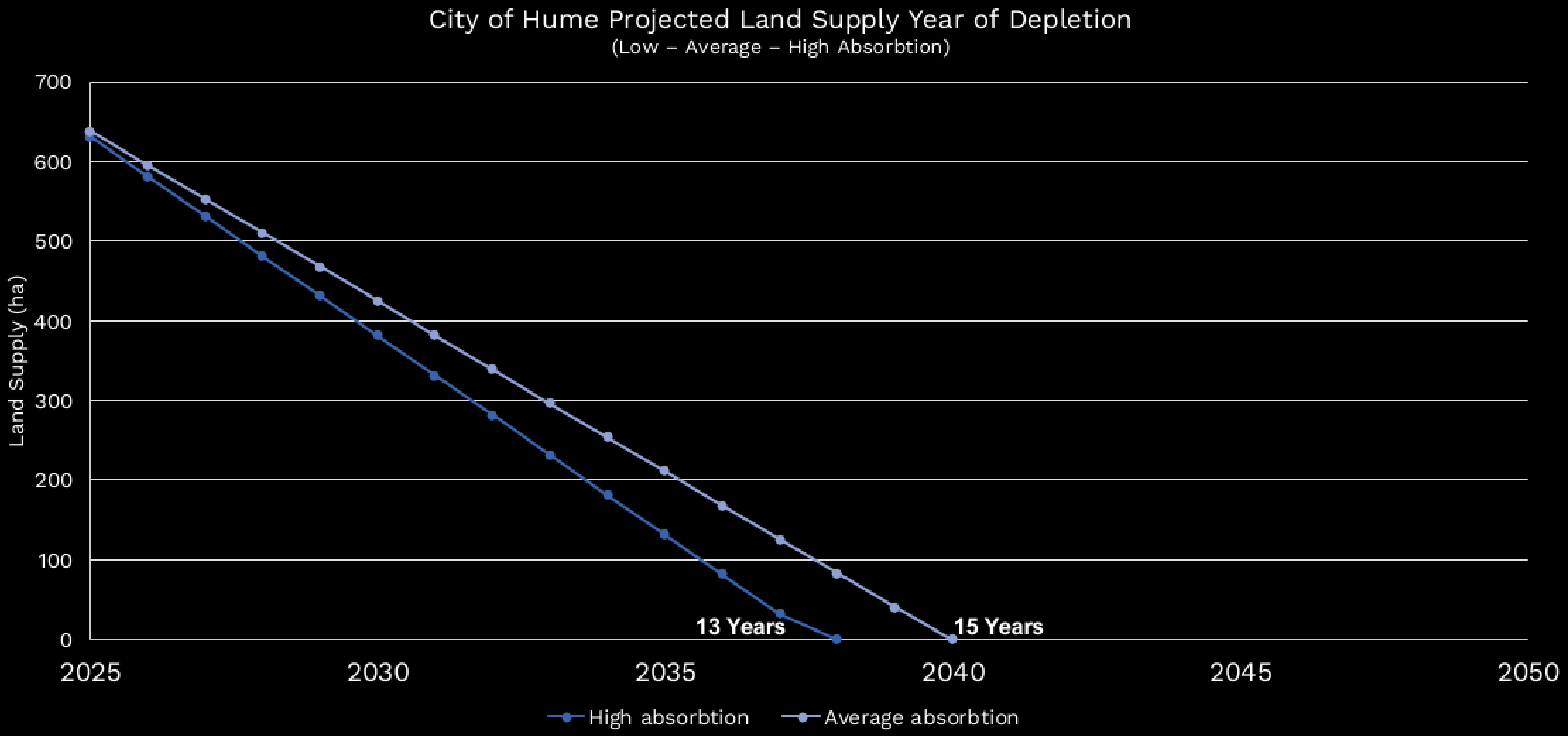
Land Absorption

Land Absorption

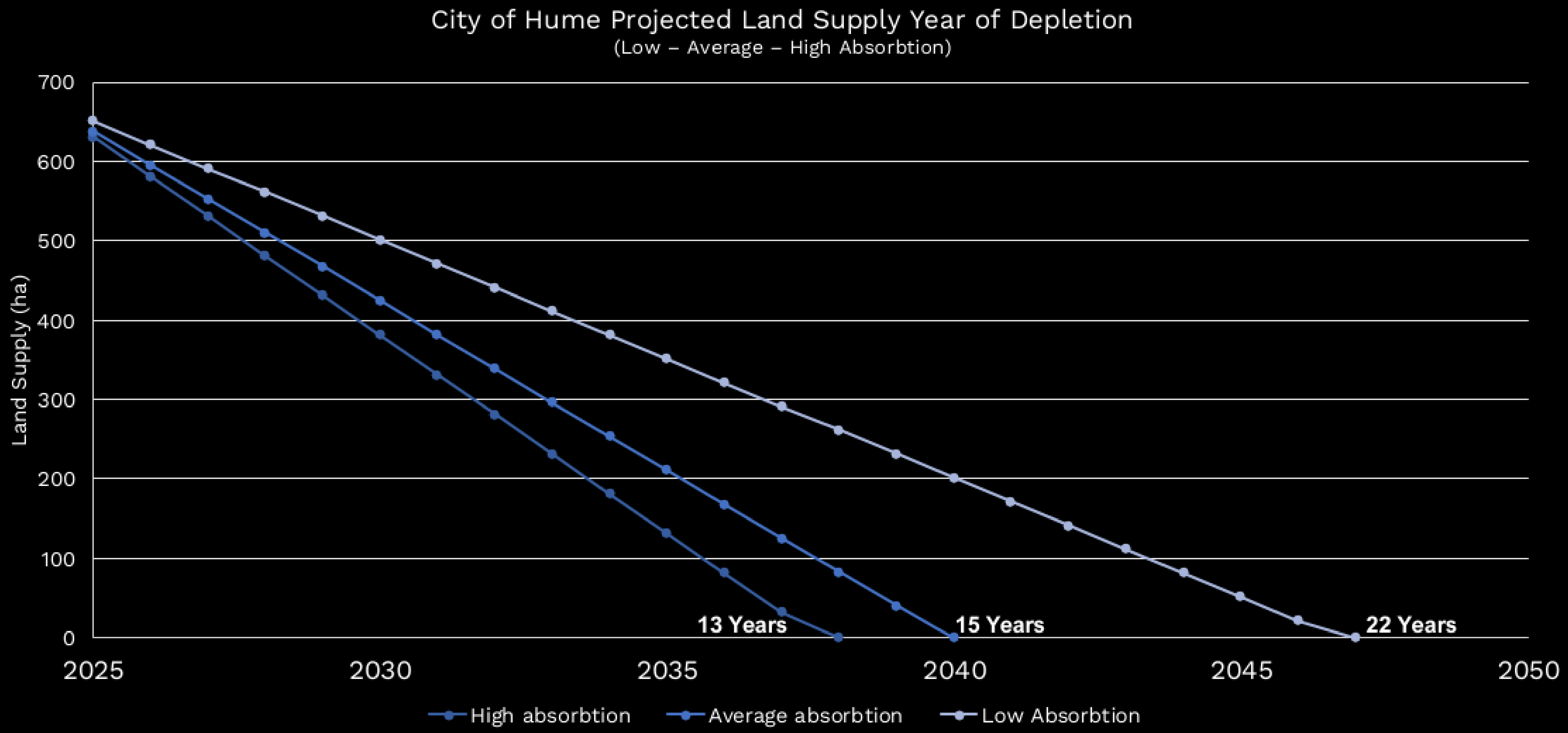
Big land numbers can be false comfort

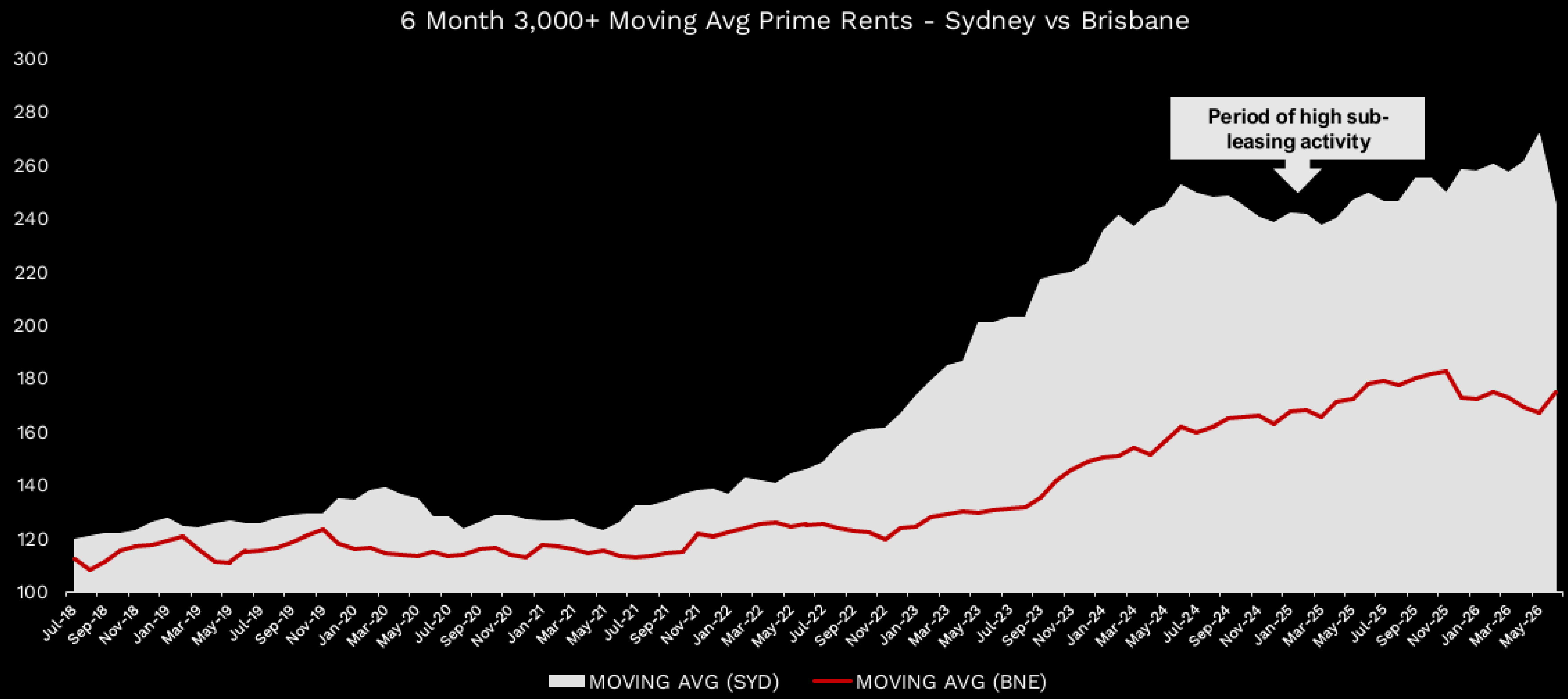


