



**FOOD AND GROCERY
MANUFACTURING
IN NORTHERN VICTORIA**
ECONOMIC SNAPSHOT 2018/19

Published August 2019
Australian Food and Grocery Council

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1. EXECUTIVE SUMMARY

The food and grocery¹ manufacturing industry is an important contributor to the local economy in northern Victoria. This region consists of four electorates, including:

- Nicholls
- Indi
- Mallee
- Bendigo.

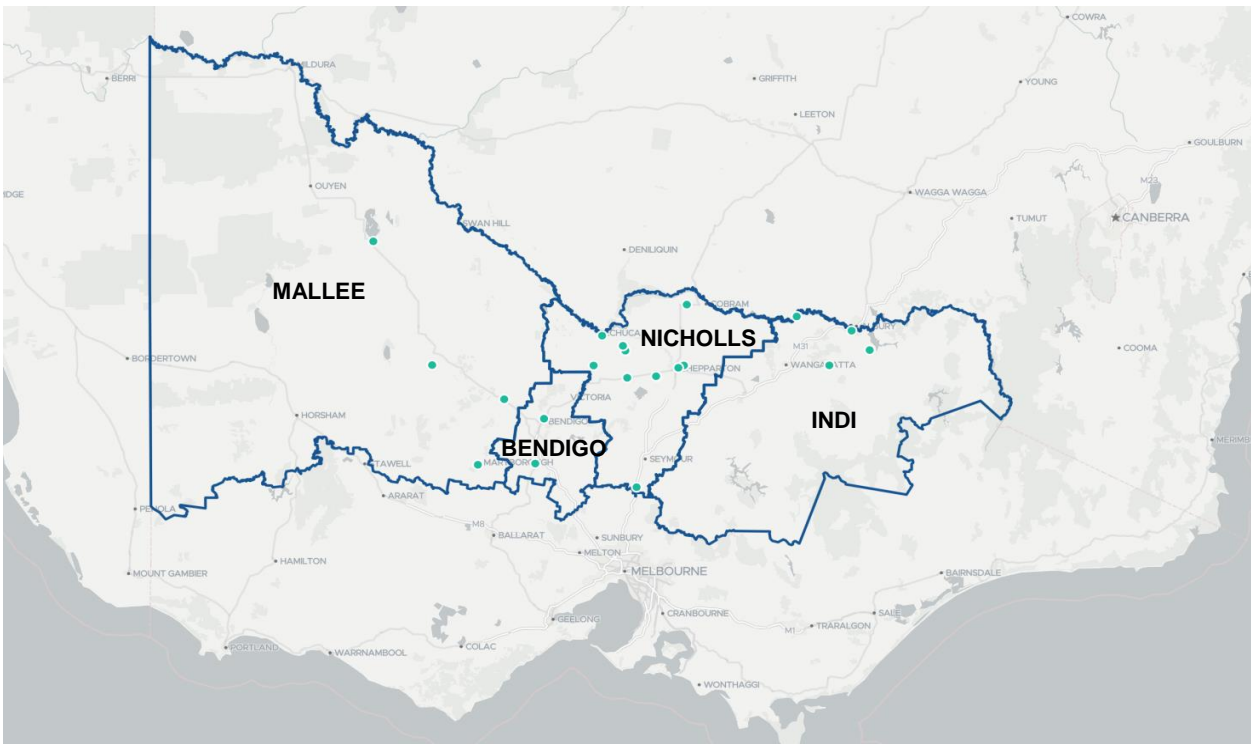


Figure 1.1 Map with location of the four electorates that comprise northern Victoria.

OUTPUT

In 2018, the food and grocery manufacturing industry based in northern Victoria generated an output² of \$9.24 billion. The industry was the second highest economic contributor in the region, after the construction industry. The industry represented 59.8% of the region’s manufacturing output and 12.3% of total output in northern Victoria. The electorate with the largest food and grocery manufacturing output was Nicholls, which generated \$3.9 billion in annual revenue.

EMPLOYMENT

The food and grocery manufacturing industry employed 14,221 people in the region in 2018. This represents 61.2% of all manufacturing jobs and 5.8% of total jobs in northern Victoria.

¹ Please refer to the table in the Appendix for the full definition of the categories that make up the food and grocery manufacturing industry.

² Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in the defined region. Gross revenue is also referred to as total sales or total income.

WAGES AND SALARIES

A total of \$1.13 billion was paid to workers in the northern Victorian food and grocery industry. This constitutes 60.2% of the manufacturing sector wages and salaries for the region.

LOCAL EXPENDITURE

In 2018, the food and grocery manufacturing industry contributed significantly to the region's local expenditure³. The food and grocery industry of Nicholls had the highest local expenditure compared to other industries in its electorate. Local expenditure for the food and grocery manufacturing industries in Indi and Bendigo were the second highest in their respective electorates and in Mallee the local expenditure for the food and grocery manufacturing industry was third highest.

NET TAXES

A total of \$80.53 million in net taxes was paid by the food and grocery manufacturing industry. This amount was 5.0% of the total net taxes for all industries in northern Victoria.

Table 1.1 Summary - Northern Victoria's food and grocery manufacturing, 2018

COMMONWEALTH ELECTORATE	OUTPUT (\$B)	EMPLOYMENT (NO. JOBS)	WAGES & SALARIES (\$B)	LOCAL EXPENDITURE (\$B)	NET TAXES (\$M)
Nicholls	\$3.90	5,167	\$0.48	\$1.56	\$31.56
Indi	\$2.15	3,133	\$0.25	\$0.77	\$20.23
Mallee	\$1.39	2,343	\$0.17	\$0.47	\$11.93
Bendigo	\$1.79	3,578	\$0.23	\$0.56	\$16.81
Northern Victoria	\$9.24	14,221	\$1.13	N/A⁴	\$80.53

³ Local Expenditure data represents the value of intermediate goods and services purchased by local industry sectors within the region. A high level of local expenditure on intermediate goods and services proportionate to total output is indicative of well-developed local supply chains and that any expansion in this sector would typically deliver broad based benefits for the region's economy.

⁴ Total for northern Victoria has not been shown to avoid double counting of local expenditure within the electorates.

FOOD AND GROCERY SUB-SECTORS

In Northern Victoria, the food and grocery manufacturing industry sub-sectors that are the largest economic contributors include: meat and meat product manufacturing, dairy product manufacturing and fruit and vegetable product manufacturing. The following figures depict the levels for all sub-sectors of output, employment and local expenditure.

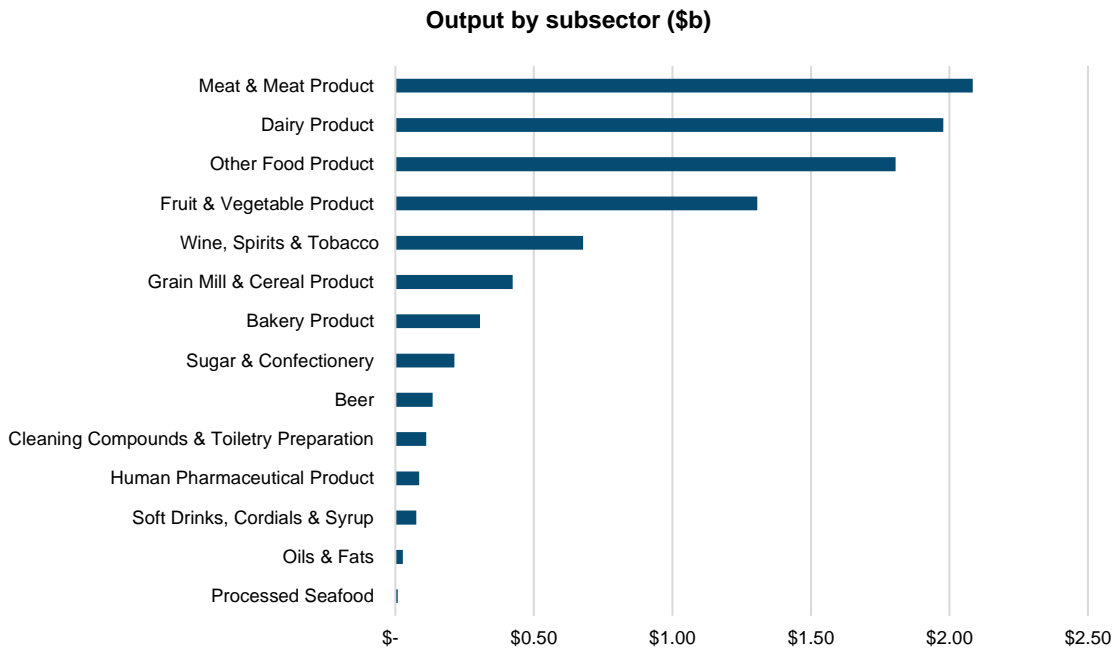


Figure 1.2 Outputs for northern Victoria’s industry sub-sectors, 2018⁵

⁵ Manufacturing number shown in the graph excludes food and grocery manufacturing as it is shown as a separate industry.

