



**FOOD AND GROCERY  
MANUFACTURING  
IN SOUTH EAST MELBOURNE**

ECONOMIC SNAPSHOT 2018/19

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Australian Food and Grocery Council

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## 1. EXECUTIVE SUMMARY

The food and grocery<sup>1</sup> manufacturing industry is an important contributor to the local economy in south east Melbourne. This region consists of four electorates, including:

- Aston
- Chisholm
- Deakin
- Hotham
- Isaacs.

**Figure 1. Map with location of the four electorates that comprise south east Melbourne.**



### OUTPUT

In 2018, the food and grocery manufacturing industry based in south east Melbourne generated an output<sup>2</sup> of \$11.10 billion, which is the fifth highest economic contributor in the region. The industry represents 23.3% of the region’s manufacturing output and 7.4% of total output in south east Melbourne. The electorate with the largest food and grocery manufacturing output is Isaacs, which generates \$4.56 billion in annual revenue.

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

<sup>2</sup> 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.

## EMPLOYMENT

The food and grocery manufacturing industry employ 16,190 people in the region. This represents 24.2% of all manufacturing jobs and 3.7% of total jobs in south east Melbourne.

## WAGES AND SALARIS

A total of \$1.29 billion was paid to workers in the south east Melbourne food and grocery industry. This constitutes 24.5% 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 expenditure<sup>3</sup>. The food and grocery industry in Isaacs had the largest contribution to the total with \$1.22 billion spend.

## NET TAXES

A total of \$81.38 million in net taxes was paid by the food and grocery manufacturing industry. This amount was 2.9 % of the total net taxes for all industries in south east Melbourne.

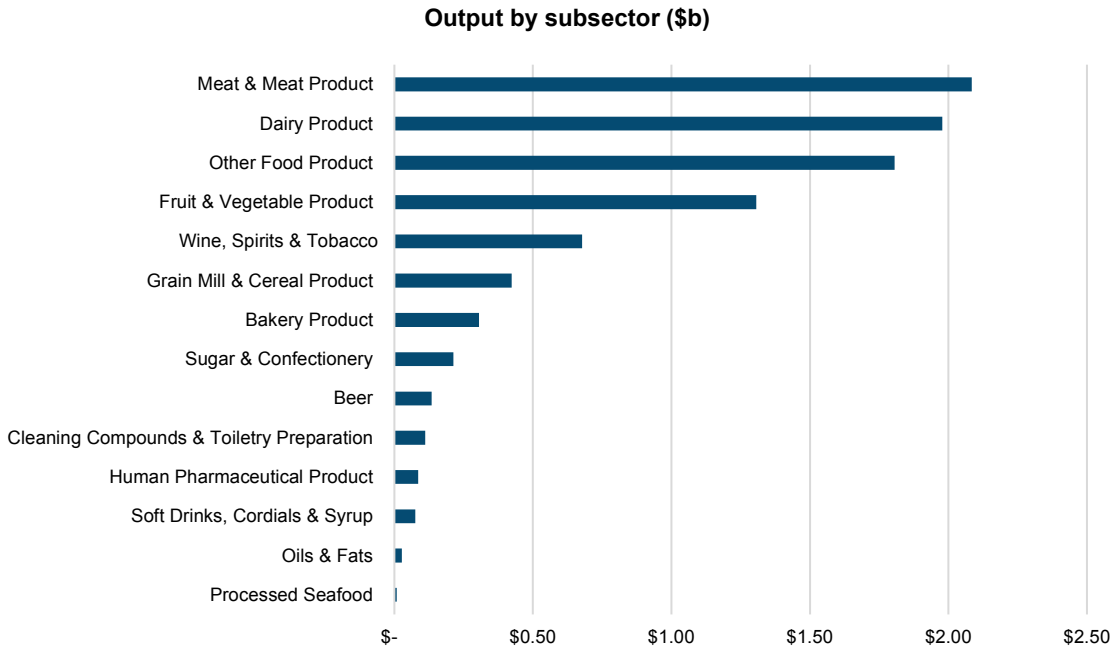
**Table 1. Summary - South east Melbourne's food and grocery manufacturing, 2018**

COMMONWEALTH ELECTORATE	OUTPUT (\$B)	EMPLOYMENT (NO. JOBS)	WAGES & SALARIES (\$B)	LOCAL EXPENDITURE (\$B)	NET TAXES (\$M)
Aston	\$2.44	2,988	\$0.26	\$0.55	\$15.40
Hotham	\$3.14	4,200	\$0.34	\$0.73	\$20.10
Deakin	\$0.83	1,351	\$0.12	\$0.21	\$8.20
Isaacs	\$4.57	7,244	\$0.55	\$1.22	\$36.50
Chisholm	\$0.12	407	\$0.02	\$0.02	\$1.18
<b>Total south east Melbourne</b>	<b>\$11.10</b>	<b>16,190</b>	<b>\$1.29</b>		<b>\$81.38</b>

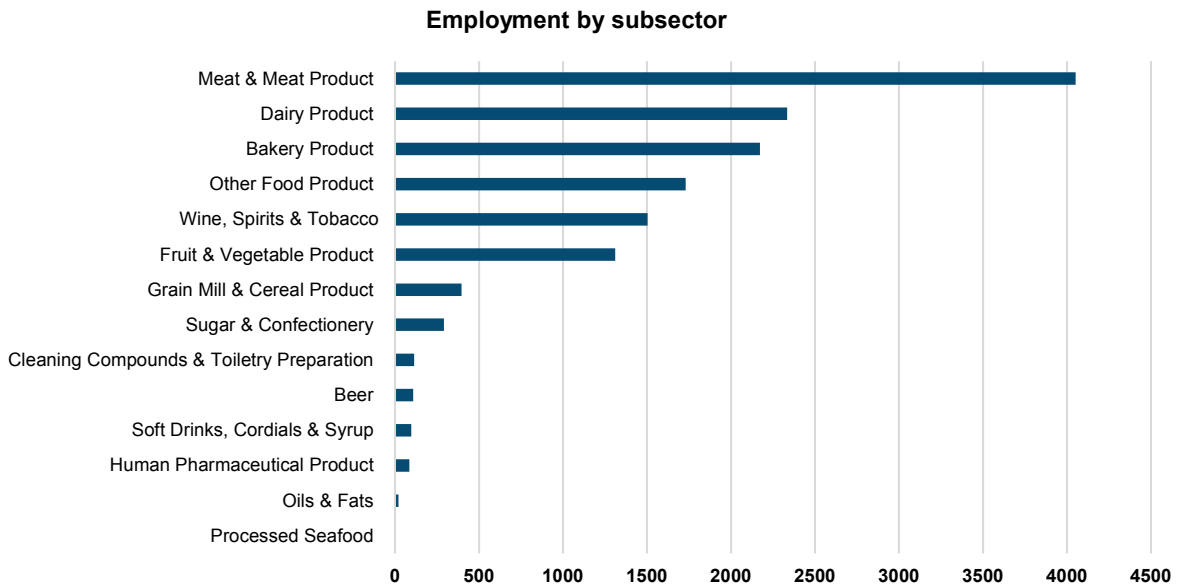
<sup>3</sup> Local Expenditure data represents the value of intermediate goods and services purchased by local industry sectors within the region. A high level of local expenditure on intermediate goods and services proportionate to total output is indicative of well-developed local supply chains and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

### FOOD AND GROCERY SUB-SECTORS

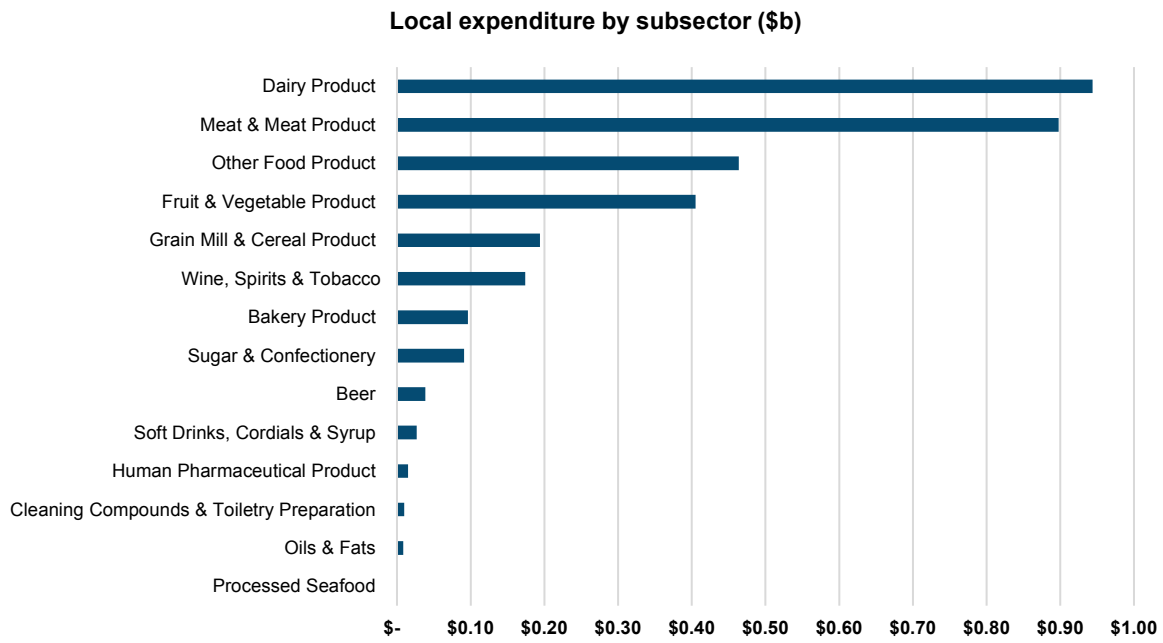
In south east Melbourne, the food and grocery manufacturing industry sub-sectors that are the larger economic contributors include: meat and meat product manufacturing, dairy product manufacturing and fruit and vegetable product manufacturing. The following figures depict the levels for all sub-sectors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



**Figure 1.1. Outputs for south east Melbourne’s industry sub-sectors, 2018**



**Figure 1.2. Employment by south east Melbourne’s industry sub-sectors, 2018**



**Figure 1.3. Local expenditure for south east Melbourne’s industry sub-sectors, 2018**

## 2. FOOD AND GROCERY MANUFACTURING IN SOUTH EAST MELBOURNE

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

### 2.1 OUTPUT

The total output for south east Melbourne in 2018 was estimated at \$149.29 billion. The food and grocery manufacturing industry contributed second highest output with \$11.10 billion. This represented 23.3% of manufacturing output and 7.4% of the total output in south east Melbourne.