Big land numbers can be false comfort



Big land numbers can be false comfort – Years is what matters





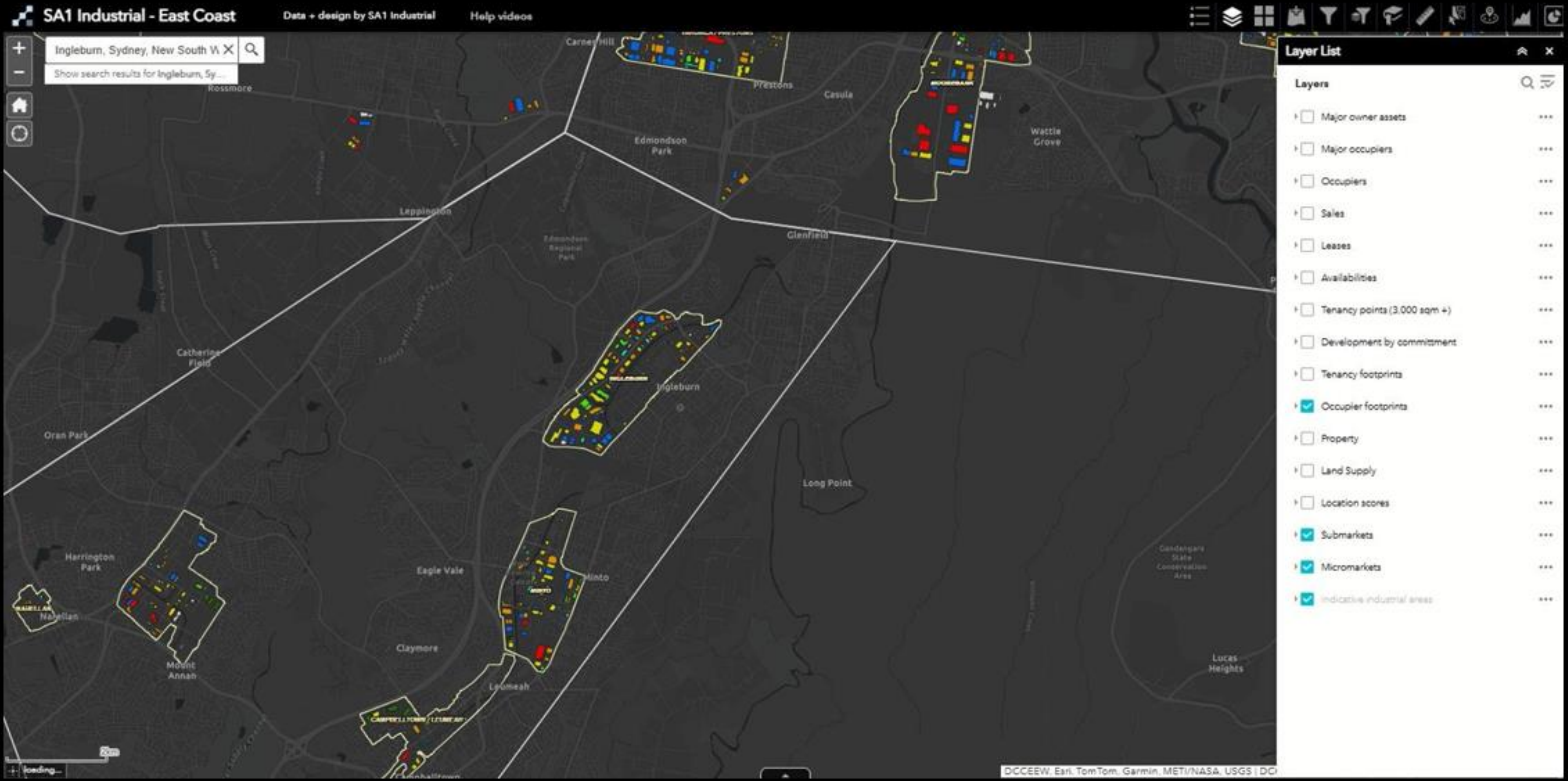
Cost of doing business in Sydney soared due in part to land supply failures