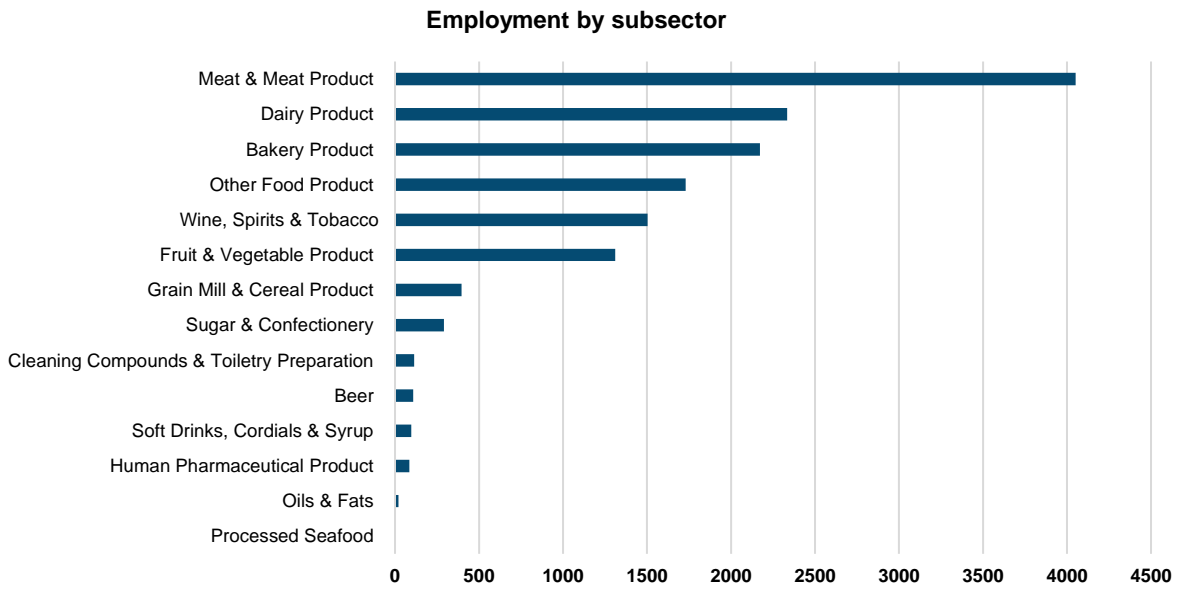


Figure 1.3 Employment by northern Victoria’s industry sub-sectors, 2018

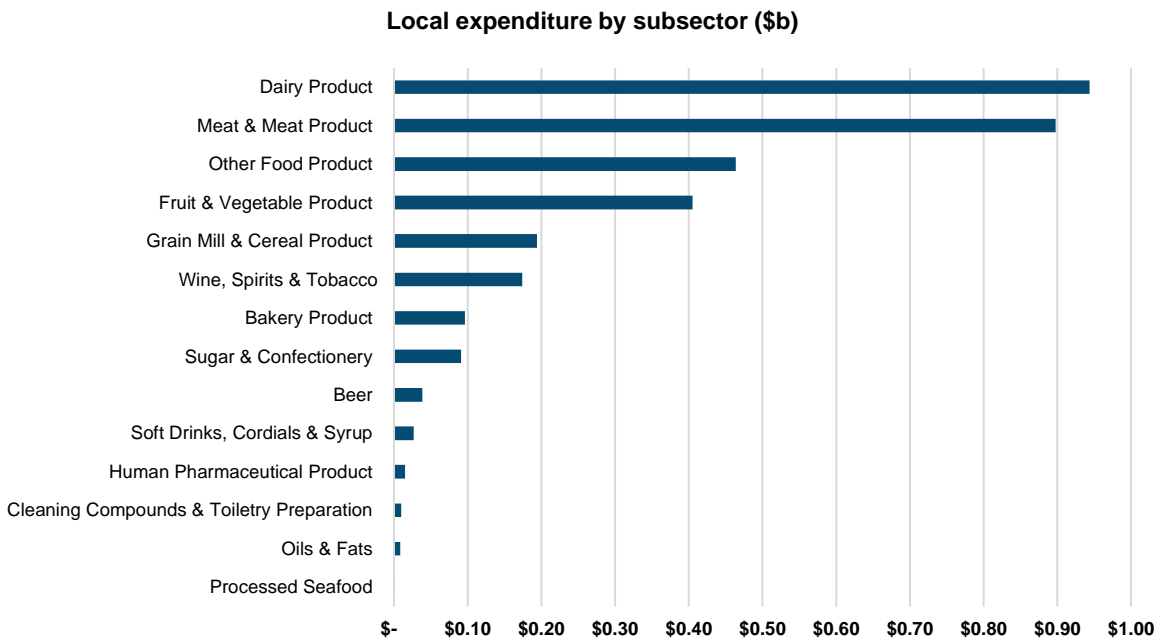


Figure 1.4 Local Expenditure for northern Victoria’s industry sub-sectors, 2018

2. FOOD AND GROCERY MANUFACTURING IN NORTHERN VICTORIA

This section highlights the key contributions of the food and grocery manufacturing industry to the northern Victorian economy. It details the significant outputs that the industry achieved in 2018.

2.1 OUTPUT

The total output for northern Victoria in 2018 was estimated at \$74.92 billion. The food and grocery manufacturing industry contributed second highest output with \$9.24 billion. This represented 59.8% of manufacturing output and 12.3% of the total output in Northern Victoria.

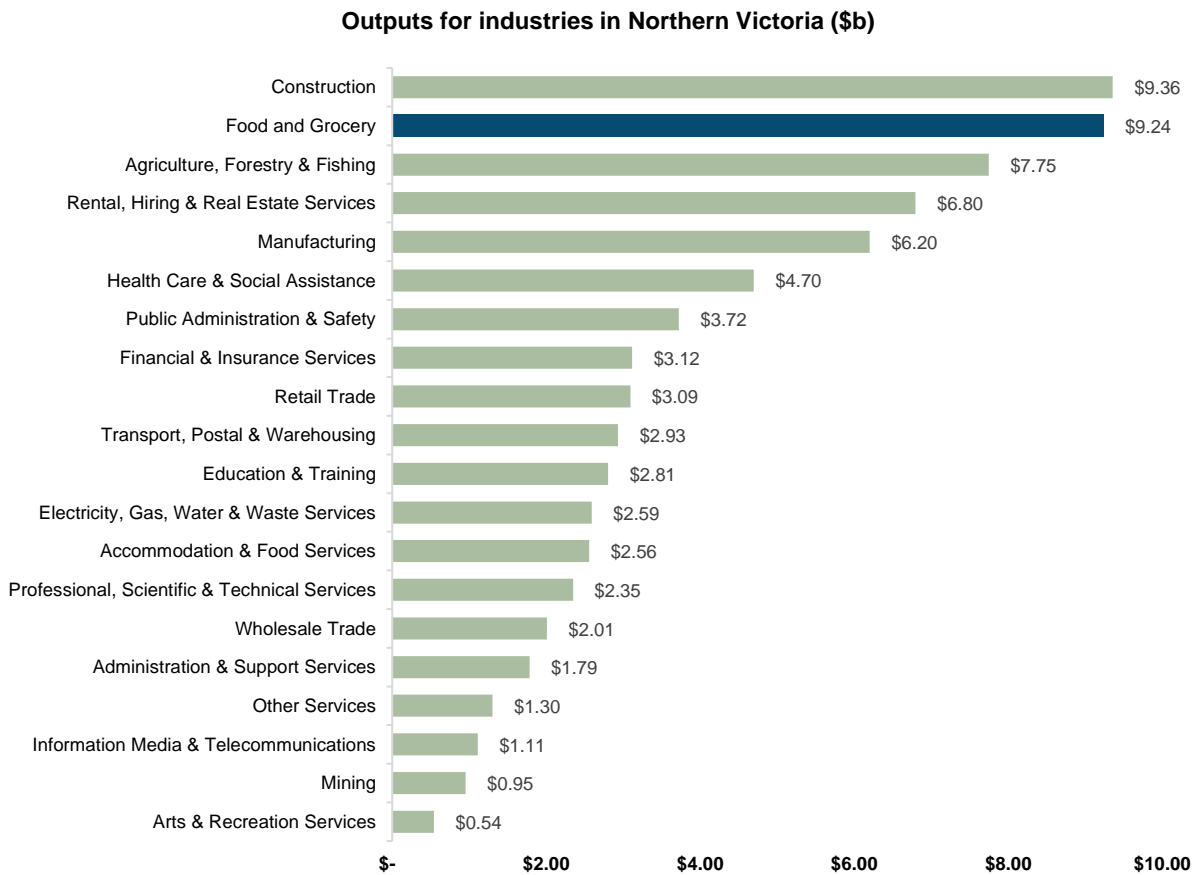


Figure 2.1 Outputs for Industries in Northern Victoria, 2018

At \$3.9 billion, the electorate of Nicholls was the largest contributor to the food and grocery manufacturing industry’s total output in the region. The food and grocery manufacturing industry in Nicholls also contributed the greatest output in that electorate, representing 19.2% of the total output.

Table 2.1 Northern Victoria food and grocery manufacturing output by electorate, 2018

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING OUTPUT (\$B)	TOTAL OUTPUT (\$B)	% OF TOTAL OUTPUT
Nicholls	\$3.90	\$20.31	19.2%
Indi	\$2.15	\$18.79	11.5%
Mallee	\$1.39	\$17.66	7.9%
Bendigo	\$1.79	\$18.16	9.9%
Northern Victoria	\$9.24	\$74.92	12.3%

2.2 EMPLOYMENT

In 2018, total employment⁶ in northern Victoria was estimated at 246,940. The food and grocery manufacturing industry was the eighth largest employing industry, with 14,221 jobs or 5.8% of the region’s total employment. The food and grocery manufacturing industry makes up 61.2% of total manufacturing employment in northern Victoria.

Employment manufacturing industries Northern Victoria

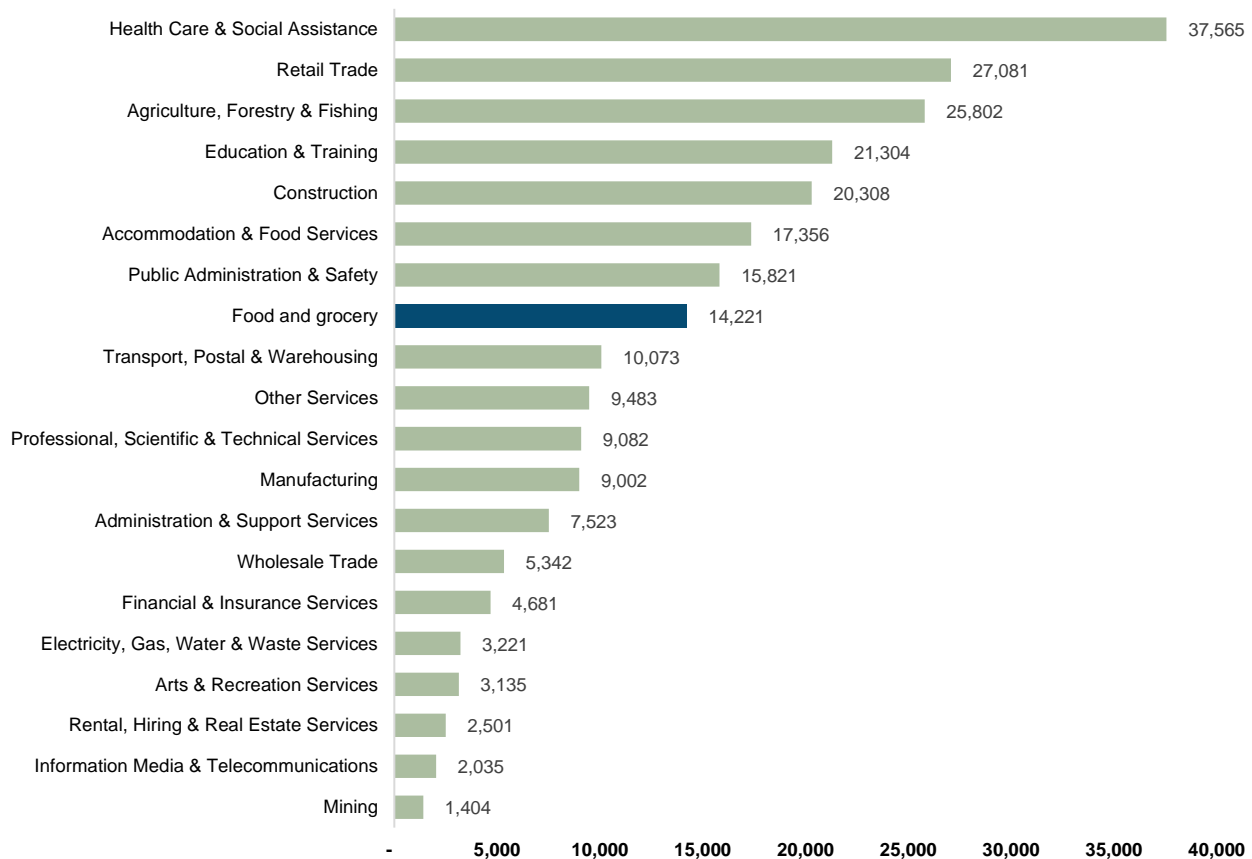


Figure 2.2 Manufacturing employment Northern Victoria, 2018

⁶ Employment data presented in this report is based on data obtained from the 2016 Census.

Table 2.2 Northern Victoria food and grocery manufacturing employment by electorate, 2018

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING EMPLOYMENT	TOTAL EMPLOYMENT	% OF TOTAL EMPLOYMENT
Nicholls	5,167	63,120	8.2%
Indi	3,133	61,232	5.1%
Mallee	2,343	62,638	3.7%
Bendigo	3,578	59,950	6.0%
Northern Victoria	14,221	246,940	5.8%

The electorate of Nicholls employed 5,167 people in the food and grocery manufacturing industry. The food and grocery manufacturing industry in Nicholls represented 73.5% of its total manufacturing employment and 8.2% of Nicholls’ total employment.