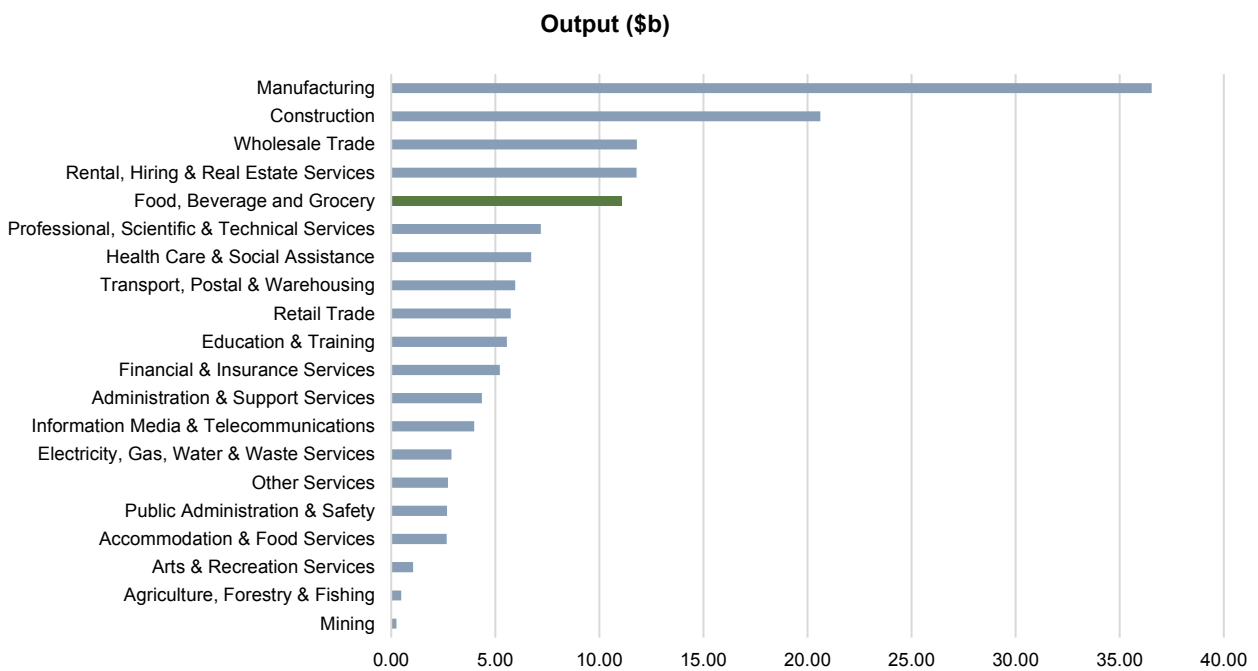


Figure 2.1. Outputs for industries in south east Melbourne, 2018

At \$4.57 billion, the electorate of Isaacs is the largest contributor to food and grocery manufacturing industry’s total output in the region. The food and grocery manufacturing industry in Aston contributed the most output in the electorate, representing 10.4% of its total.



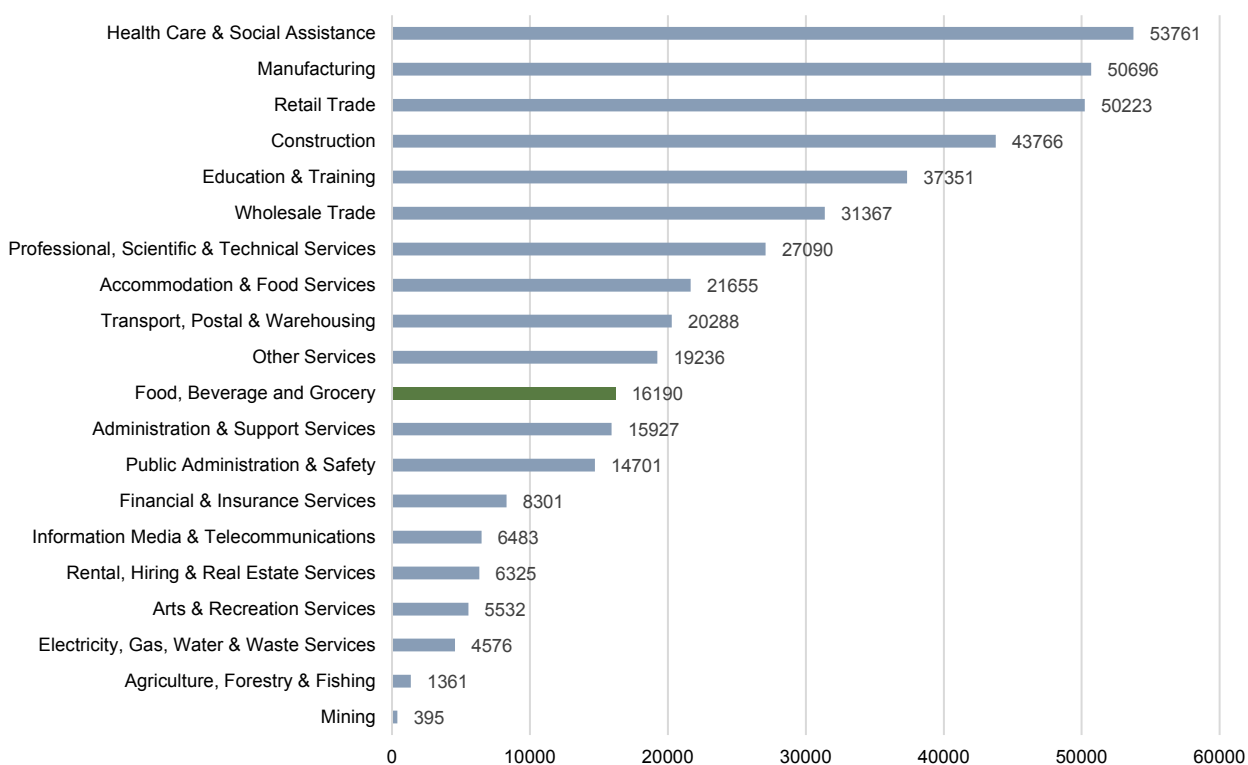
**Table 2. South east Melbourne food and grocery manufacturing output by electorate, 2018**

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING OUTPUT (\$B)	TOTAL OUTPUT (\$B)	% OF TOTAL OUTPUT
Aston	\$2.44	\$23.51	10.4%
Hotham	\$3.14	\$37.65	8.4%
Deakin	\$0.83	\$18.99	4.4%
Isaacs	\$4.57	\$49.48	9.2%
Chisholm	\$0.12	\$19.65	0.6%
<b>South east Melbourne</b>	<b>\$11.10</b>	<b>\$149.29</b>	<b>7.4%</b>

## 2.2 EMPLOYMENT

In 2018, total employment<sup>4</sup> in south east Melbourne was estimated at 435,224. The food and grocery manufacturing industry employed 16,190 persons or 24.2% of total manufacturing employment in south east Melbourne.

**Employment manufacturing industries south east Melbourne**



**Figure 2.2. Manufacturing employment south east Melbourne, 2018**

<sup>4</sup> Employment data presented in this report is based on data obtained from the 2016 Census.

**Table 3. South east Melbourne food and grocery manufacturing employment by electorate, 2018**

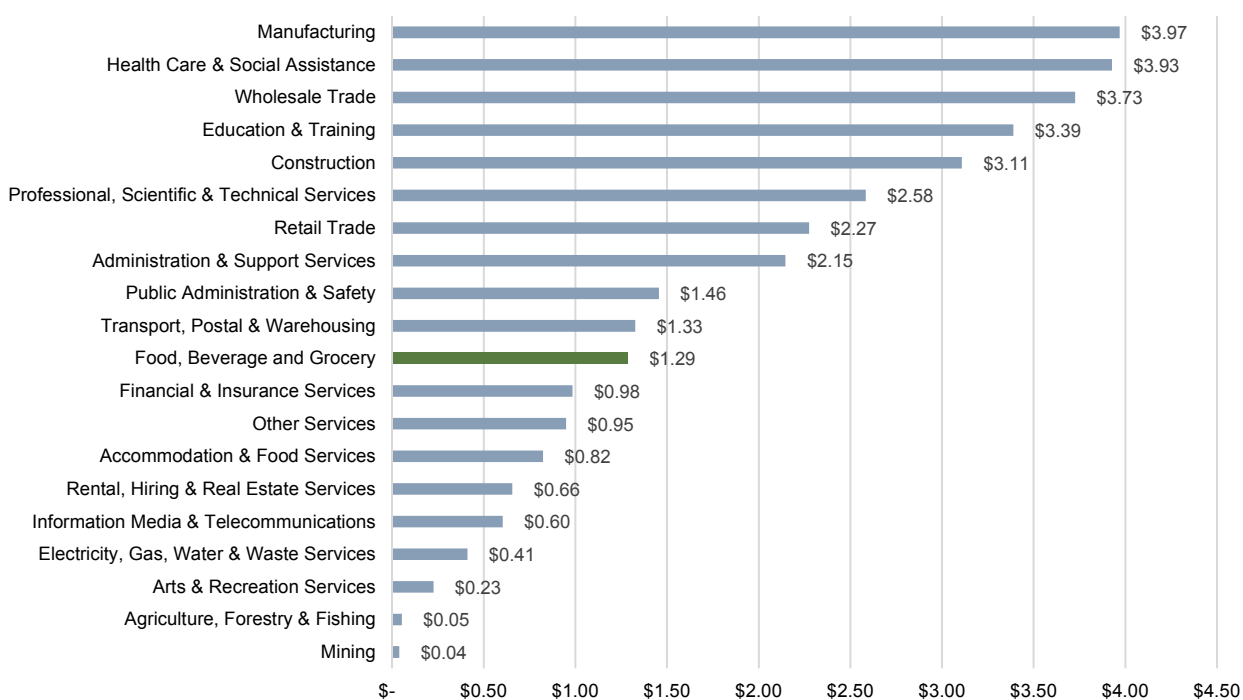
COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING EMPLOYMENT	TOTAL EMPLOYMENT	% OF TOTAL EMPLOYMENT
Aston	2,988	66,60	4.5%
Hotham	4,200	111,847	3.8%
Deakin	1,351	61,066	2.2%
Isaacs	7,244	122,389	5.9%
Chisholm	407	73,321	0.6%
<b>South east Melbourne</b>	<b>16,190</b>	<b>435,224</b>	<b>3.7%</b>