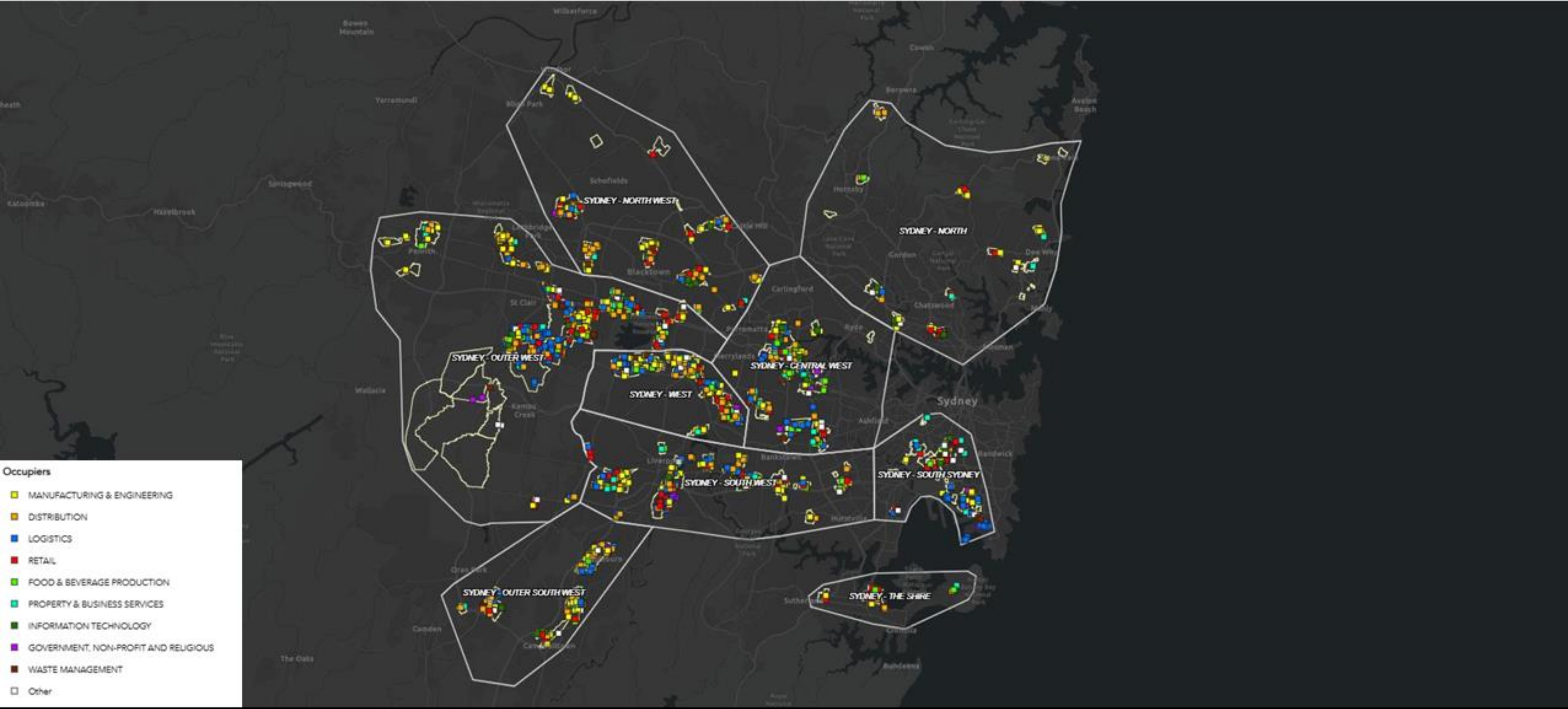
02

Peeling back the walls

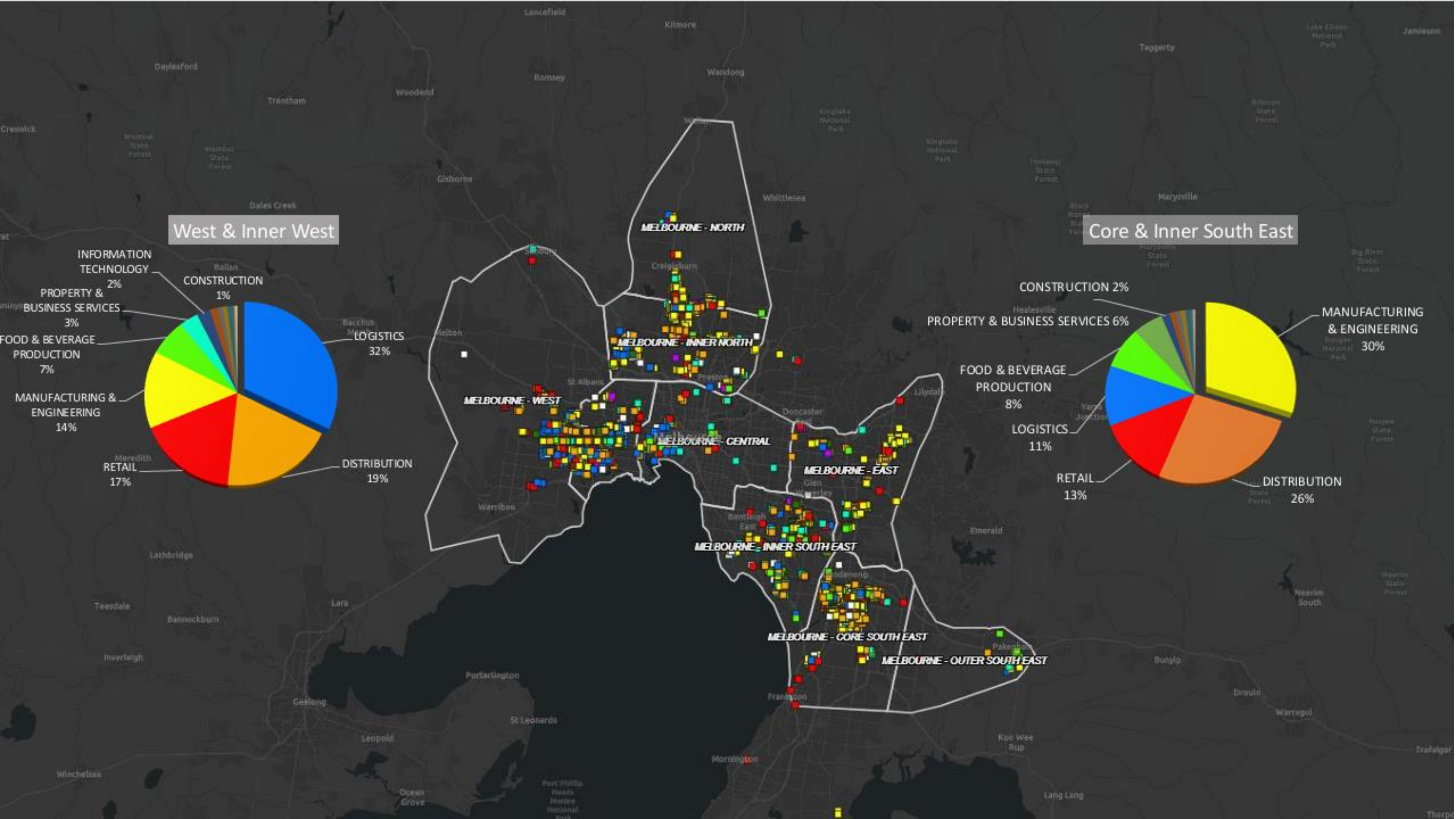
Who is actually inside these sheds?

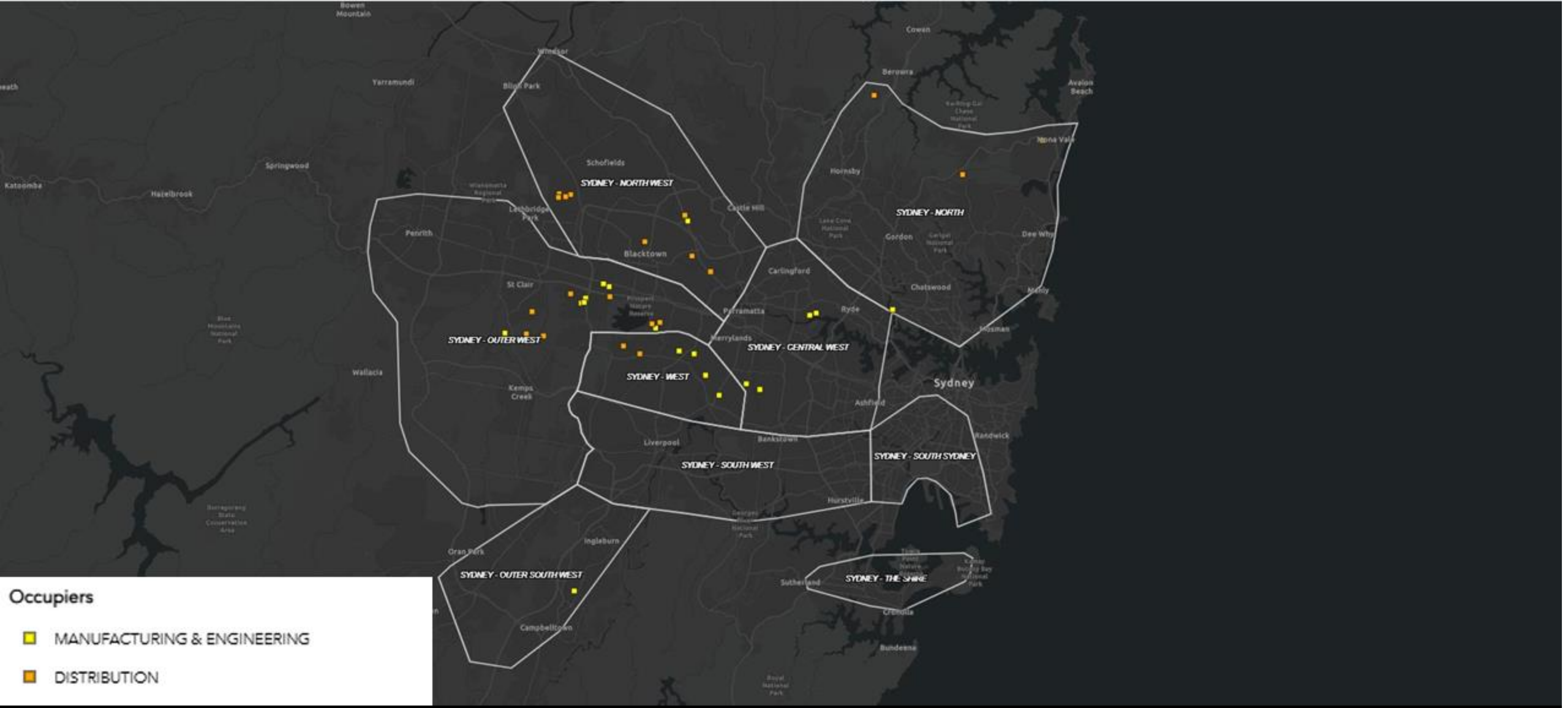
Business locations, clustering & efficiency