2.3 WAGES AND SALARIES

In 2018, total wages and salaries in Northern Victoria were estimated at \$17.44 billion. The food and grocery manufacturing industry contributed \$1.13 billion or 6.5% to this total. In northern Victoria, the food and grocery manufacturing industry represented 60.2% of total manufacturing wages and salaries. It was the sixth largest supporter of local wages and salaries throughout the region.

Wages and salaries for manufacturing industries in Northern Victoria

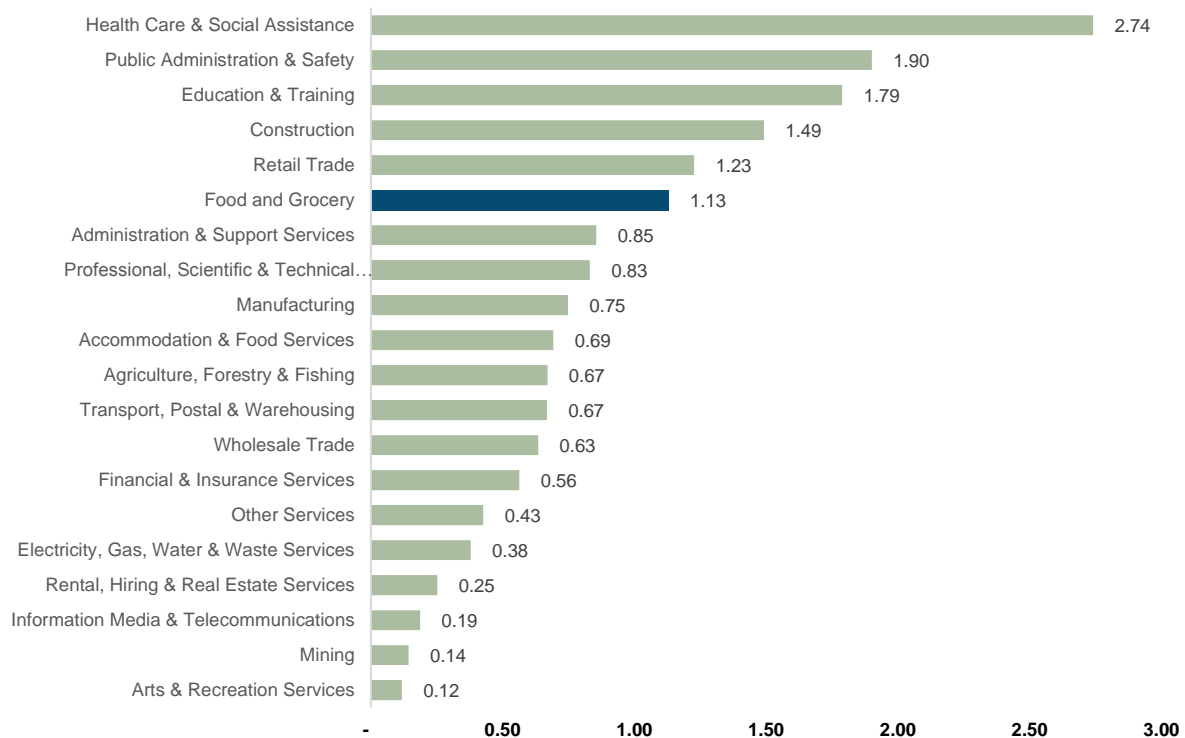


Figure 2.4 Northern Victoria manufacturing wages and salaries by electorate, 2018

Table 2.3 Northern Victoria food and grocery manufacturing wages and salaries by electorate, 2018

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING WAGES AND SALARIES (\$B)	TOTAL WAGES AND SALARIES (\$B)	% OF TOTAL WAGES AND SALARIES
Nicholls	\$0.48	\$4.55	10.5%
Indi	\$0.25	\$4.49	5.6%
Mallee	\$0.17	\$4.04	4.2%
Bendigo	\$0.23	\$4.36	5.3%
Northern Victoria	\$1.13	\$17.44	6.5%

The food and grocery manufacturing industry in Nicholls contributed largest amount to total wages and salaries for the industry, being 42.2%.

2.4 LOCAL EXPENDITURE

The electorate of Nicholls had the largest local expenditure spend with \$1.56 billion. This represented 84.8% of the electorate's manufacturing industry local expenditure in 2018.

Table 2.4 Northern Victoria food and grocery manufacturing local expenditure by electorate, 2018

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING LOCAL EXPENDITURE (\$B)	TOTAL LOCAL EXPENDITURES (\$B)	% OF TOTAL LOCAL EXPENDITURE
Nicholls	\$1.56	\$6.25	25.0%
Indi	\$0.77	\$5.67	13.7%
Mallee	\$0.47	\$5.21	9.0%
Bendigo	\$0.56	\$5.70	9.8%
Northern Victoria	No totals available for the region		

2.5 NET TAXES

The net taxes figures provided in this report estimate all taxes, levies, fees and tariffs paid on goods and services. It also includes taxes relating to other production processes levied by local, state and commonwealth government agencies, less subsidies and other financial transfers from government to industry. The net tax figure excludes taxes related to the ownership of dwellings.

In 2018, the food and grocery manufacturing industry in northern Victoria generated \$1.61 billion in net taxes. The total net tax contribution from the food and grocery manufacturing industry was \$80.53 million.

Table 2.5 Northern Victoria food and grocery manufacturing net taxes by electorate, 2018

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING NET TAXES (\$M)	TOTAL NET TAXES (\$M)	% OF TOTAL NET TAXES
Nicholls	\$31.56	\$402.65	7.8%
Indi	\$20.23	\$406.26	5.0%
Mallee	\$11.93	\$399.01	3.0%
Bendigo	\$16.81	\$404.60	4.2%
Northern Victoria	\$80.53	\$1,612.51	5.0%

Nicholls is the largest contributor making up 39.2% of total tax collected from the food and grocery industry in the Northern Victoria region.

3. NORTHERN VICTORIA ELECTORATES

This section goes into detail for each of the four commonwealth electorates in northern Victoria. It outlines the key economic contributions of the food and grocery manufacturing industry in the electorates of Nicholls, Indi, Mallee and Bendigo.

3.1 FOOD AND GROCERY MANUFACTURING INDUSTRY - NICHOLLS

The food and grocery manufacturing industry generated the largest output in the electorate of Nicholls. In 2018, the food and manufacturing industry in Nicholls had output of \$3.90 billion or 19.2% of the electorate’s total output.

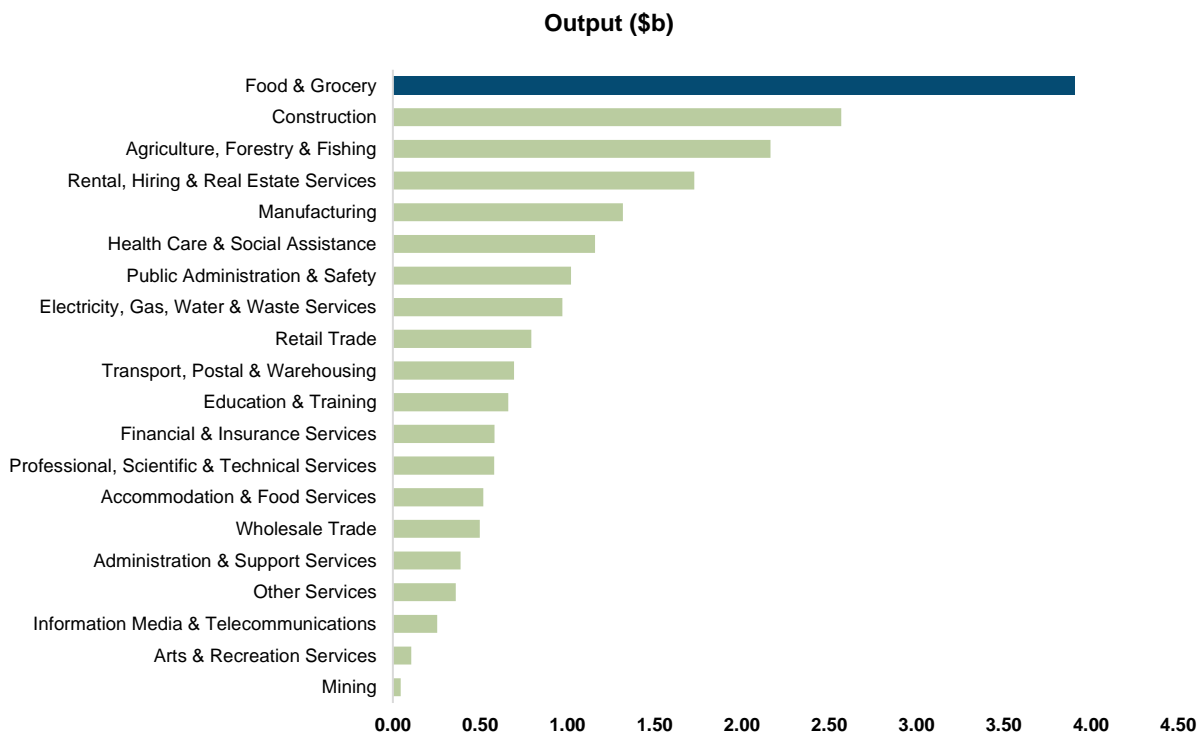


Figure 3.1.1 Outputs of industries in Nicholls, 2018

3.1.1 EMPLOYMENT IN NICHOLLS

The food and grocery manufacturing industry created 5,167 jobs in the electorate of Nicholls.

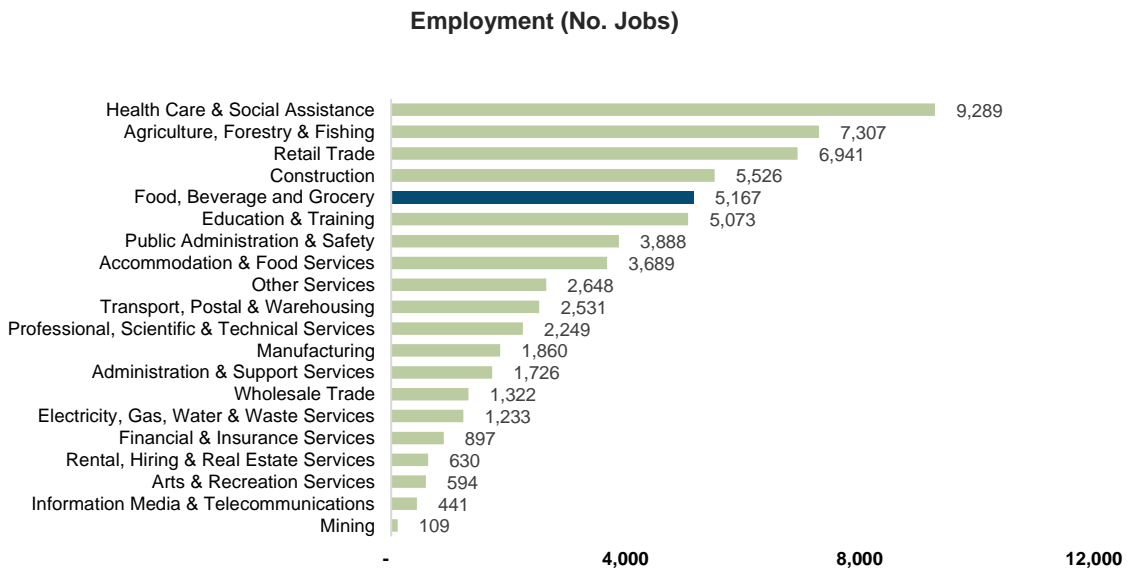


Figure 3.1.2 Employment by number of jobs for industries in Nicholls, 2018

3.1.2 WAGES AND SALARIES IN NICHOLLS

In 2018, the food and grocery manufacturing industry contributed \$477.33 million in wages and salaries in Nicholls.