The electorate of Isaacs employed 7,244 people in the food and grocery manufacturing industry and was the largest contributor with 44.7 % of the total employment of food and grocery industry in south east Melbourne.

### 2.3 WAGES AND SALARIES

In 2018, total wages and salaries in south east Melbourne were estimated at \$33.94 billion. The food and grocery manufacturing industry contributed \$1.29 billion or 3.8% to this total. In south east Melbourne, the food and grocery manufacturing industry represented 24.5% of total manufacturing wages and salaries.

**Wages and Salaries for manufacturing industries in south east Melbourne (\$b)**



**Figure 2.3. South east Melbourne Manufacturing Wages and Salaries by Electorate, 2018**

The electorate of Isaacs with 42.4% share was the largest contributor to the total wages and salaries by the industry.

**Table 4. South east Melbourne 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 EMPLOYMENT
Aston	\$0.26	\$5.04	5.1%
Hotham	\$0.34	\$9.11	3.7%
Deakin	\$0.12	\$4.46	2.8%
Isaacs	\$0.55	\$9.37	5.8%
Chisholm	\$0.02	\$5.95	0.3%
<b>South east Melbourne</b>	<b>\$1.29</b>	<b>\$33.94</b>	<b>3.8%</b>

## 2.4 LOCAL EXPENDITURE

The electorate of Isaacs had the largest local expenditure spend with \$1.22 billion. This represented 24.0% of its manufacturing industry's local expenditure spend in 2018.

**Table 5. South east Melbourne 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
Aston	\$0.55	\$6.89	8.0%
Hotham	\$0.73	\$11.94	6.1%
Deakin	\$0.21	\$5.88	3.5%
Isaacs	\$1.22	\$14.88	8.4%
Chisholm	\$0.02	\$6.20	0.3%
<b>South east Melbourne</b>	<b>No totals available for the region</b>		

## 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 south east Melbourne generated \$2.77 billion in net taxes. The total net tax contribution from the food and grocery manufacturing industry was \$81.38 million.

**Table 6. South east Melbourne food and grocery manufacturing net taxes by electorate, 2018**

COMMONWEALTH ELECTORATE	FOOD AND GROCERY MANUFACTURING NET TAXES (\$M)	TOTAL NET TAXES (\$M)	% OF TOTAL LOCAL EXPENDITURE
Aston	\$15.40	\$441.20	3.5%
Hotham	\$20.10	\$700.80	2.9%
Deakin	\$8.20	\$374.39	2.2%
Isaacs	\$36.50	\$792.00	4.6%
Chisholm	\$1.18	\$459.80	0.3%
<b>South east Melbourne</b>	<b>\$81.38</b>	<b>\$2,768.19</b>	<b>2.9%</b>

The food and manufacturing industry in the electorate of Isaacs contributes the most in net taxes at \$36.50 million or 44.8% of total net taxes for Food and Grocery industry.

### 3. SOUTH EAST MELBOURNE ELECTORATES

This section goes into detail for each of the four commonwealth electorates in south east Melbourne. It outlines the key economic contributions of the food and grocery manufacturing industry in the electorates of Aston, Deakin, Chisholm, Hotham and Isaacs.

#### 3.1 FOOD AND GROCERY MANUFACTURING INDUSTRY - ASTON

In 2018, the food and manufacturing industry in Aston had outputs of \$2.44 billion or 10.4% of the electorate's output.

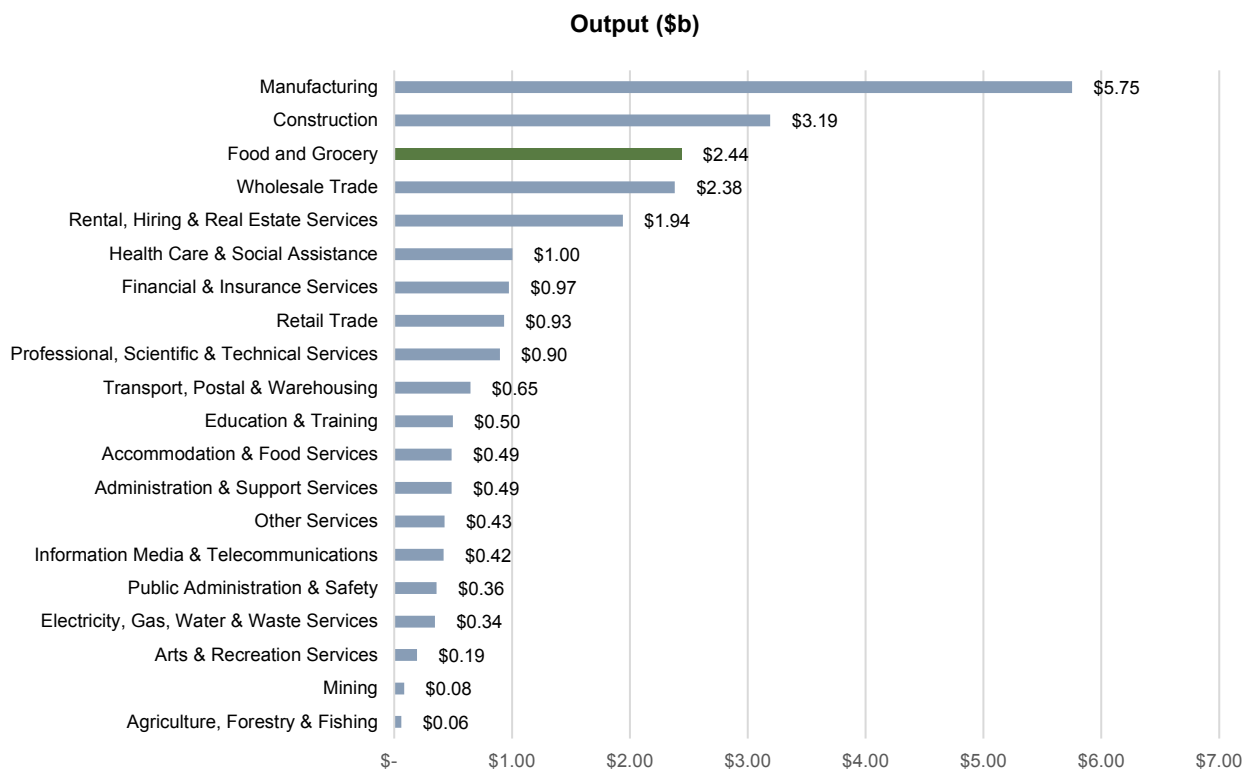


Figure 3.1. Outputs of industries in Aston, 2018

### 3.1.1 EMPLOYMENT IN ASTON

The food and grocery manufacturing industry created 2,988 jobs in the electorate of Aston.

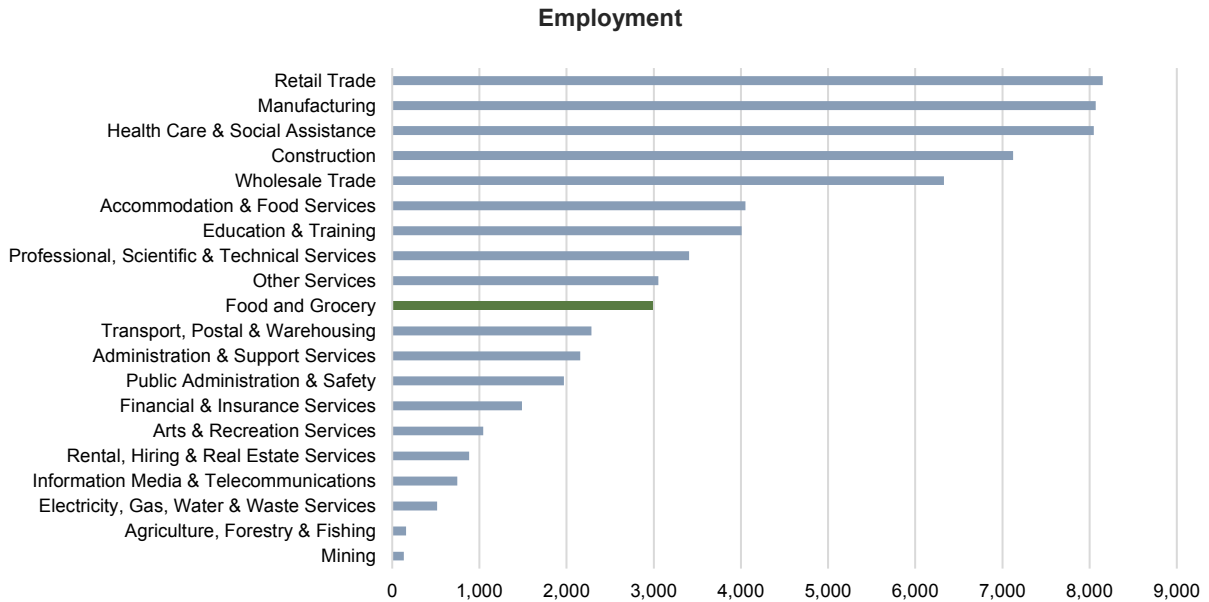


Figure 3.1.1. Employment by number of jobs for industries in Aston, 2018

### 3.1.2 WAGES AND SALARIES IN ASTON

In 2018, the food and grocery manufacturing industry contributed \$257.16 million in wages and salaries in Aston.