SA1 Industrial - East Coast
Data + design by SA1 Industrial
Help videos
Ingleburn, Sydney, New South W
Layer List
Layers
Major owner assets
Major occupiers
Occupiers
Sales
Leases
Availabilities
Tenancy points (3,000 sqm +)
Development by commitment
Tenancy footprints
Occupier footprints
Property
Land Supply
Location scores
Submarkets
Micromarkets
Rossmore
Edmondson Park
Prestons
Casula
Wattle Grove
Leppington
Glenfield
Catherine Field
Ingleburn
Oran Park
Long Point
Harrington Park
Eagle Vale
Minto
Narellan
Claymore
Mount Annan
Leumeah
Lucas Heights
DCCEEW, Esri, TomTom, Garmin, METI/NASA, USGS



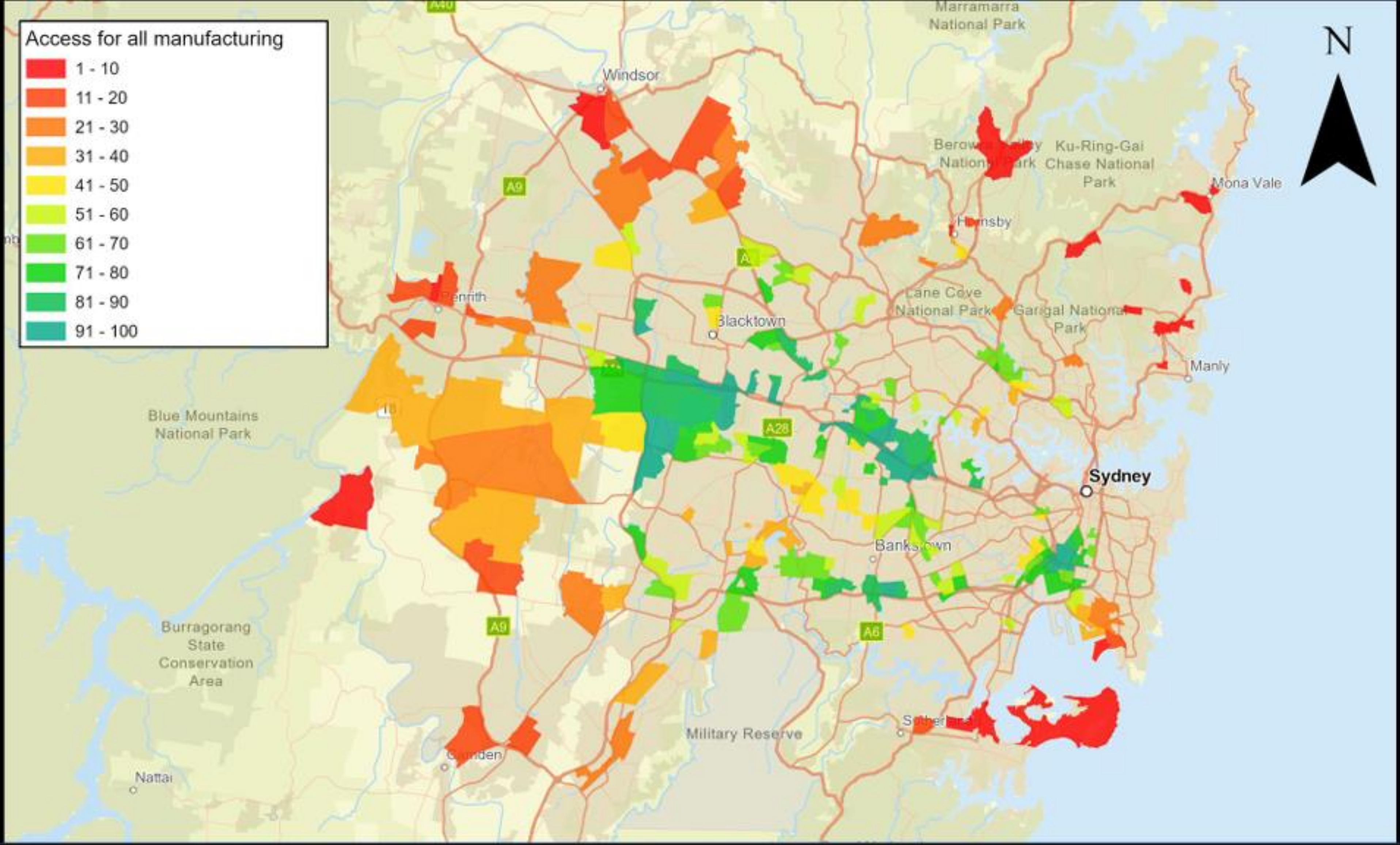
Who are the largest occupiers by area?


West & Inner West
INFORMATION TECHNOLOGY 2%
CONSTRUCTION 1%
PROPERTY & BUSINESS SERVICES 3%
FOOD & BEVERAGE PRODUCTION 7%
MANUFACTURING & ENGINEERING 14%
RETAIL 17%
DISTRIBUTION 19%
LOGISTICS 32%
MELBOURNE - NORTH
MELBOURNE - INNER NORTH
MELBOURNE - WEST
MELBOURNE - CENTRAL
MELBOURNE - EAST
MELBOURNE - INNER SOUTH EAST
MELBOURNE - CORE SOUTH EAST
MELBOURNE - OUTER SOUTH EAST
Core & Inner South East
CONSTRUCTION 2%
PROPERTY & BUSINESS SERVICES 6%
FOOD & BEVERAGE PRODUCTION 8%
LOGISTICS 11%
RETAIL 13%
DISTRIBUTION 26%
MANUFACTURING & ENGINEERING 30%