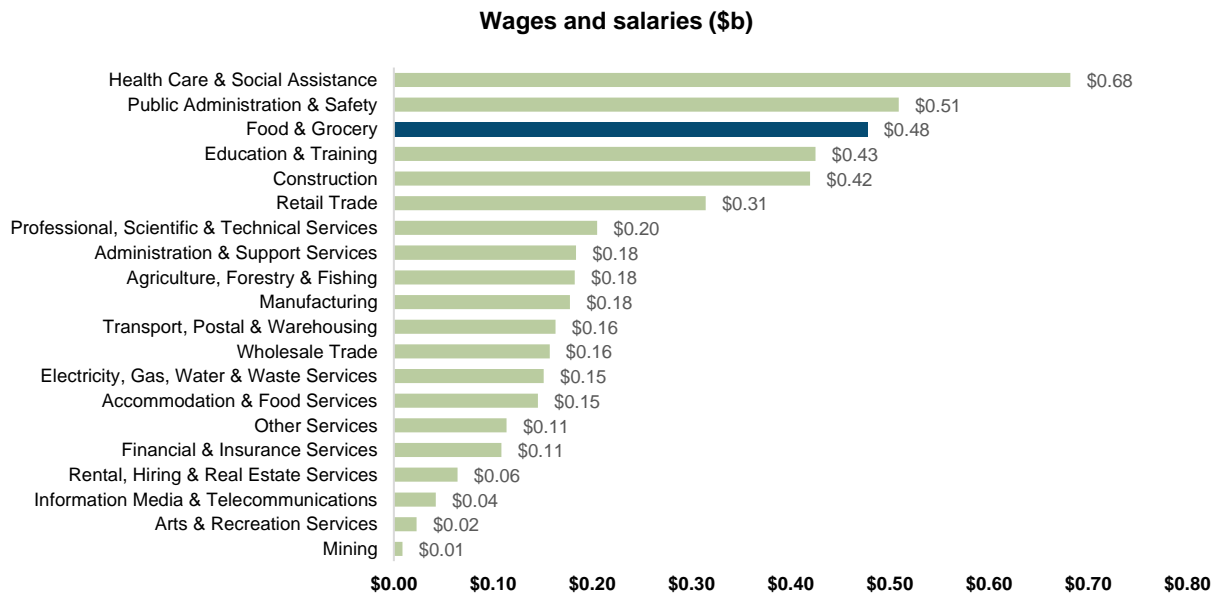
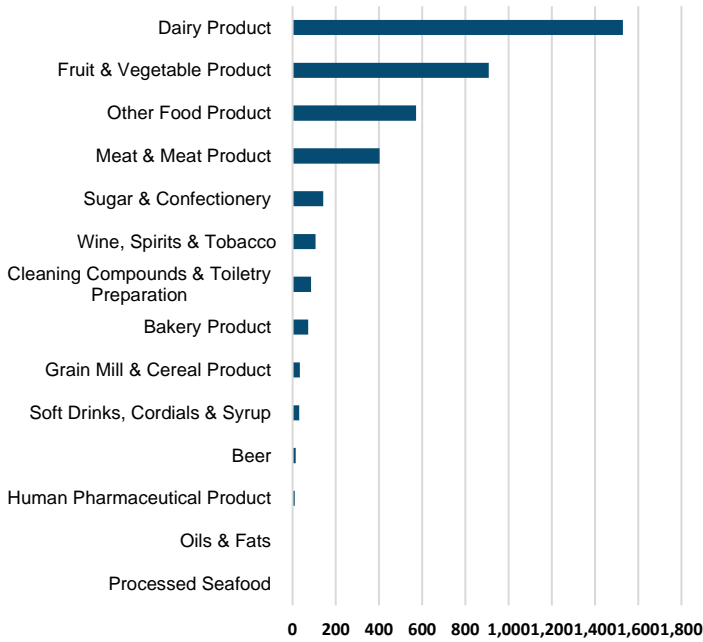


Figure 3.1.3 Wages and salaries for industries in Nicholls, 2018

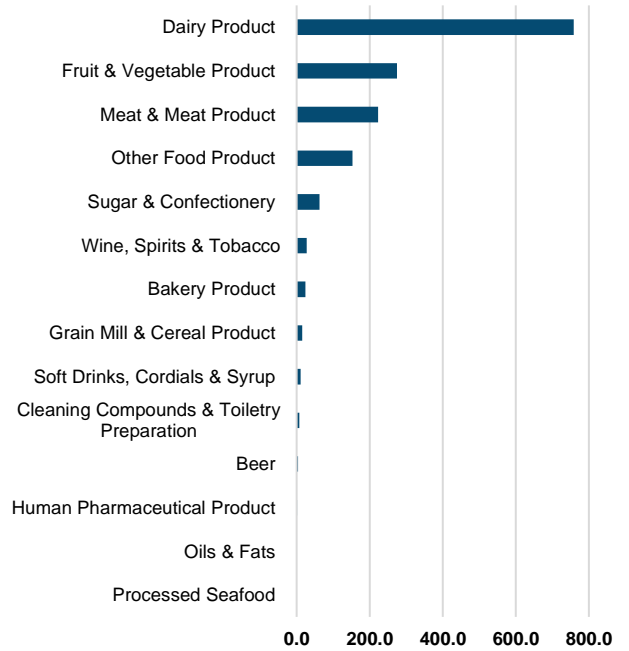
3.1.3 SUB-SECTORS IN NICHOLLS

There are several food and grocery manufacturing sub-sectors within the electorate of Nicholls that contribute significant economic benefits. The key sub-sectors in Nicholls include: dairy product manufacturing, fruit and vegetable processing and meat and meat product manufacturing. The output, local expenditure, employment and wages and salaries are outlined below.

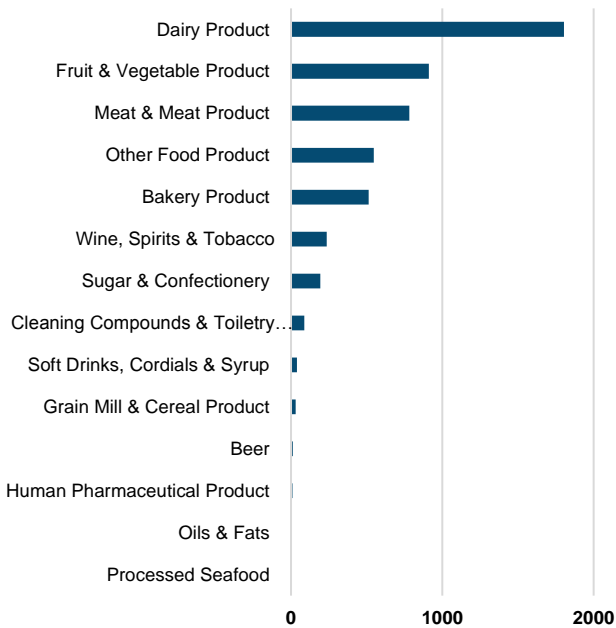
Output by subsector (\$m)



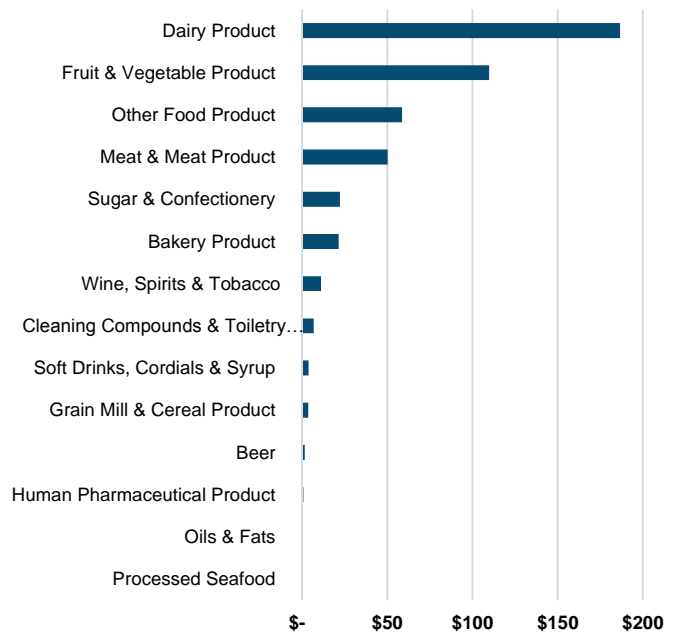
Local manufacturing expenditure (\$m)



Employment by subsector



Wages and salaries by subsector (\$m)



3.2 FOOD AND GROCERY MANUFACTURING INDUSTRY – INDI

In Indi, the food and grocery manufacturing industry contributed the second largest output with \$2.15 billion or 11.5% of the electorate’s total output.

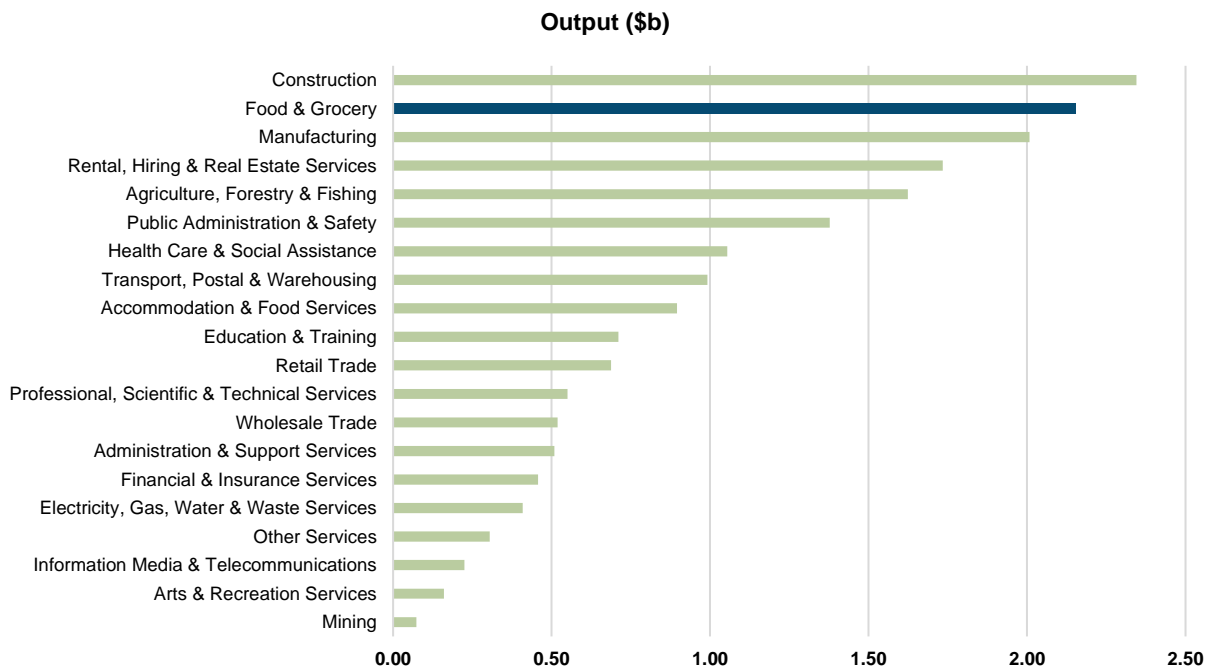


Figure 3.2.1 Outputs of industries in Indi, 2018

3.2.1 EMPLOYMENT IN INDI

The food and grocery manufacturing industry created 3,133 jobs in the electorate of Indi.