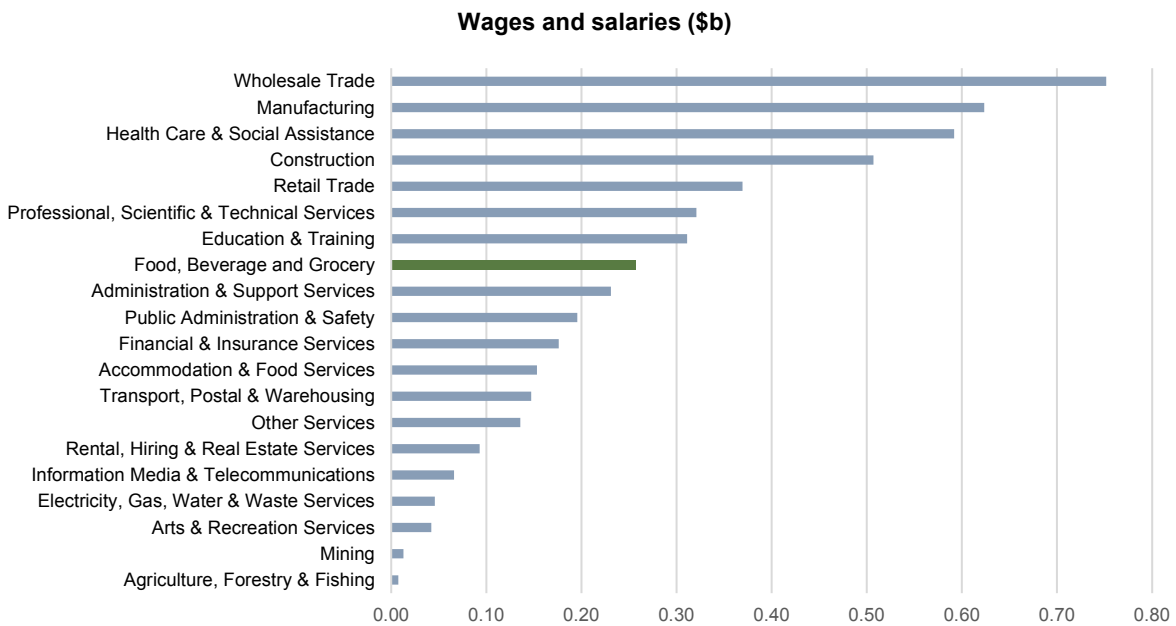
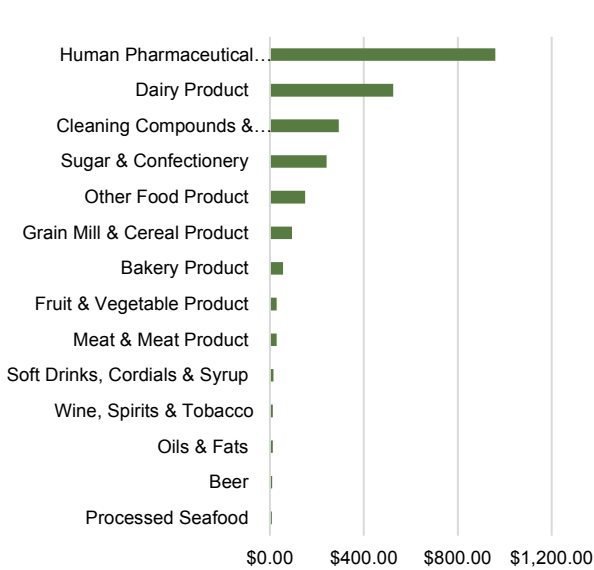


Figure 3.1.2. Wages and salaries for industries in Aston, 2018

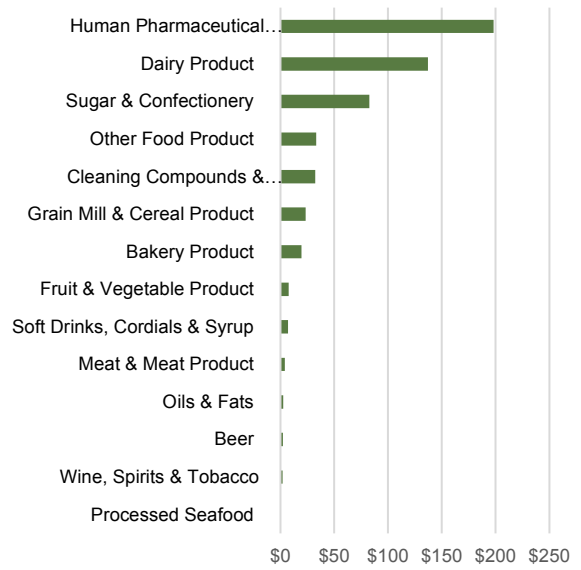
### 3.1.3 SUB-SECTORS IN ASTON

There are several food and grocery manufacturing sub-sectors within the electorate of Aston that contribute significant economic benefits. The key sub-sectors in Aston include: Human pharmaceutical products, dairy product manufacturing, sugar & confectionary and cleaning compounds & toiletry preparation manufacturing. The output, expenditure, employment and wages and salaries are outlined below.

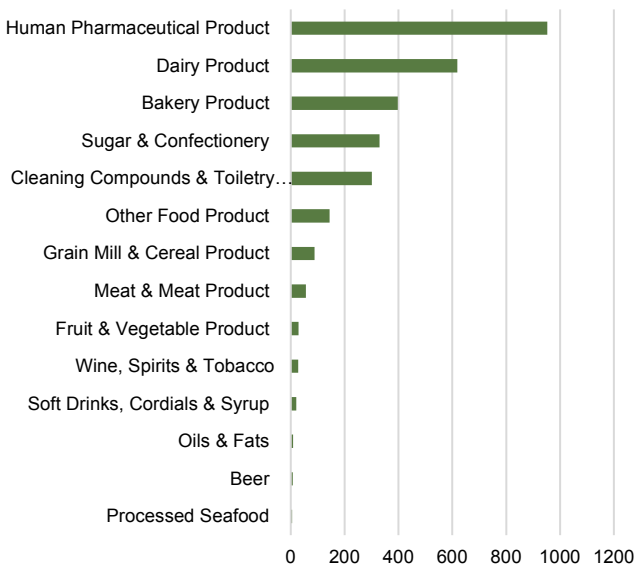
**Output (\$m)**



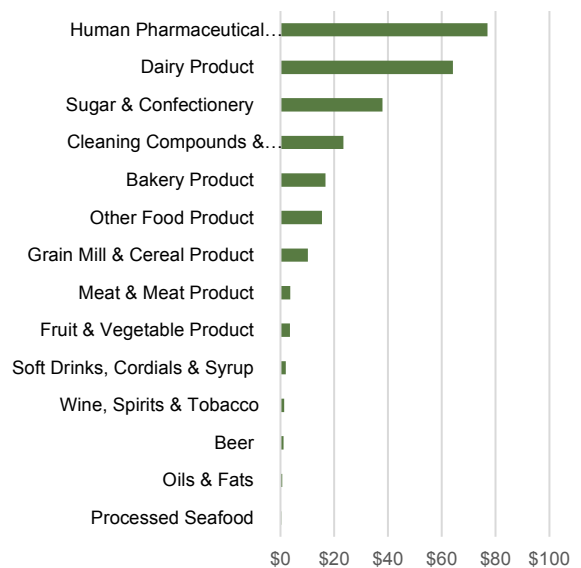
**Local expenditure (\$m)**



**Employment**



**Wages and salaries (\$m)**



### 3.2 FOOD AND GROCERY MANUFACTURING INDUSTRY - HOTHAM

In Hotham, the food and grocery manufacturing industry contributed \$3.14 billion or 8.4% of the electorate's total output.