Pharmaceutical & Medical – Manufacturing & Distribution

North West, outer West and West Sydney

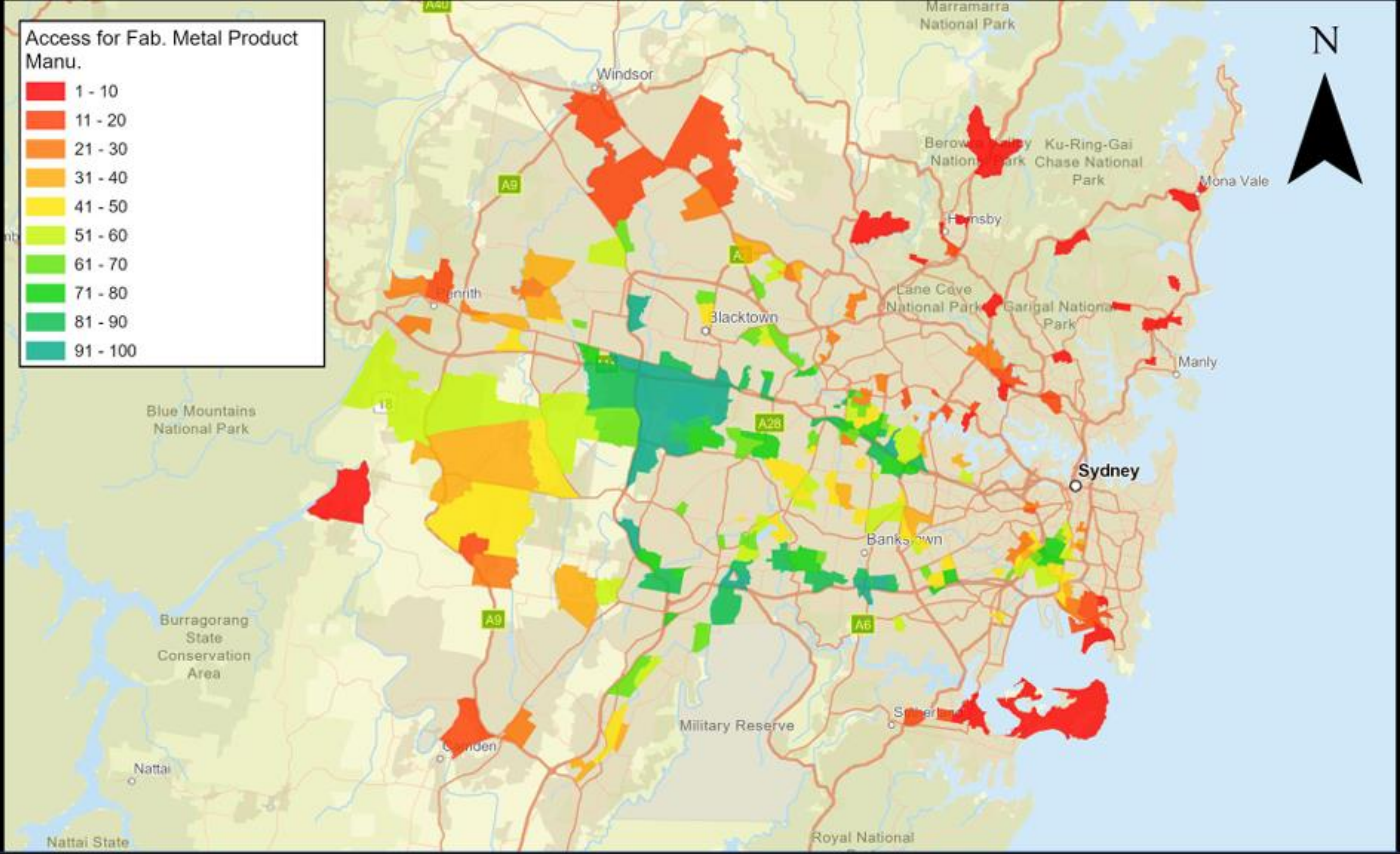


Pharmaceutical & Medical – Manufacturing & Distribution

North West, outer West and West Sydney

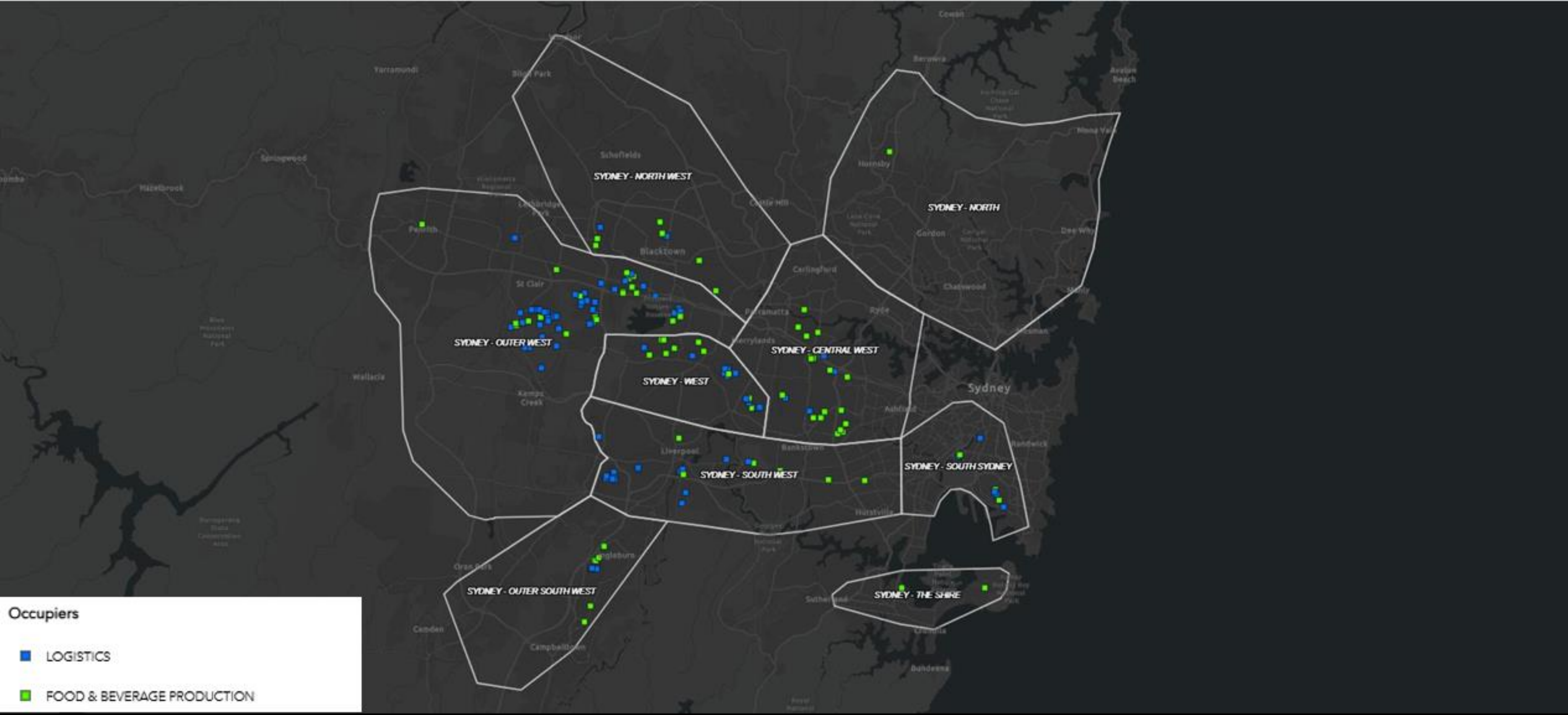
Mining Services, Metal Fabrication & Trailer Manufacturing

South West & Outer South West Sydney



Mining Services, Metal Fabrication & Trailer Manufacturing

South West & Outer South West Sydney



Food & Bev Manufacturing and Cold Chain Logistics & Transport

Co-location

QUBE + Bluescope Steel + Vulcan Steel + G James Glass & Aluminium + Fleetwood Australia.

Smithfield & Yennora

03

What unlocks the next stage?

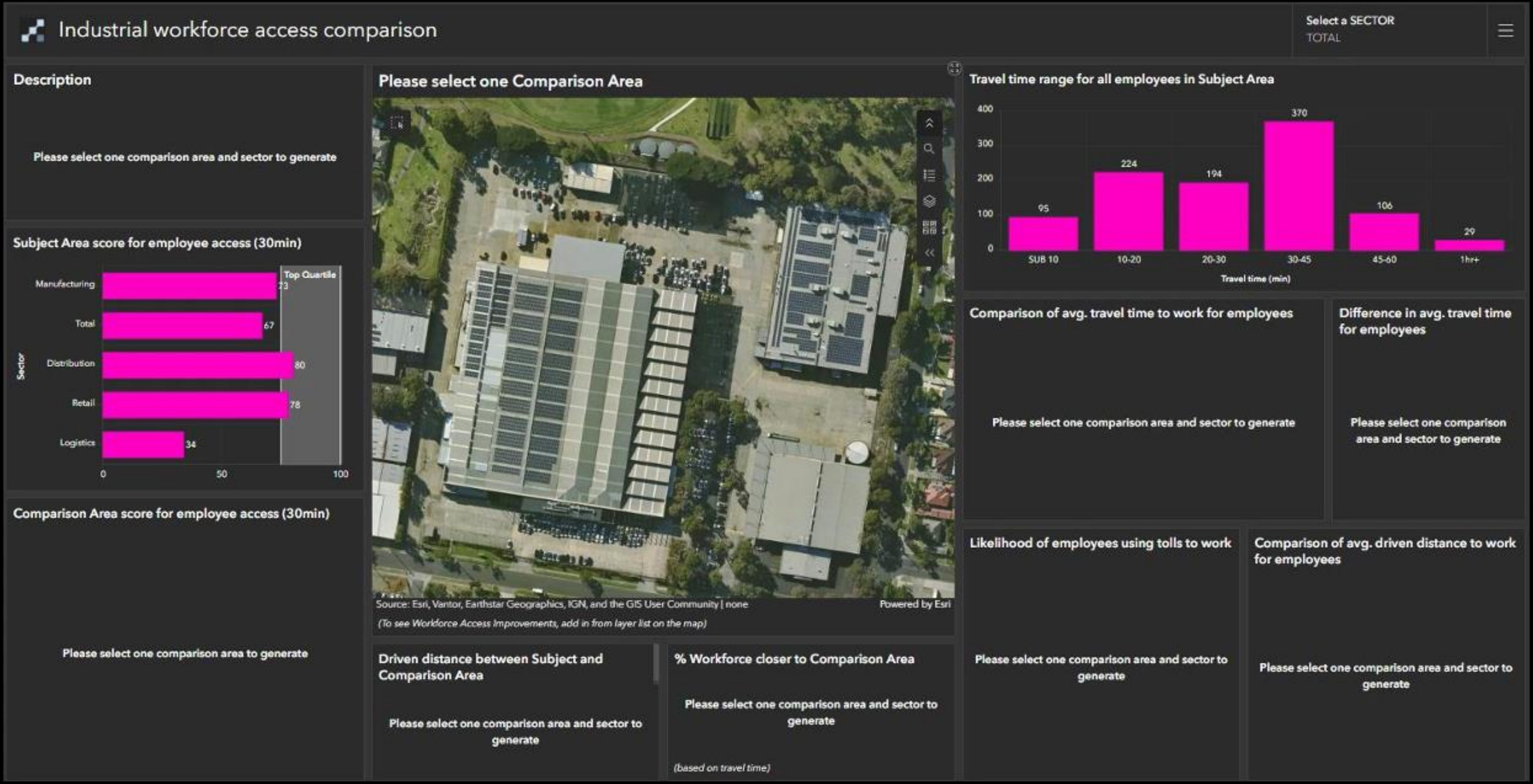
Different strengths, different occupiers