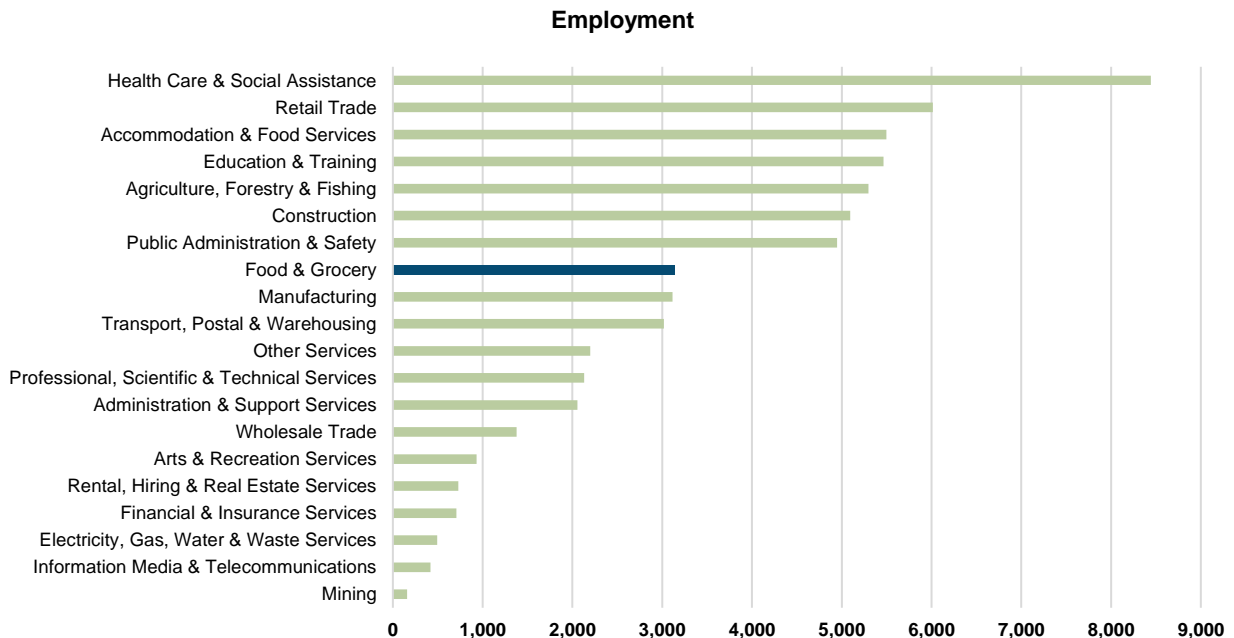


Figure 3.2.2 Employment by number of jobs for industries in Indi, 2018

3.2.2 WAGES AND SALARIES IN INDI

In 2018, the food and grocery manufacturing industry contributed \$251.13 million or 5.6% of the total wages and salaries in Indi.

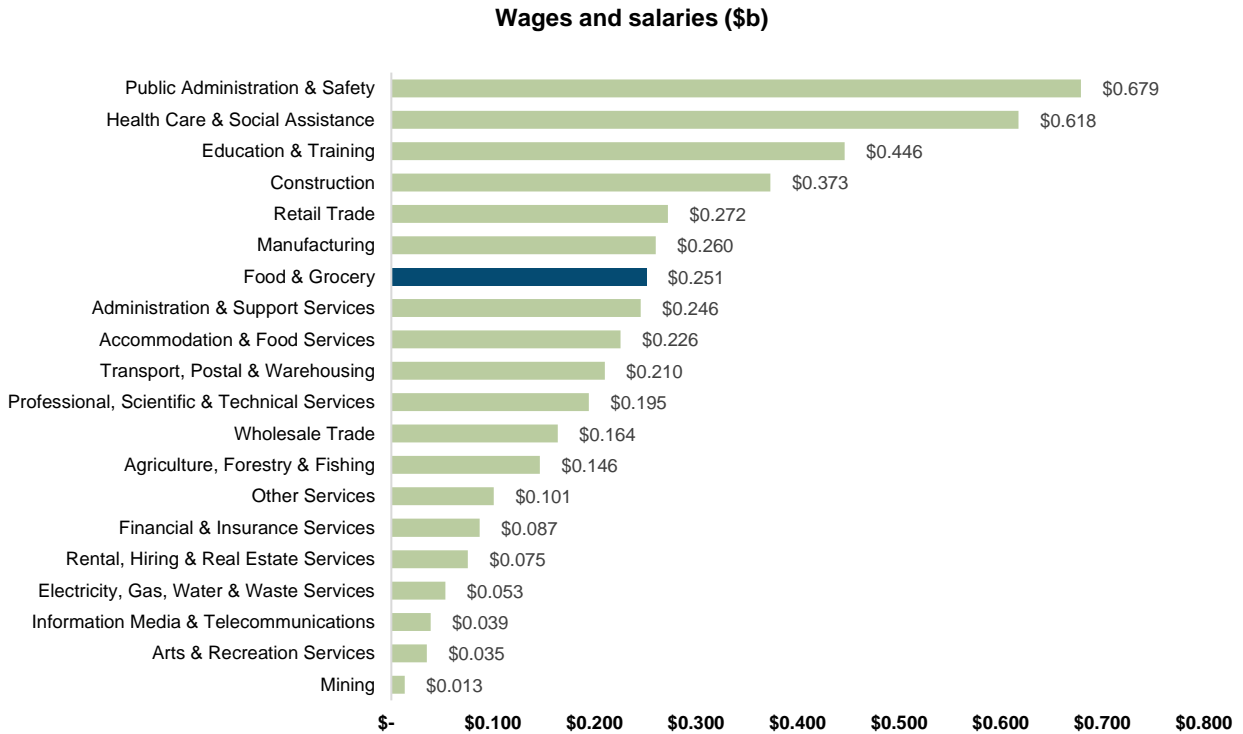
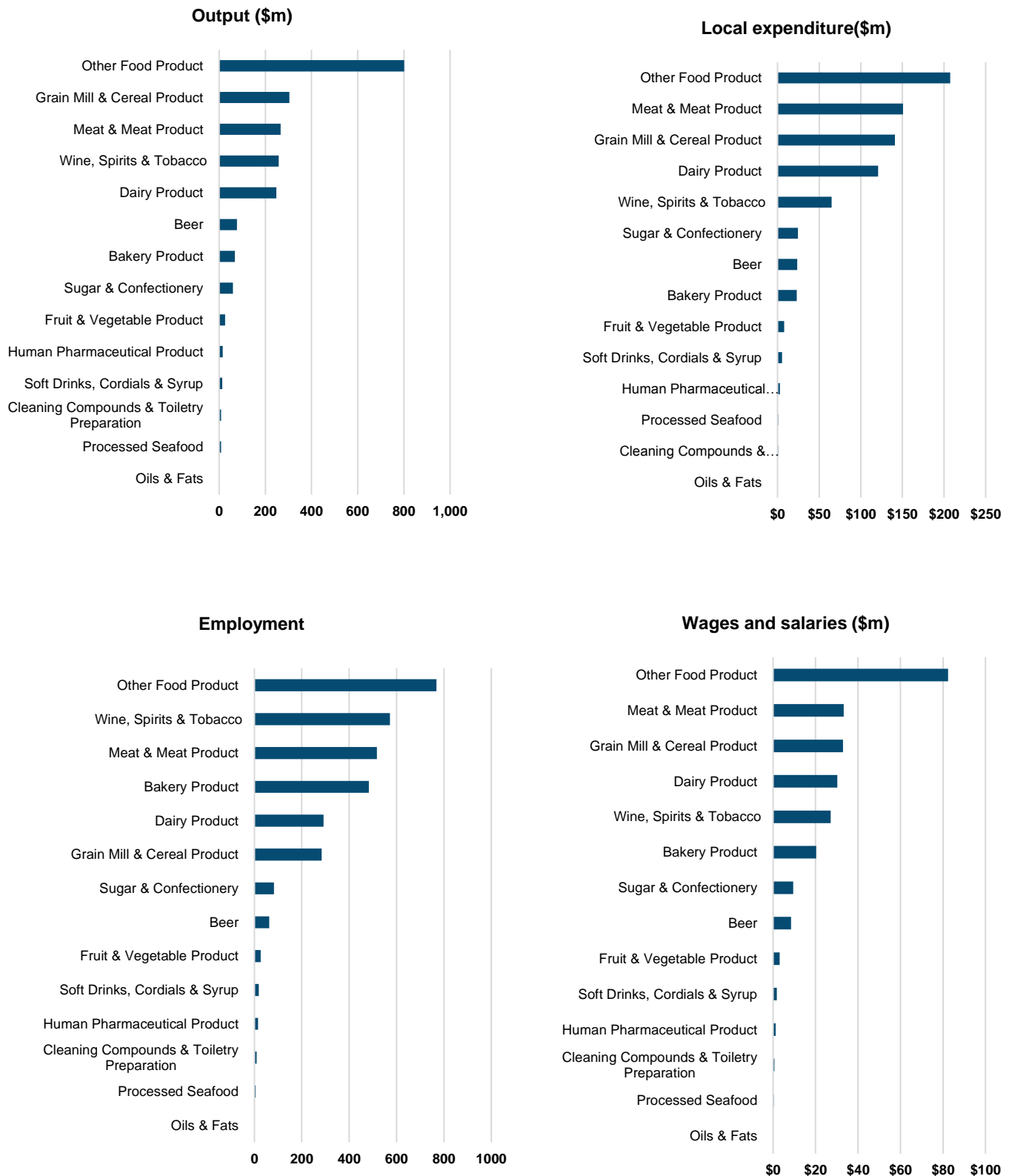


Figure 3.2.3 Wages and salaries for industries in Indi, 2018

3.2.3 SUB-SECTORS IN INDI

There are several food and grocery manufacturing sub-sectors within the electorate of Indi that contribute significant economic benefits. The key sub-sectors in Indi include: other food product manufacturing, grain mill and cereal processing, meat and meat product manufacturing and dairy production. The output, local expenditure, employment and wages and salaries are outlined below.



3.3 FOOD AND GROCERY MANUFACTURING INDUSTRY – MALLEE

In Mallee, the food and grocery manufacturing industry generated \$1.39 billion or 7.9% of the electorate’s total output.