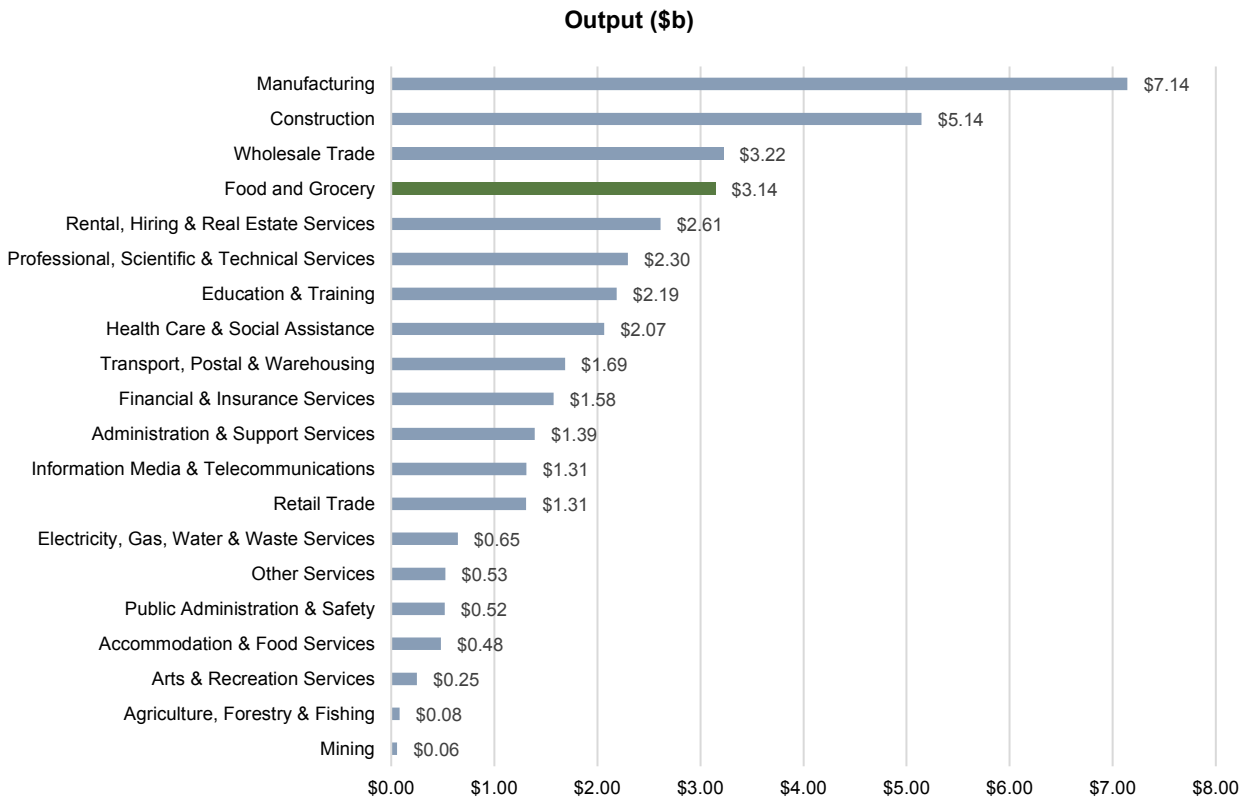
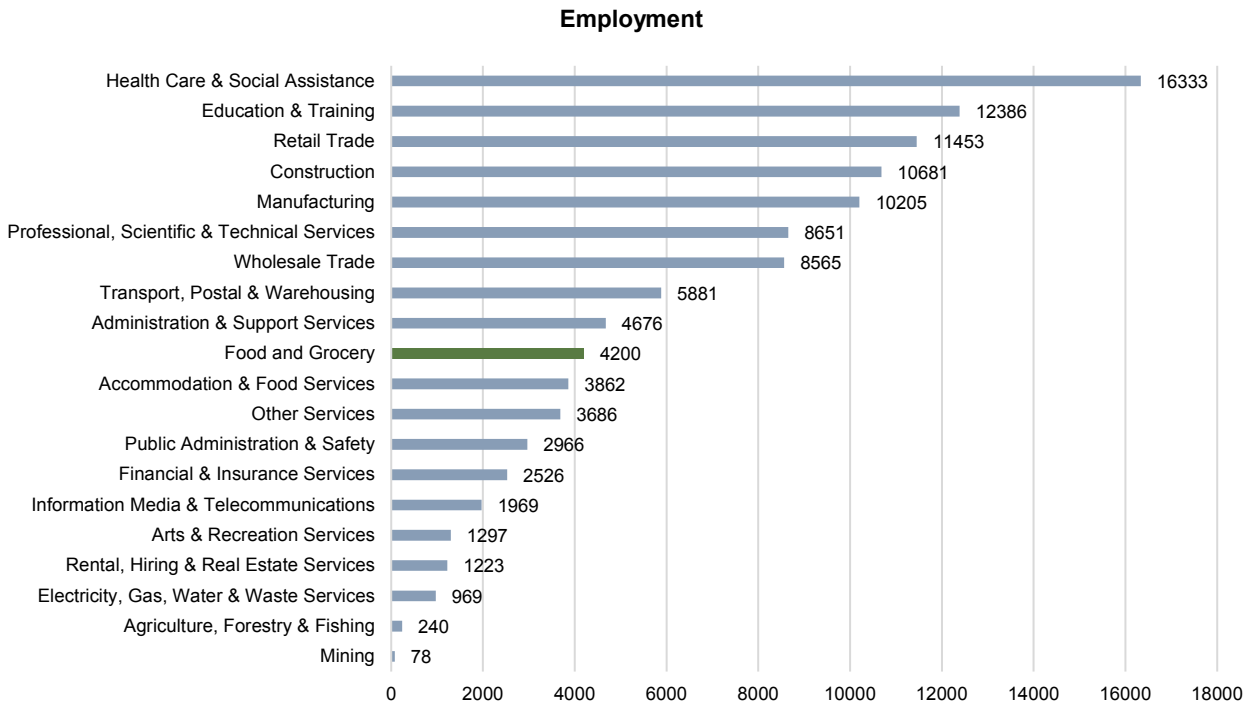


Figure 3.2. Economic outputs of industries in Hotham, 2018



### 3.2.1 EMPLOYMENT IN HOTHAM

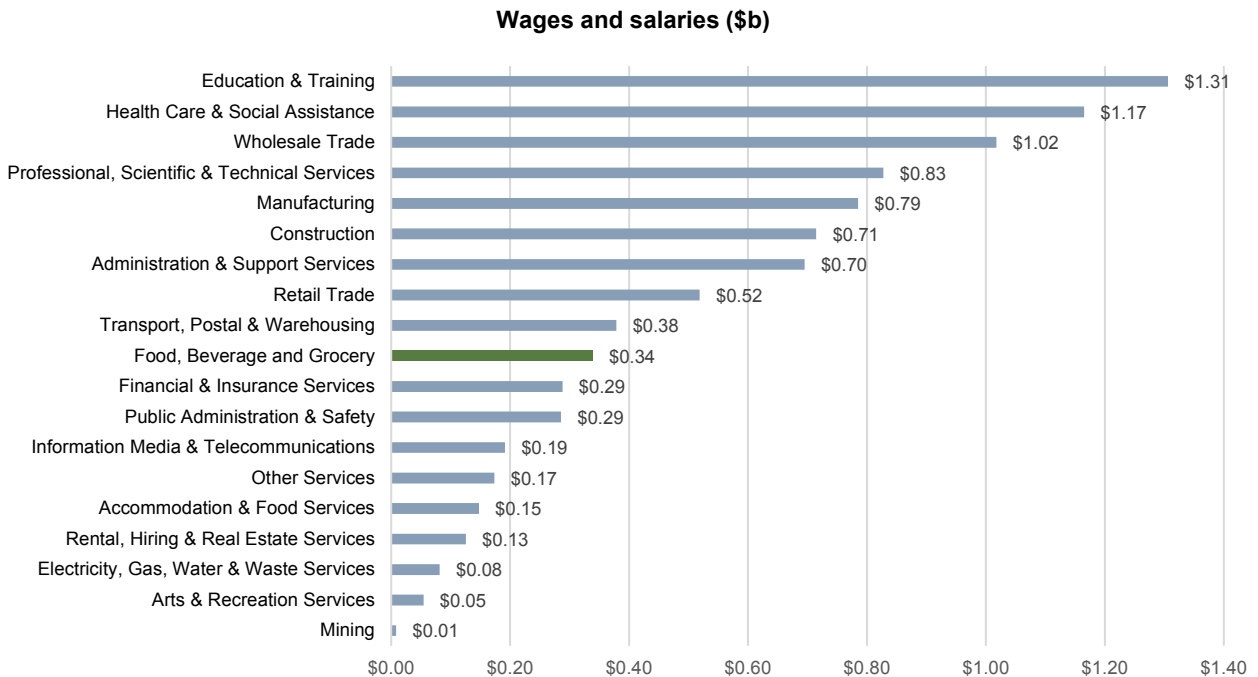
The food and grocery manufacturing industry created 4,200 jobs in the electorate of Hotham.



**Figure 3.2.1. Employment by number of jobs for industries in Hotham, 2018**

### 3.2.2 WAGES AND SALARIES IN HOTHAM

In 2018, the food and grocery manufacturing industry contributed \$0.34 billion or 3.7% of the total wages and salaries in Hotham.

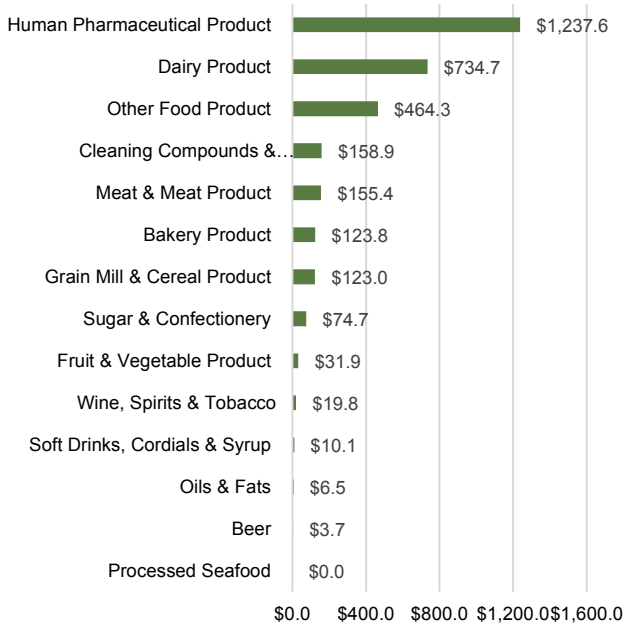


**Figure 3.2.2. Wages and salaries for industries in Hotham, 2018**

### 3.2.3 SUB-SECTORS IN HOTHAM

There are several food and grocery manufacturing sub-sectors within the electorate of Hotham that contribute significant economic benefits. The key sub-sectors in Hotham include: Human Pharmaceutical product manufacturing, dairy product manufacturing cleaning compounds and toiletry preparation and other food product manufacturing. The output, expenditure, employment and wages and salaries are outlined below.