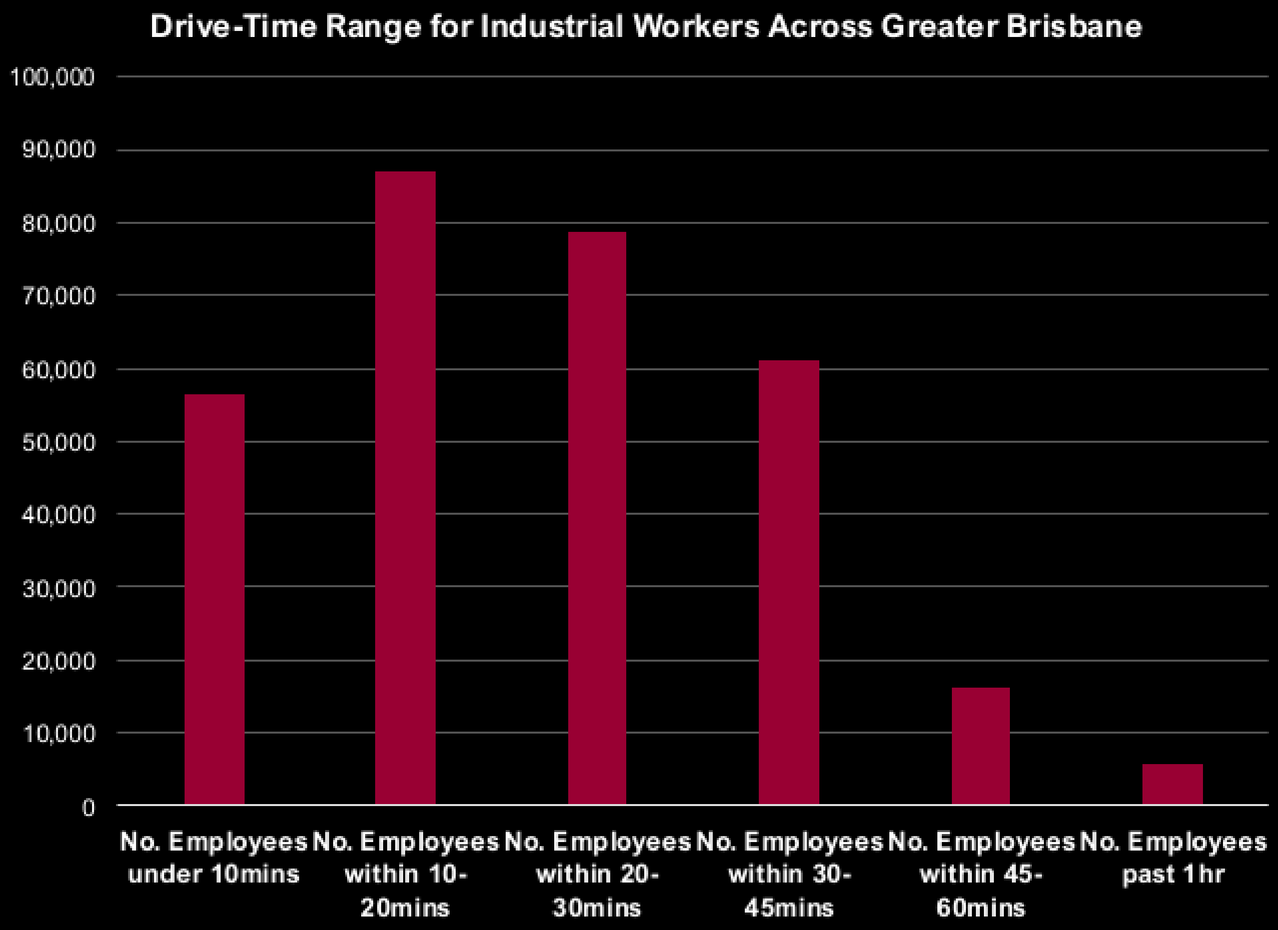
CASE STUDY

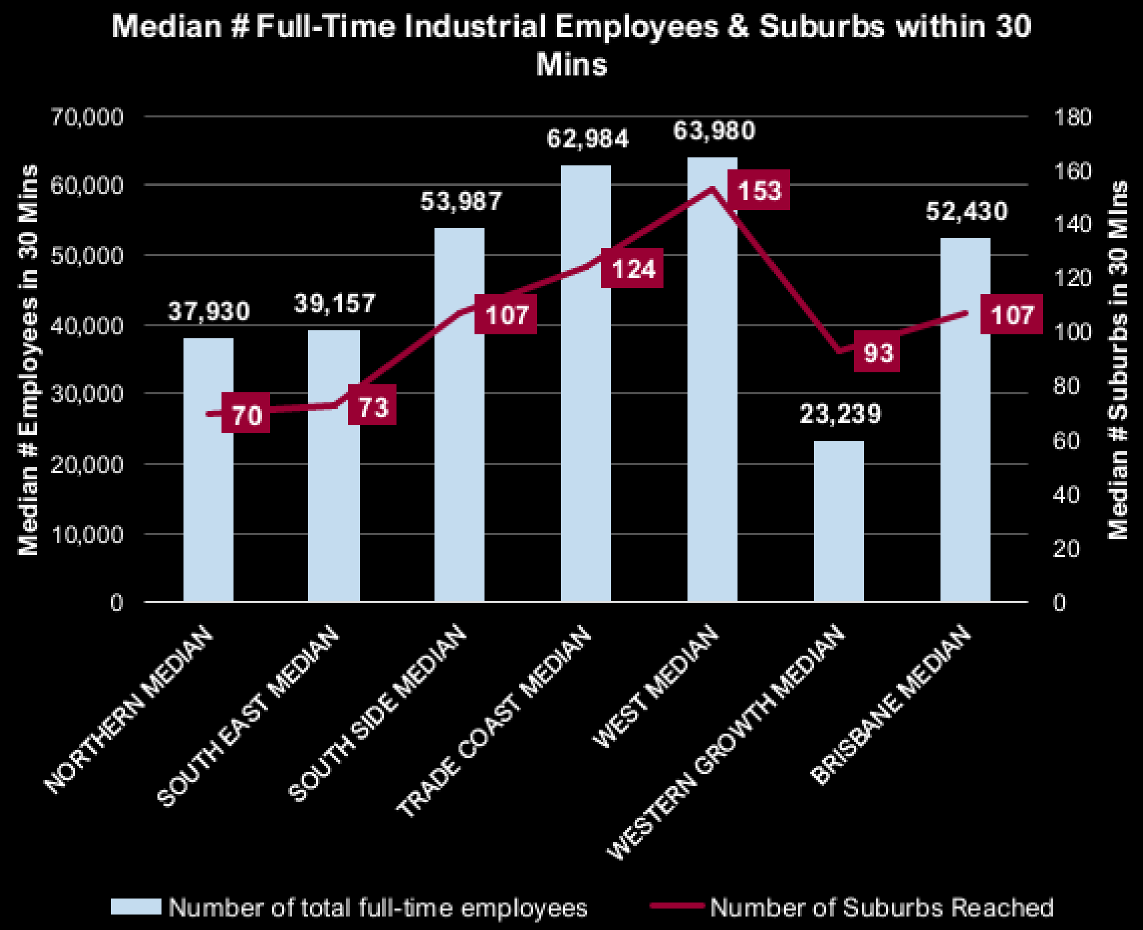
Case Study: Walkinshaw Group

Clayton South to Dandenong South

- $114m new facility
- 50,379 sqm of building on 100,000 sqm of land.
- 155 new jobs in production, engineering and administration – 800 staff in total.
- Delivered by Salta