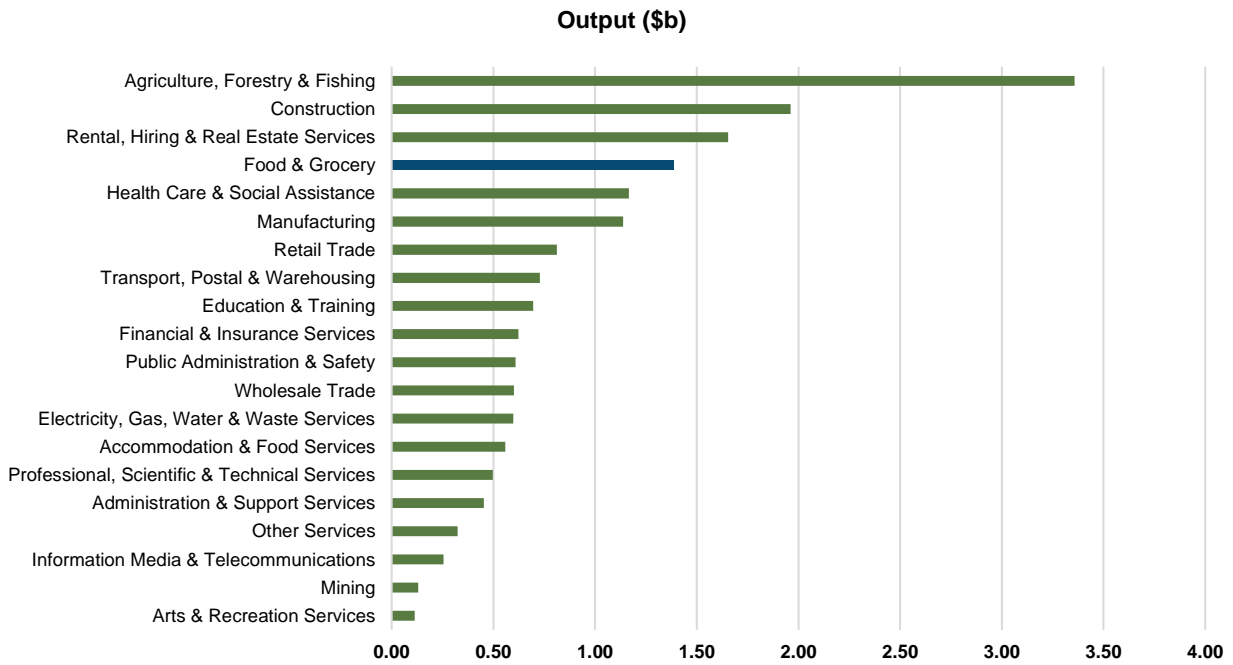


Figure 3.3.1 Outputs of industries in Mallee, 2018

3.3.1 EMPLOYMENT IN MALLEE

The food and grocery manufacturing industry created 2,343 jobs in the electorate of Mallee.

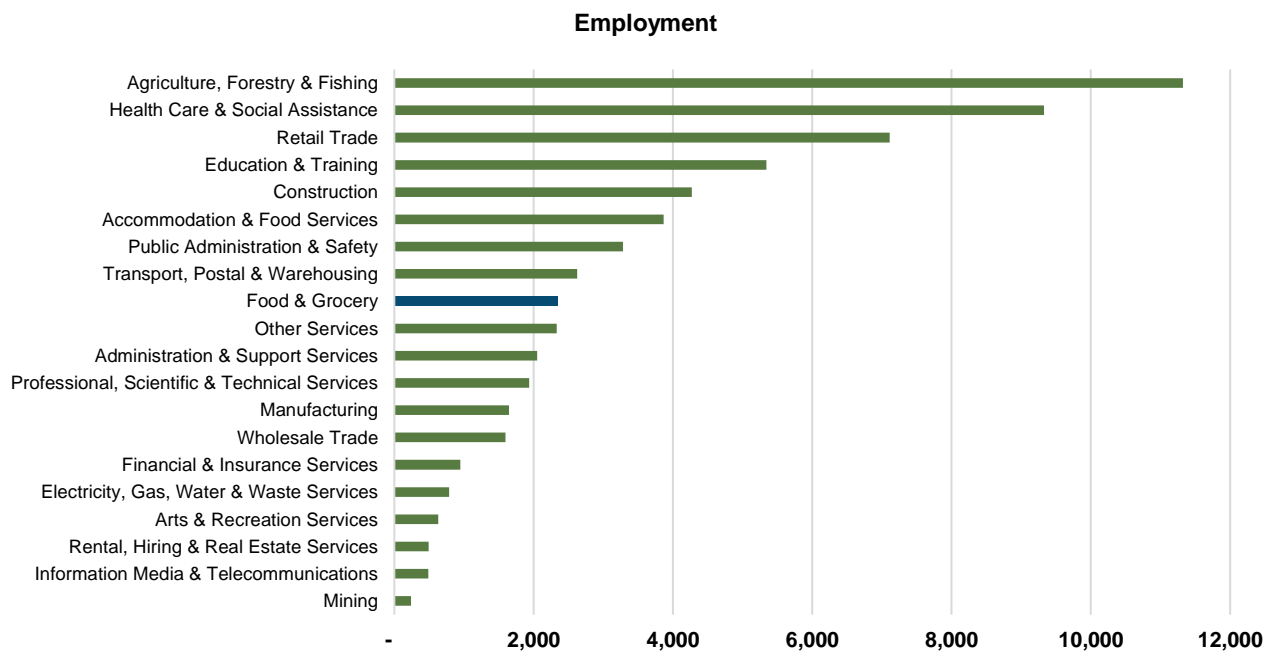


Figure 3.3.2 Employment by number of jobs for industries in Mallee, 2018

3.3.2 WAGES AND SALARIES IN MALLEE

In 2018, the food and grocery manufacturing industry contributed \$169.57 million or 4.2% of the total wages and salaries in Mallee.

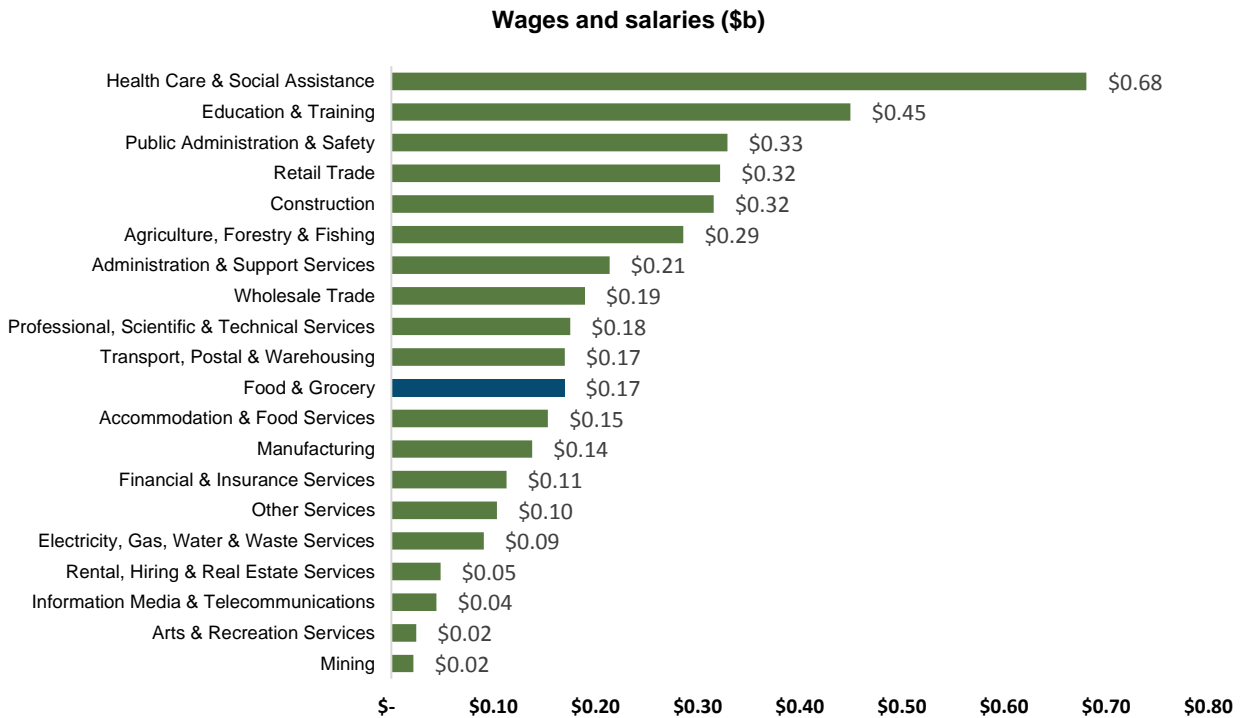
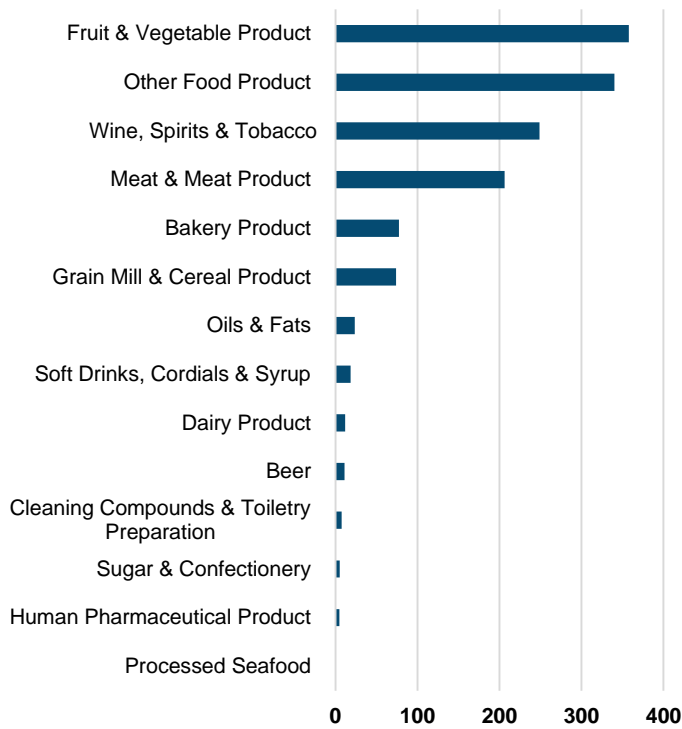


Figure 3.3.3 Wages and salaries for industries in Mallee, 2018

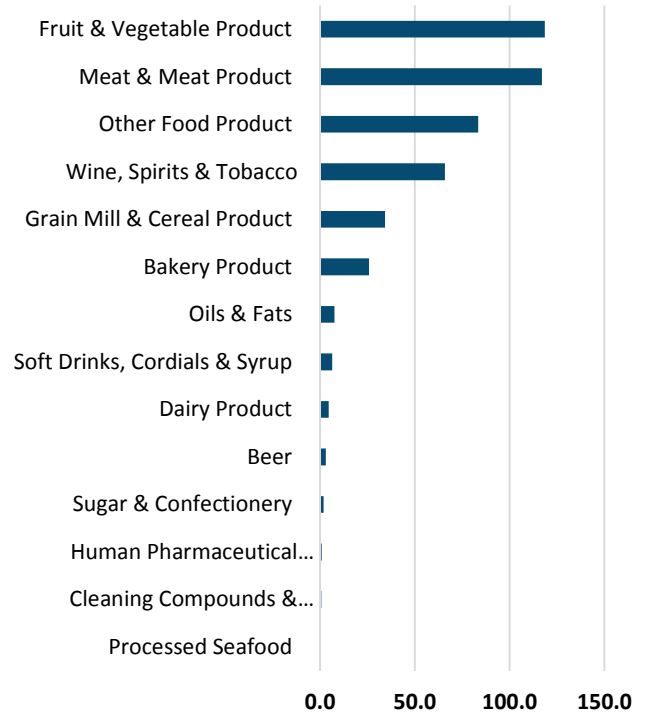
3.3.3 SUB-SECTORS IN MALLEE

There are several food and grocery manufacturing sub-sectors within the electorate of Mallee that contribute significant economic benefits. The key sub-sectors in Mallee include: fruit and vegetable production, other food product manufacturing, meat and meat product manufacturing and wine, spirits and tobacco production. The output, local expenditure, employment and wages and salaries are outlined overleaf.