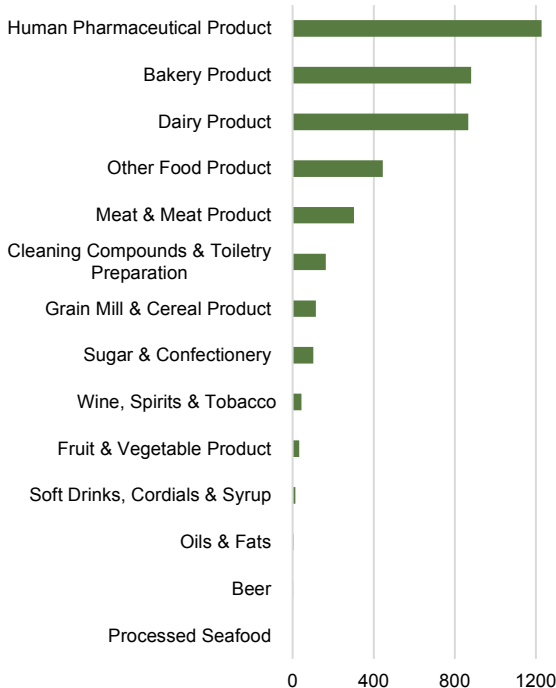
**Output (\$b)**



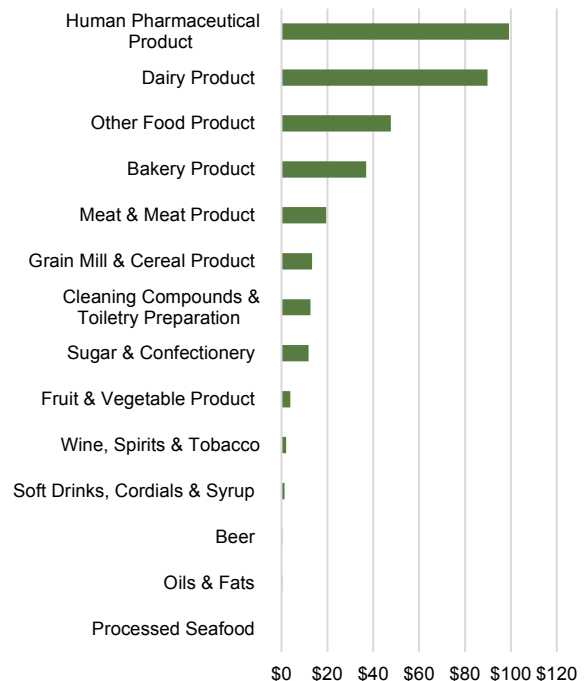
**Local expenditure (\$m)**



**Employment**



**Wages and salaries (\$m)**



### 3.3 FOOD AND GROCERY MANUFACTURING INDUSTRY - DEAKIN

In Deakin, the food and grocery manufacturing industry generated \$0.83 billion or 4.4% of the electorate’s total output.

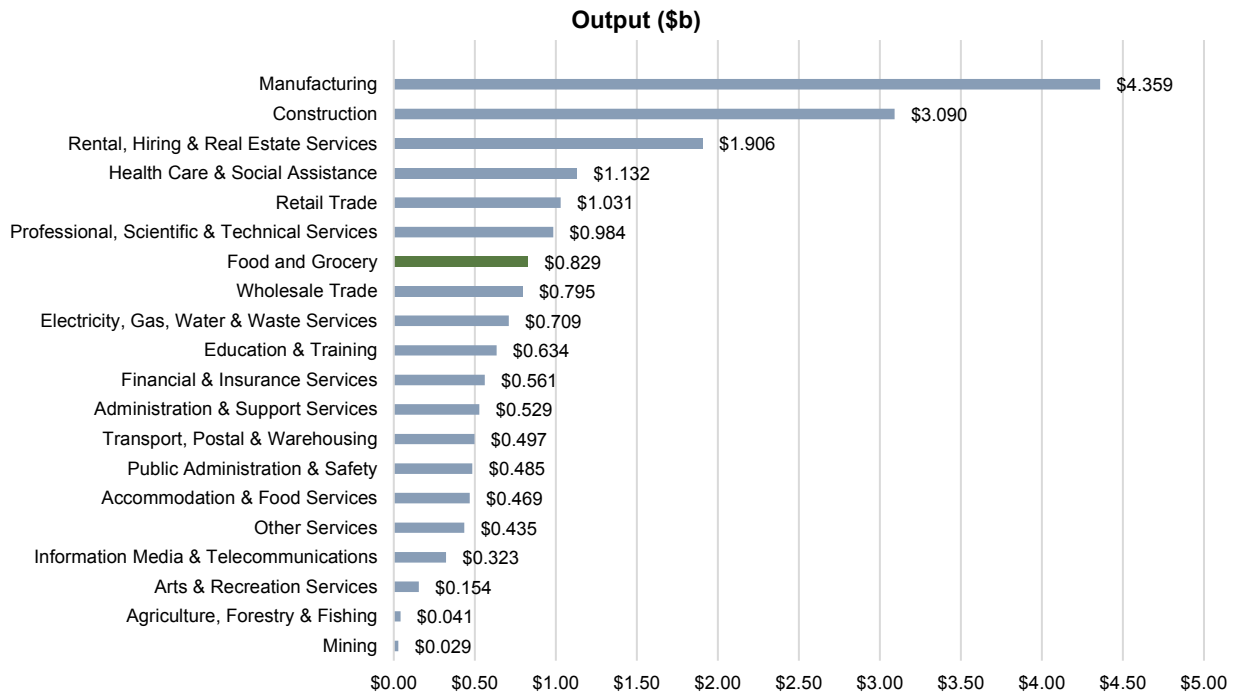
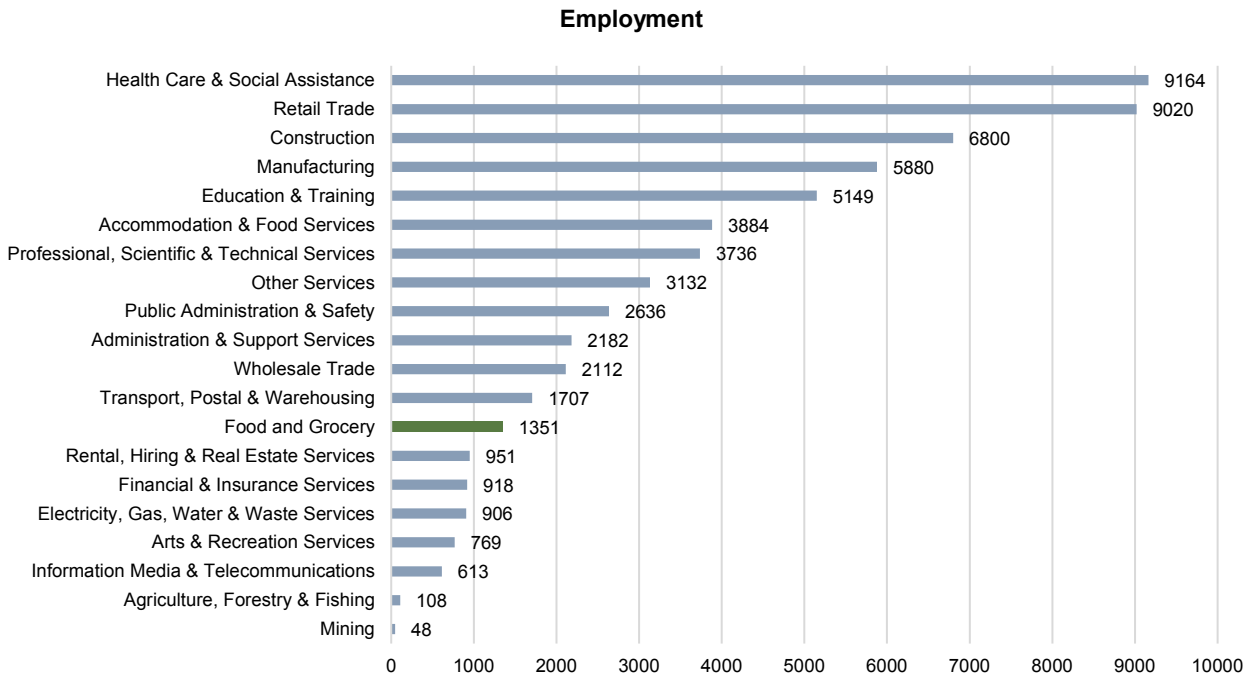