Industrial workforce access comparison
Select a SECTOR
TOTAL
Description
Please select one comparison area and sector to generate
Subject Area score for employee access (30min)
Top Quartile
Manufacturing
Total
Distribution
Retail
Logistics
Sector
73
67
80
78
34
0
50
100
Comparison Area score for employee access (30min)
Please select one comparison area to generate
Please select one Comparison Area
Source: Esri, Vantor, Earthstar Geographics, IGN, and the GIS User Community | none
Powered by Esri
(To see Workforce Access Improvements, add in from layer list on the map)
Driven distance between Subject and Comparison Area
Please select one comparison area and sector to generate
% Workforce closer to Comparison Area
Please select one comparison area and sector to generate
(based on travel time)
Travel time range for all employees in Subject Area
400
300
200
100
0
95
224
194
370
106
29
SUB 10
10-20
20-30
30-45
45-60
1hr+
Travel time (min)
Comparison of avg. travel time to work for employees
Please select one comparison area and sector to generate
Difference in avg. travel time for employees
Please select one comparison area and sector to generate
Likelihood of employees using tolls to work
Please select one comparison area and sector to generate
Comparison of avg. driven distance to work for employees
Please select one comparison area and sector to generate





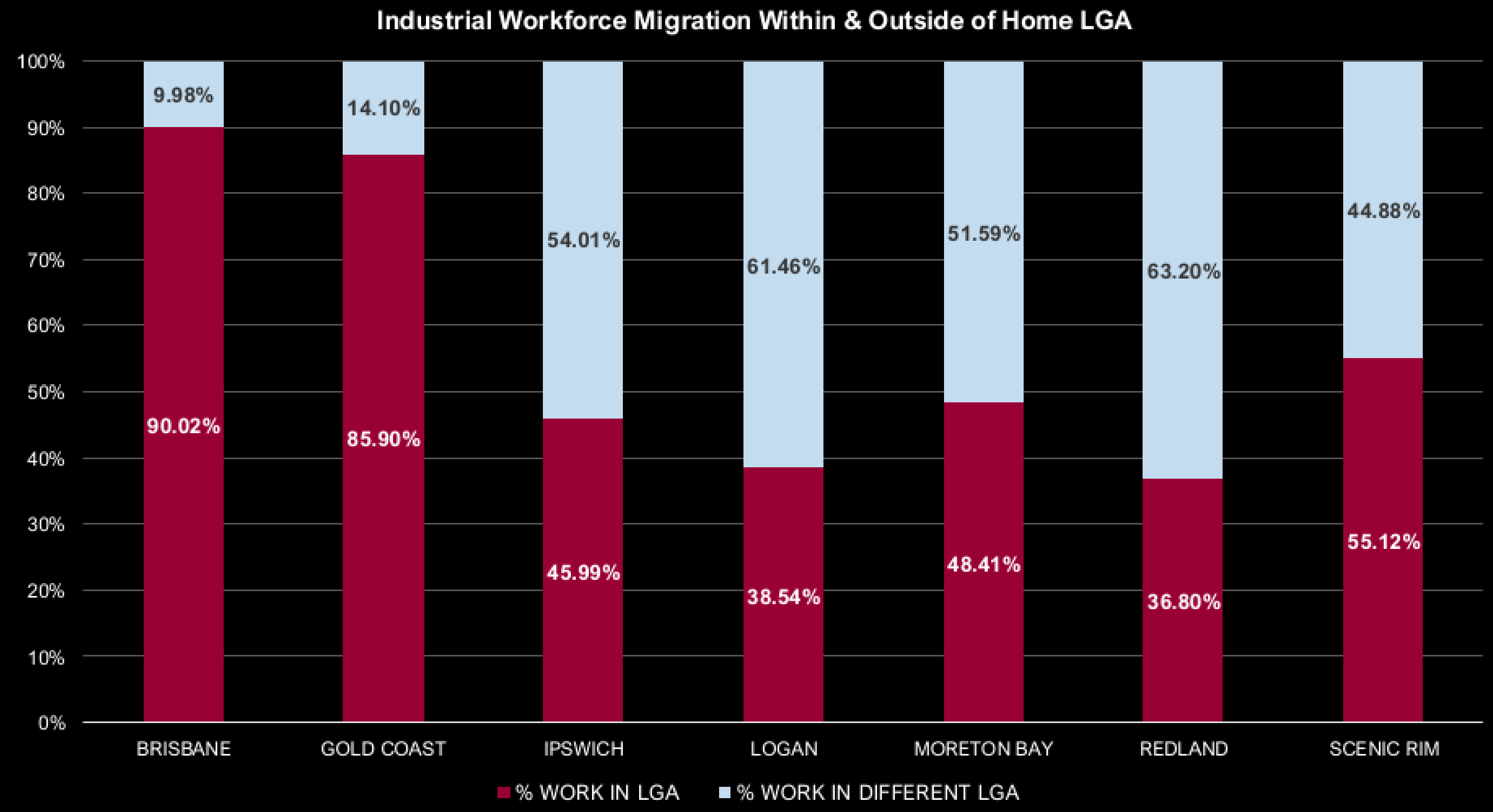
Employment

~322,000

full-time employees within Brisbane's industrial destination zones

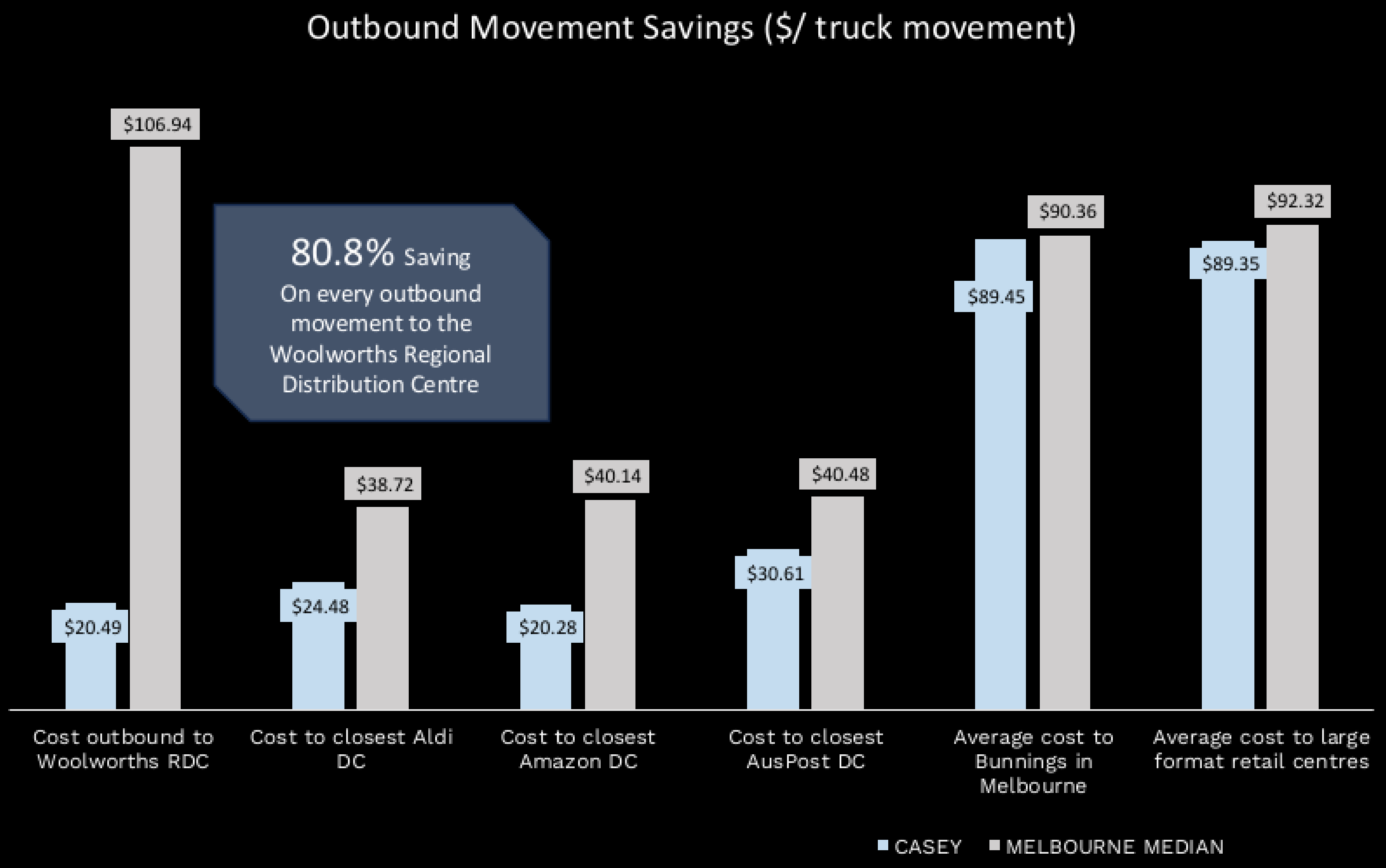
~73%

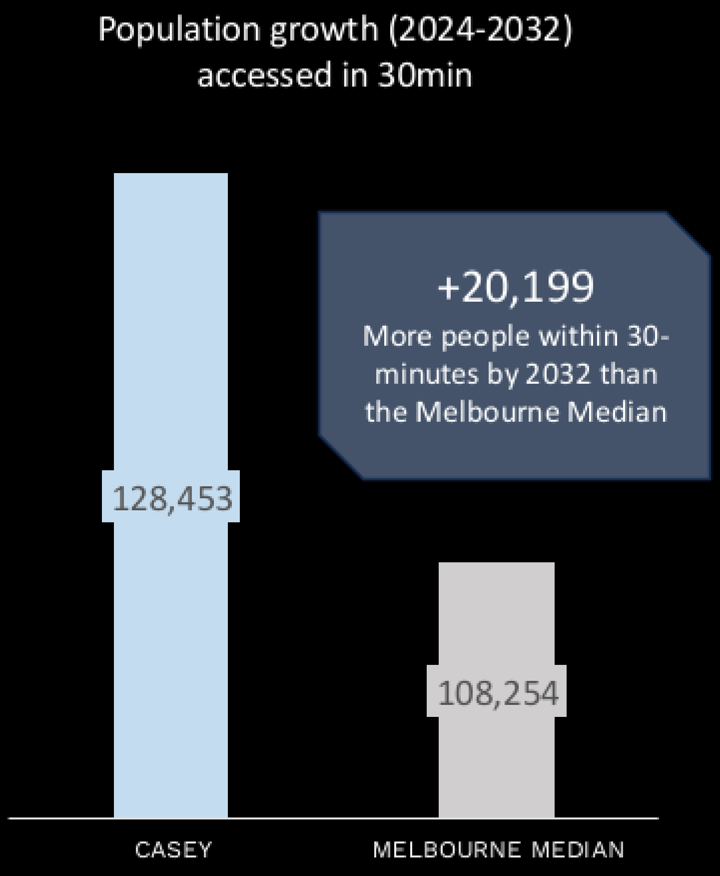
Live within 30 minutes of work (by car)

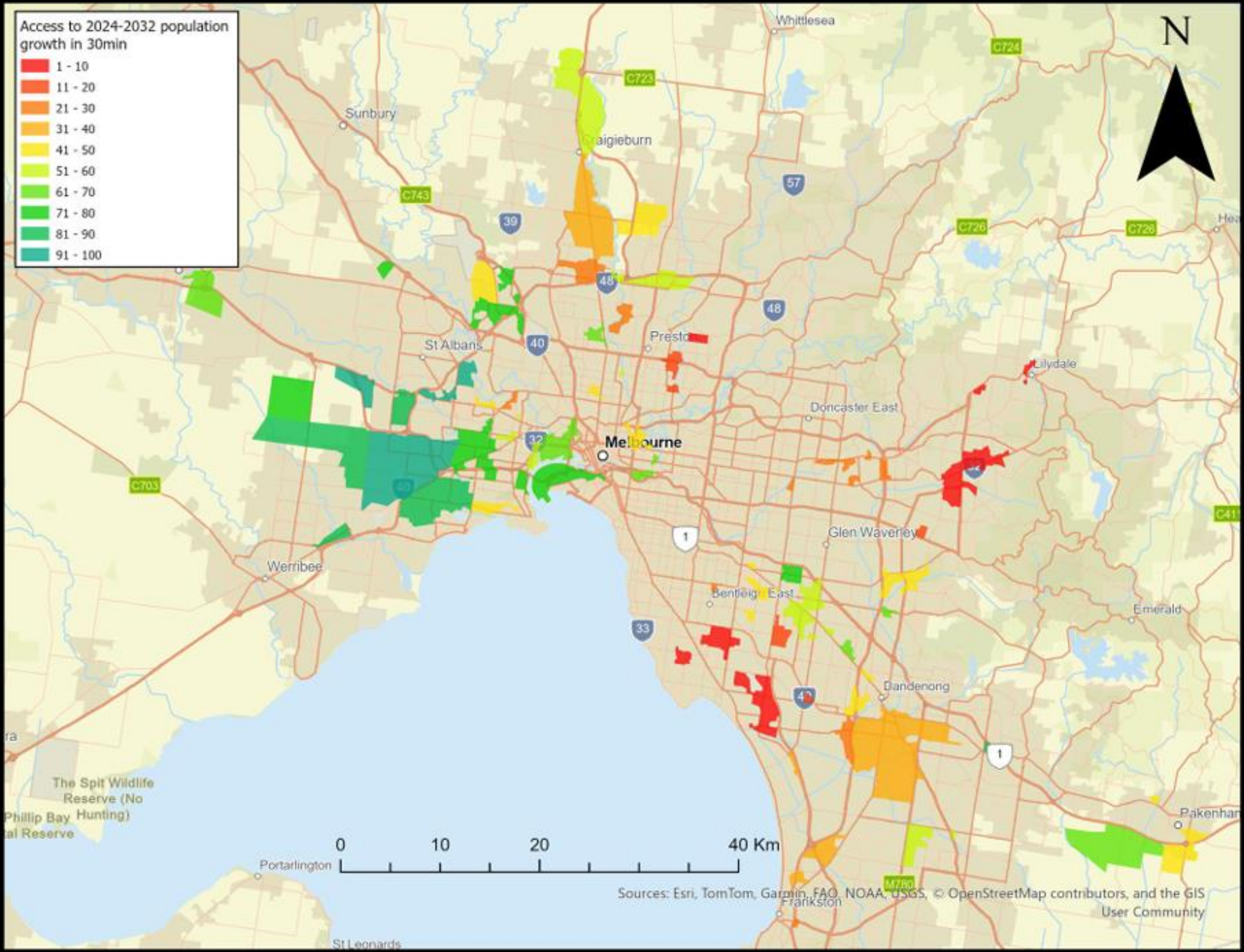


Employment Within Home LGA

City of Casey







SA1 INDUSTRIAL

Laverton North Industrial Precinct is in the top 3% of Melbourne in terms of the increase in population it will have access to within 30-minutes by 2032.

Melbourne Airport Industrial Precinct can access 766,000 sqm of cold storage space within 30-minutes, which puts it in the top 6% of all location in Melbourne.

As of today, there’s currently 37,781 sqm of warehouses being speculatively built in Cranbourne that will be available in Q4 of this year.

Three things every growth-area council should know about its industrial land

1. How much usable land you actually have
2. Who occupies it
3. What unlocks the next stage

Growth areas aren't peripheral to the economy.
They're central to national productivity.

The councils that can see their industrial land clearly are the ones that will shape it.

Thank you

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