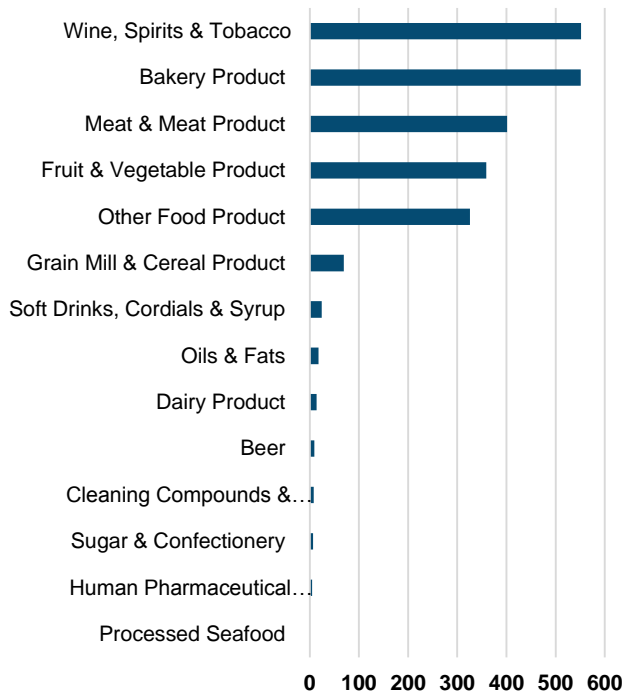
Output (\$m)



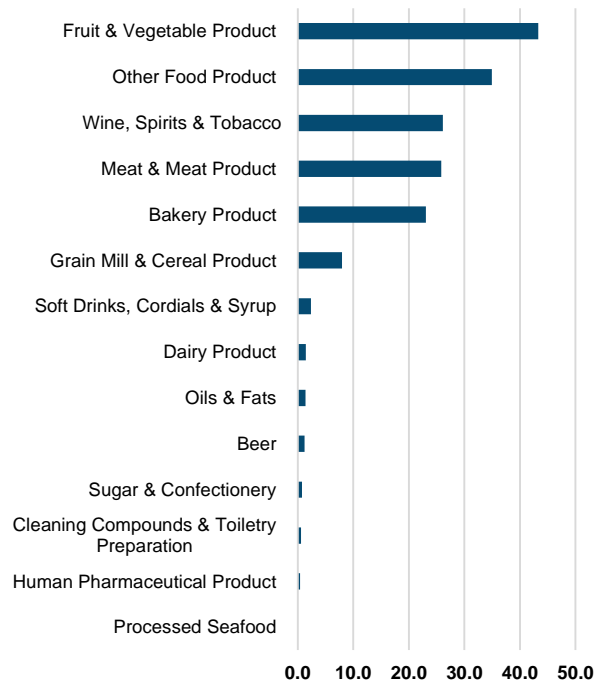
Local expenditure (\$m)



Employment (\$m)



Wages and salaries (\$m)



3.4 FOOD AND GROCERY MANUFACTURING INDUSTRY – BENDIGO

In Bendigo, the food and grocery manufacturing industry generated \$1.79 billion or 9.9% of the electorate’s total output.

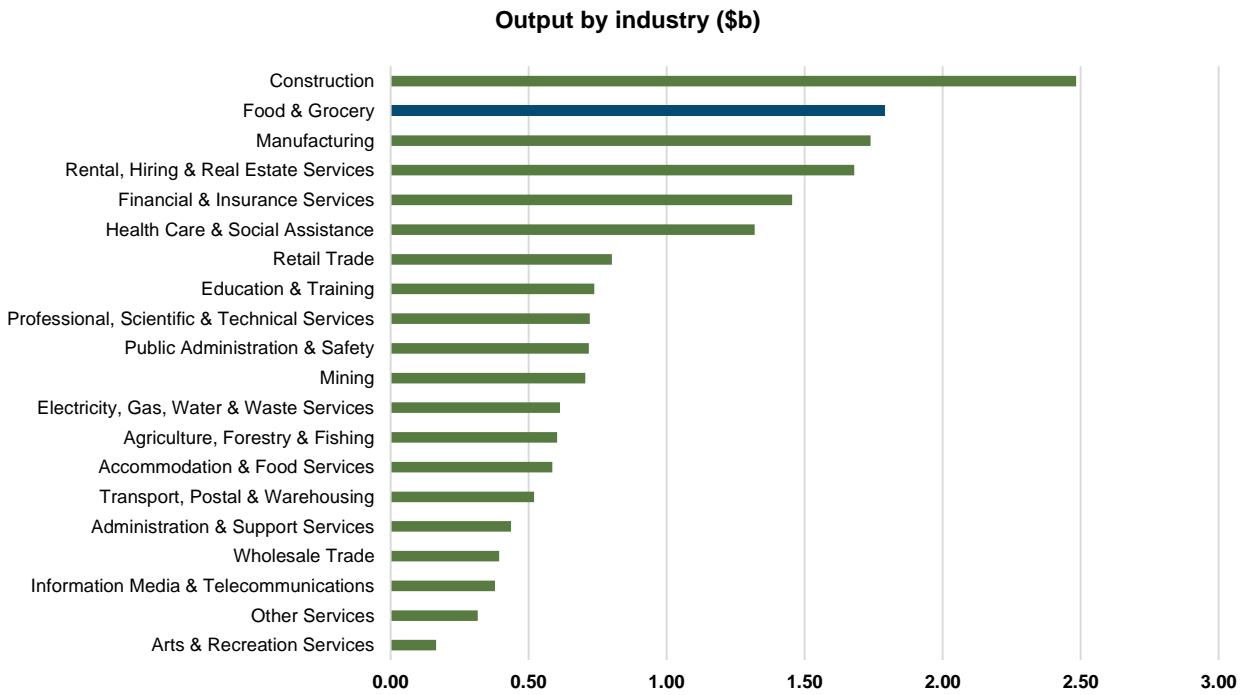


Figure 3.4.1 Outputs of industries in Bendigo, 2018

3.4.1 EMPLOYMENT IN BENDIGO

The food and grocery manufacturing industry created 3,578 jobs in the electorate of Bendigo.

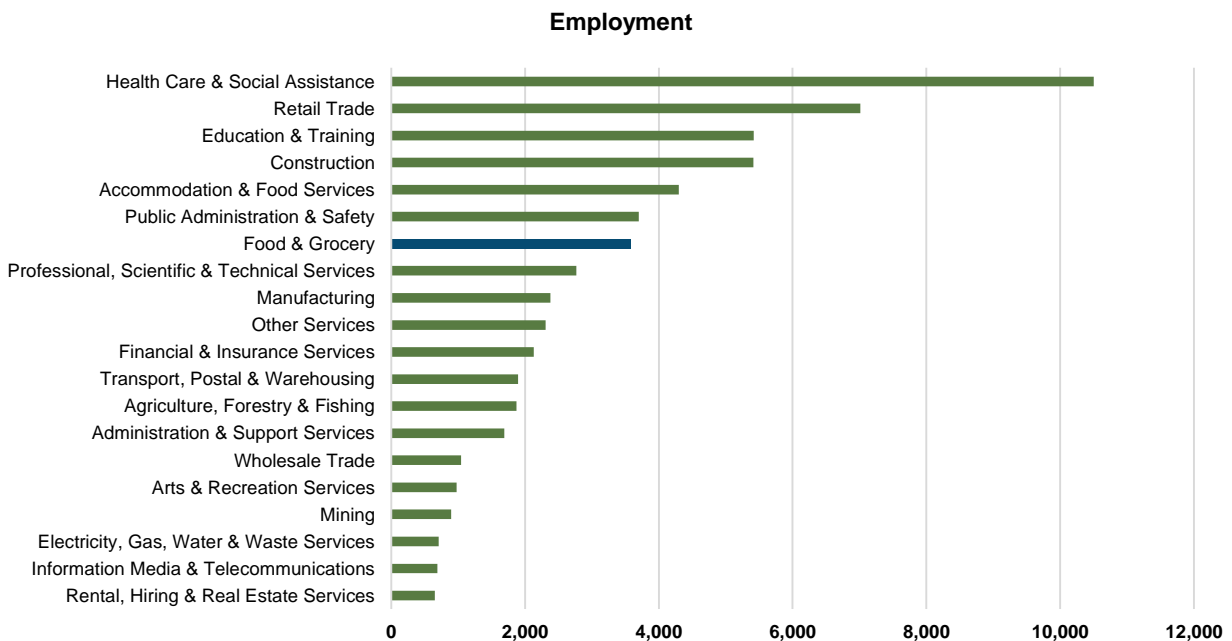


Figure 3.4.2 Employment by number of jobs for industries in Bendigo, 2018

3.4.2 WAGES AND SALARIES IN BENDIGO

In 2018, the food and grocery manufacturing industry contributed \$231.83 million or 5.3% of the total wages and salaries in Bendigo.

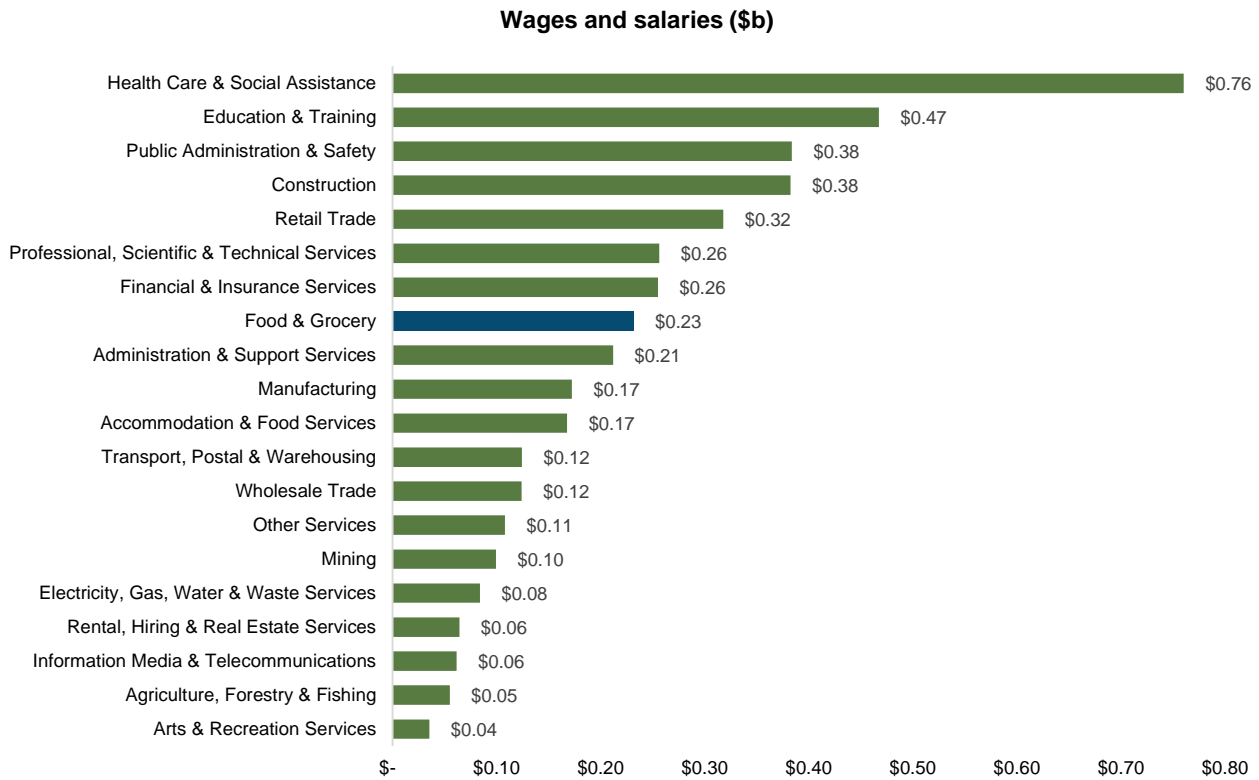
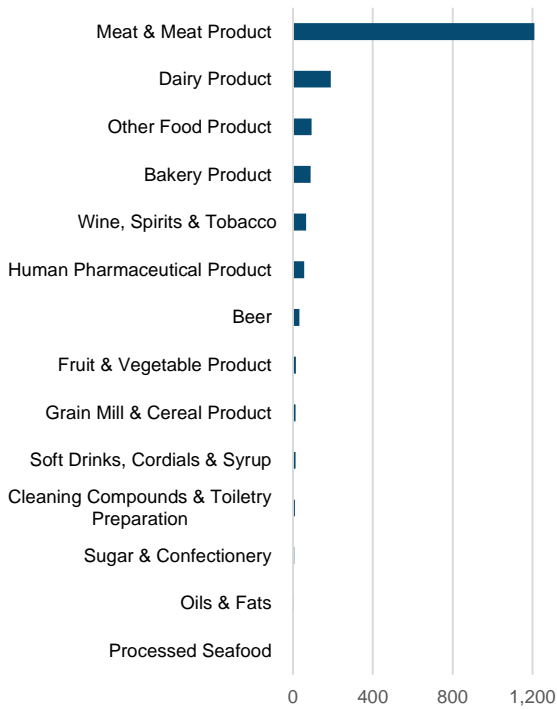