Figure 3.3. Economic outputs of industries in Deakin, 2018

### 3.3.1 EMPLOYMENT IN DEAKIN

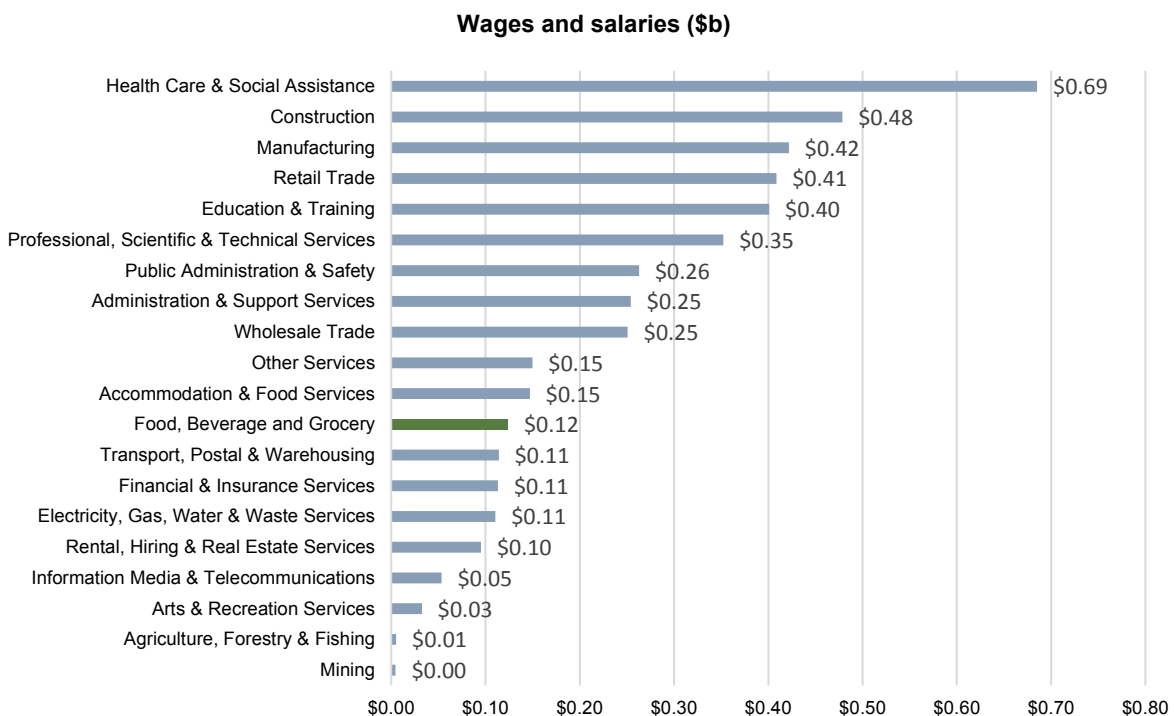
The food and grocery manufacturing industry created 1,351 jobs in the electorate of Deakin.



**Figure 3.3.1. Employment by number of jobs for industries in Deakin, 2018**

### 3.3.2 WAGES AND SALARIES IN DEAKIN

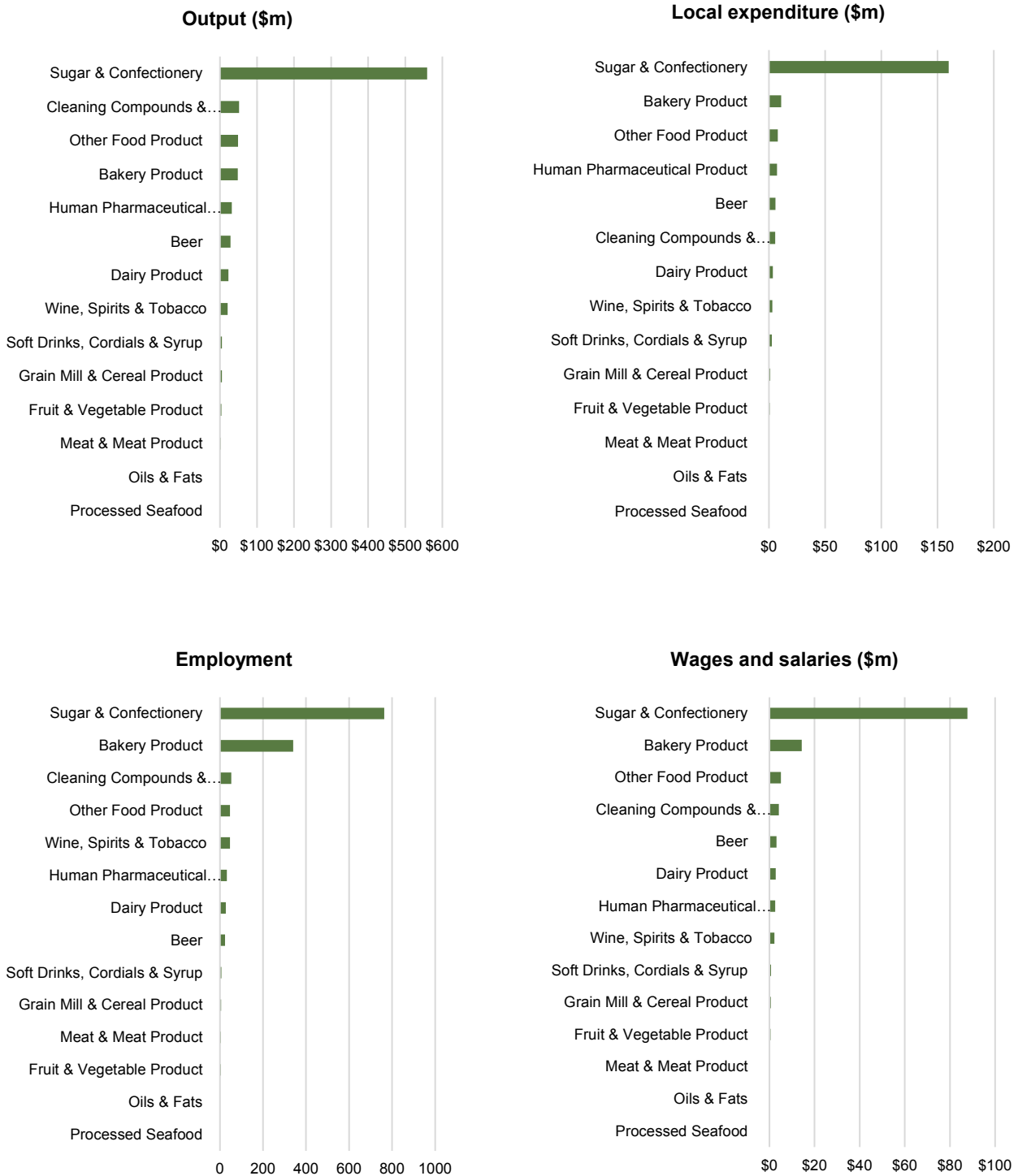
In 2018, the food and grocery manufacturing industry contributed \$0.12 billion or 2.8% of the total wages and salaries in Deakin.



**Figure 3.3.2. Wages and salaries for industries in Deakin, 2018**

### 3.3.3 SUB-SECTORS IN DEAKIN

There are several food and grocery manufacturing sub-sectors within the electorate of Deakin that contribute economic benefits. The key sub-sectors in Deakin include: sugar & confectionary cleaning compounds and toiletry preparations and bakery product manufacturing. The output, expenditure, employment and wages and salaries are outlined below.



### 3.4 FOOD AND GROCERY MANUFACTURING INDUSTRY - ISAACS

In Isaacs, the food and grocery manufacturing industry generated \$4.57 billion or 9.2% of the electorate’s total output.

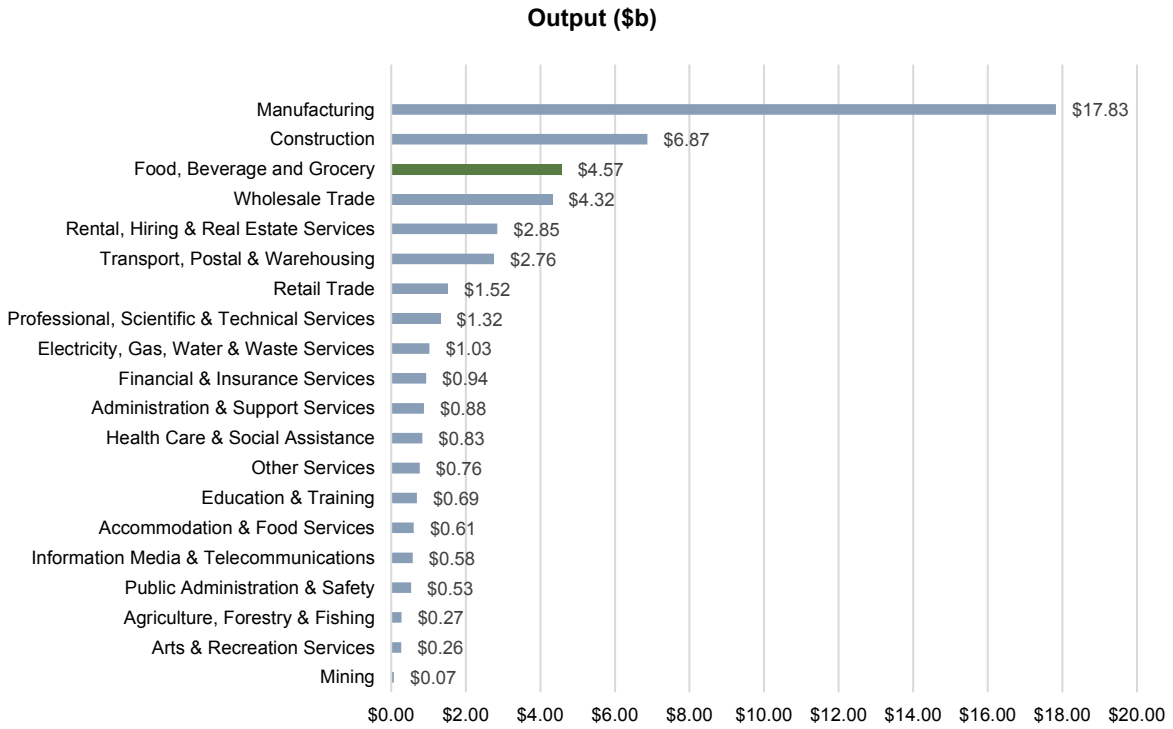


Figure 3.4. Economic outputs of industries in Isaacs, 2018

### 3.4.1 EMPLOYMENT IN ISAACS

The food and grocery manufacturing industry created 7,244 jobs in the electorate of Isaacs.