Figure 3.4.3 Wages and salaries for industries in Bendigo, 2018

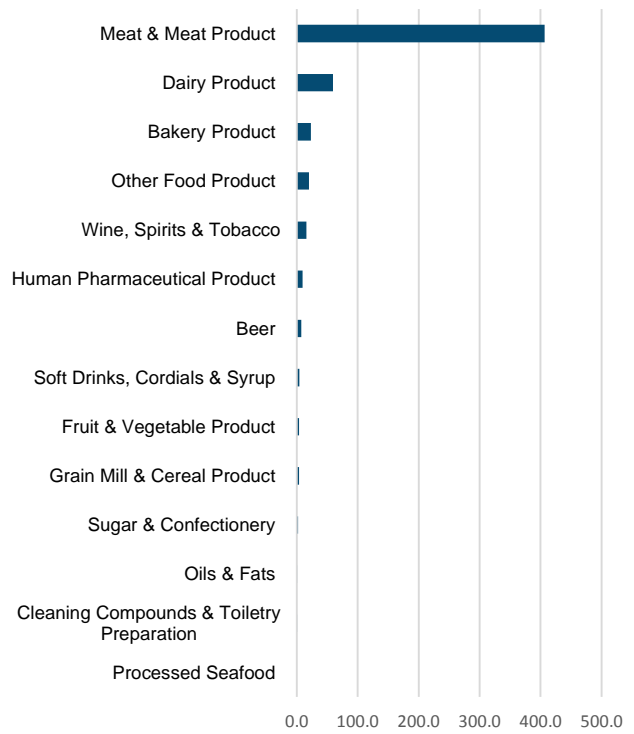
3.4.3 SUB-SECTORS IN BENDIGO

There are several food and grocery manufacturing sub-sectors within the electorate of Bendigo that contribute significant economic benefits. The key sub-sectors in Bendigo include: meat and meat product manufacturing, dairy production, bakery products and other food production. The output, expenditure, employment and wages and salaries are outlined overleaf.

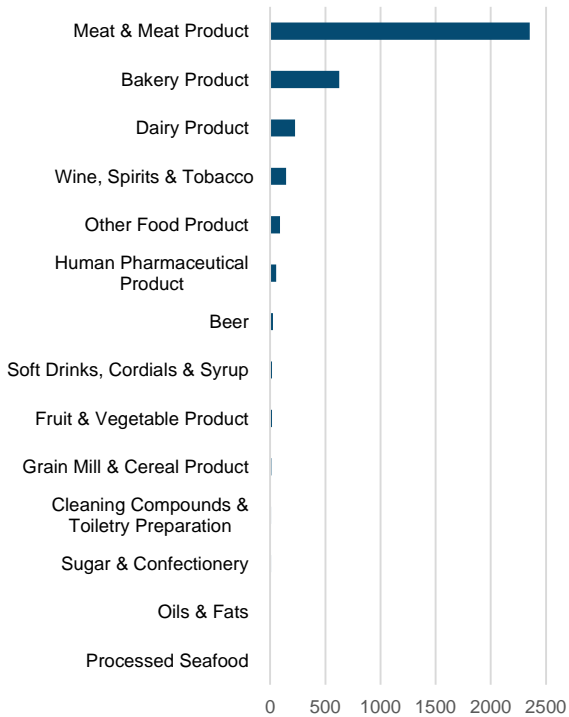
Output (\$m)



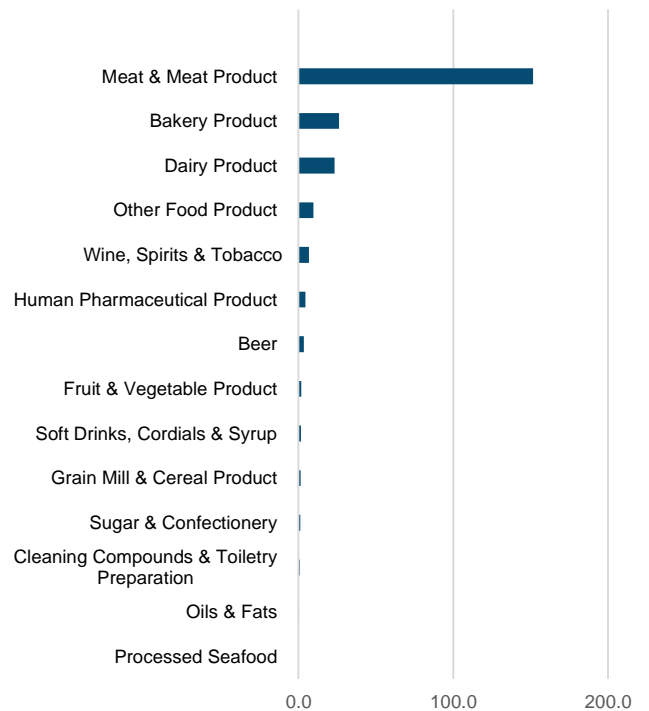
Local expenditure (\$m)



Employment



Wages and salaries (\$m)



4. APPENDIX – FOOD AND GROCERY DEFINITIONS

CATEGORY LIST

The Australian food and grocery manufacturing industry is an amalgam of agricultural and manufacturing sectors including: food and beverage production, pharmaceuticals, cleaning compounds and toiletry preparations. A list of the categories that comprise the food and grocery manufacturing industry is provided below, excluding fresh produce.

Table 4.1 Category listing of the Australian food and grocery manufacturing industry

FOOD , BEVERAGE AND GROCERY MANUFACTURING SECTORS	ANZSIC CODE	ANZSIC DESCRIPTION
Meat & Meat Product	1111	Meat Processing
	1112	Poultry Processing
	1113	Cured Meat and Smallgoods Manufacturing
Processed Seafood	1120	Seafood Processing
Dairy Product	1131	Milk and Cream Processing
	1132	Ice Cream Manufacturing
	1133	Cheese and Other Dairy Product Manufacturing
Fruit & Vegetable	1140	Fruit and Vegetable Processing
Oils & Fats	1150	Oil and Fat Manufacturing
Grain Mill & Cereal Product	1161	Grain Mill Product Manufacturing
	1162	Cereal, Pasta and Baking Mix Manufacturing
Bakery Product	1171	Bread Manufacturing (Factory Based)
	1172	Cake and Pastry Manufacturing
	1173	Biscuit Manufacturing (Factory Based)
	1174	Bakery Product Manufacturing (Non-Factory Based)
Sugar & Confectionery	1181	Sugar Manufacturing
	1182	Confectionery Manufacturing
Other Food Product	1191	Potato, Corn and Other Crisp Manufacturing
	1192	Prepared Animal and Bird Feed Manufacturing
	1199	Other Food Product Manufacturing N.e.c
Soft Drinks, Cordials & Syrup	1211	Soft Drink, Cordial and Syrup Manufacturing
Beer	1212	Beer Manufacturing
Wine & Other Alcohol	1213	Spirit Manufacturing
	1214	Wine and Other Alcoholic Beverage Manufacturing
Sanitary Paper Product	1524	Sanitary Paper Product Manufacturing
Human Pharmaceutical Product	1841	Human Pharmaceutical Manufacturing
Cleaning Compounds & Toiletry Preparation	1851	Cleaning Compound Manufacturing
	1852	Cosmetic and Toiletry Preparation Manufacturing

CATEGORY OUPUTS

The 2018 outputs for the categories for the four electorates, in northern Victoria, are outlined below.

Table 4.2 Economic outputs for the food and grocery manufacturing industry categories, 2018

SUBSECTOR	OUPUT (\$BN)	EMPLOYMENT (JOBS)	LOCAL EXPENDITURE (\$B)
Meat & Meat Product	\$2.08	4,052	\$0.90
Processed Seafood	\$0.01	5	\$0.00
Dairy Product	\$1.98	2,334	\$0.94
Fruit & Vegetable	\$1.31	1,311	\$0.41
Oils & Fats	\$0.03	21	\$0.01
Grain Mill & Cereal Product	\$0.42	396	\$0.19
Bakery Product	\$0.31	2,173	\$0.10
Sugar & Confectionery	\$0.21	291	\$0.09
Other Food Product	\$1.81	1,731	\$0.46
Soft Drinks, Cordials & Syrup	\$0.08	97	\$0.03
Beer	\$0.13	108	\$0.04
Wine, Spirits & Tobacco	\$0.68	1,503	\$0.17
Human Pharmaceutical Product	\$0.09	85	\$0.01
Cleaning Compounds & Toiletry Preparation	\$0.11	114	\$0.01
TOTAL	\$9.24	14,221	

5. DATA SOURCES

This report was prepared by the Australian Food and Grocery Council using secondary data sources.

DATA SOURCES

The REMPLAN Economic Development Practitioner Package was used to extract the data relating to economic outputs for the four electorates that form the region referred to as northern Victoria in this report.

These electorates are:

- Bendigo
- Indi
- Mallee
- Nicholls.

The REMPLAN Economic Development Practitioner Package uses data from the Australian Bureau of Statistics (ABS).

The publications that were used to formulate this report include:

- ABS 2016 Census Place of Work Employment (Scaled)
- ABS 2015 / 2016 National Input Output Tables
- ABS June 2018 Gross State Product
- ABS 2016 Census of Population and Housing (Scaled)
- ABS 2016 / 2017 Tourism Satellite Account.