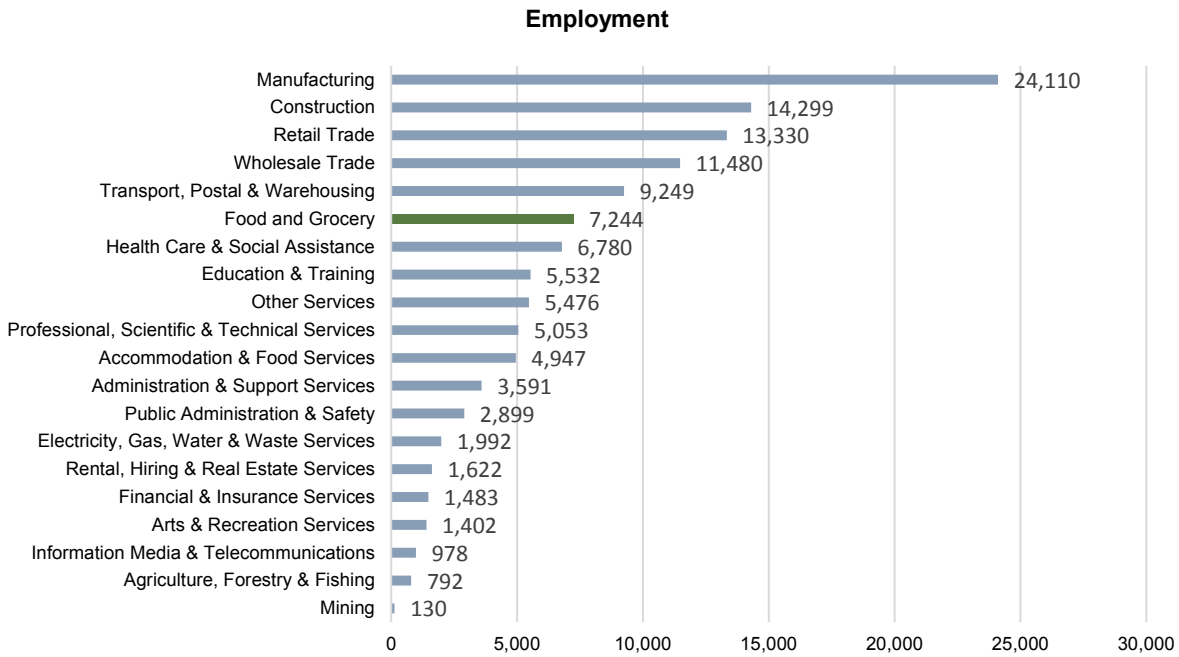


Figure 3.4.1. Employment by number of jobs for industries in Isaacs, 2018

### 3.4.2 WAGES AND SALARIES IN ISAACS

In 2018, the food and grocery manufacturing industry contributed \$546.09 million of the total wages and salaries in Isaacs.

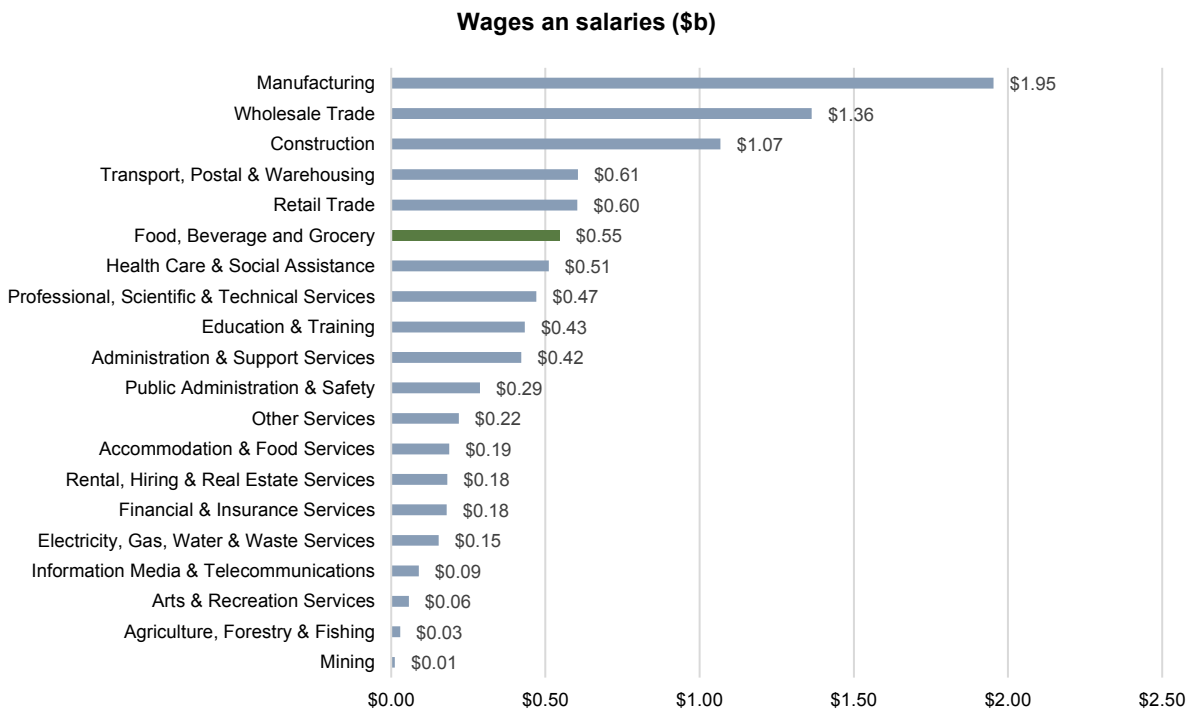
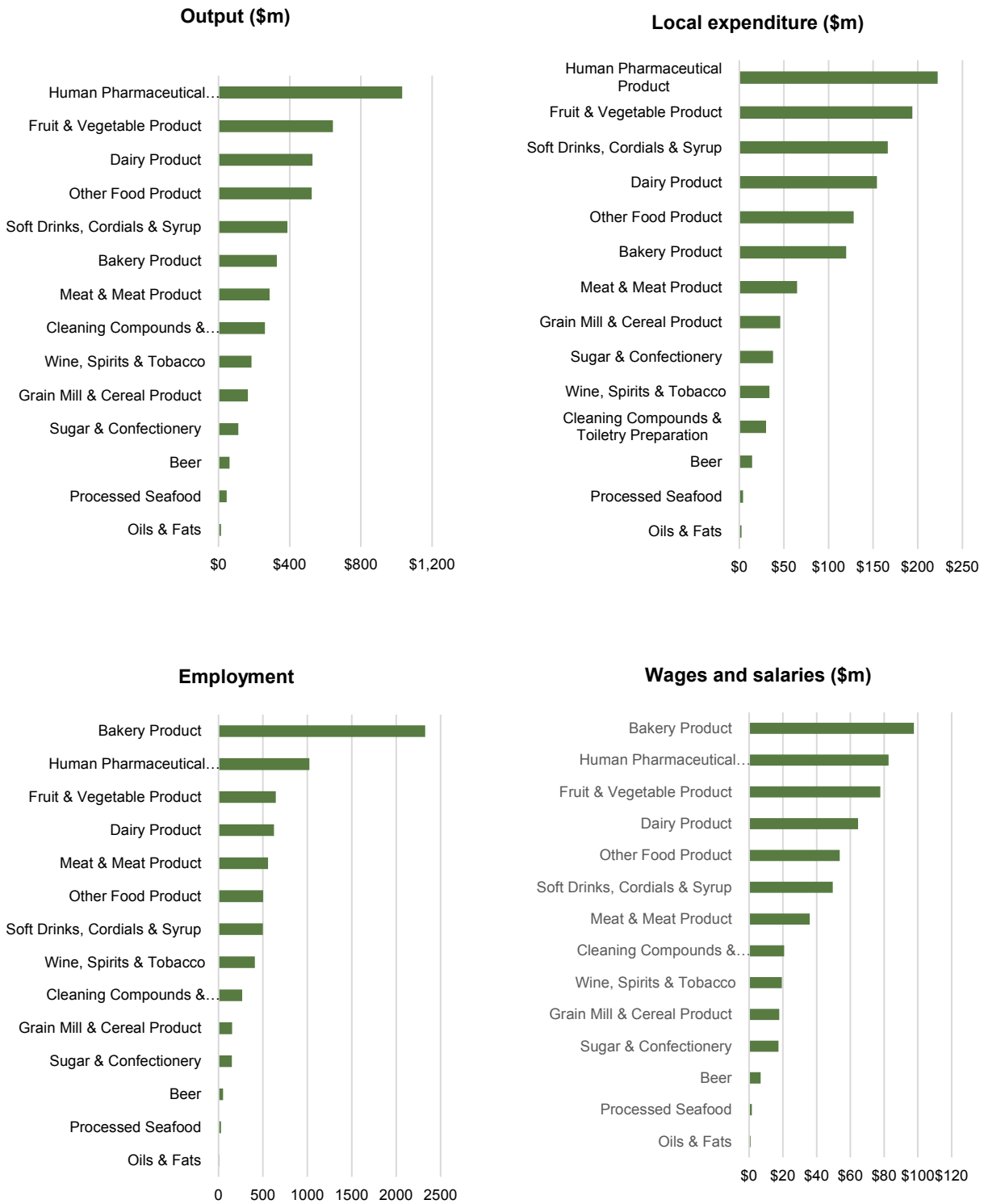


Figure 3.4.2. Wages and salaries for industries in Isaacs, 2018

### 3.4.3 SUB-SECTORS IN ISAACS

There are several food and grocery manufacturing sub-sectors within the electorate of Isaacs that contribute significant economic benefits. The key sub-sectors in Isaacs include: Human Pharmaceutical product manufacturing, Fruit and Vegetable product manufacturing, dairy and soft drink and cordial product manufacturing. The output, expenditure, employment and wages and salaries are outlined overleaf.





### 3.5 FOOD AND GROCERY MANUFACTURING IN CHISHOLM

The food and grocery manufacturing industry generated \$0.12 billion or 0.6% of the electorate’s total output.

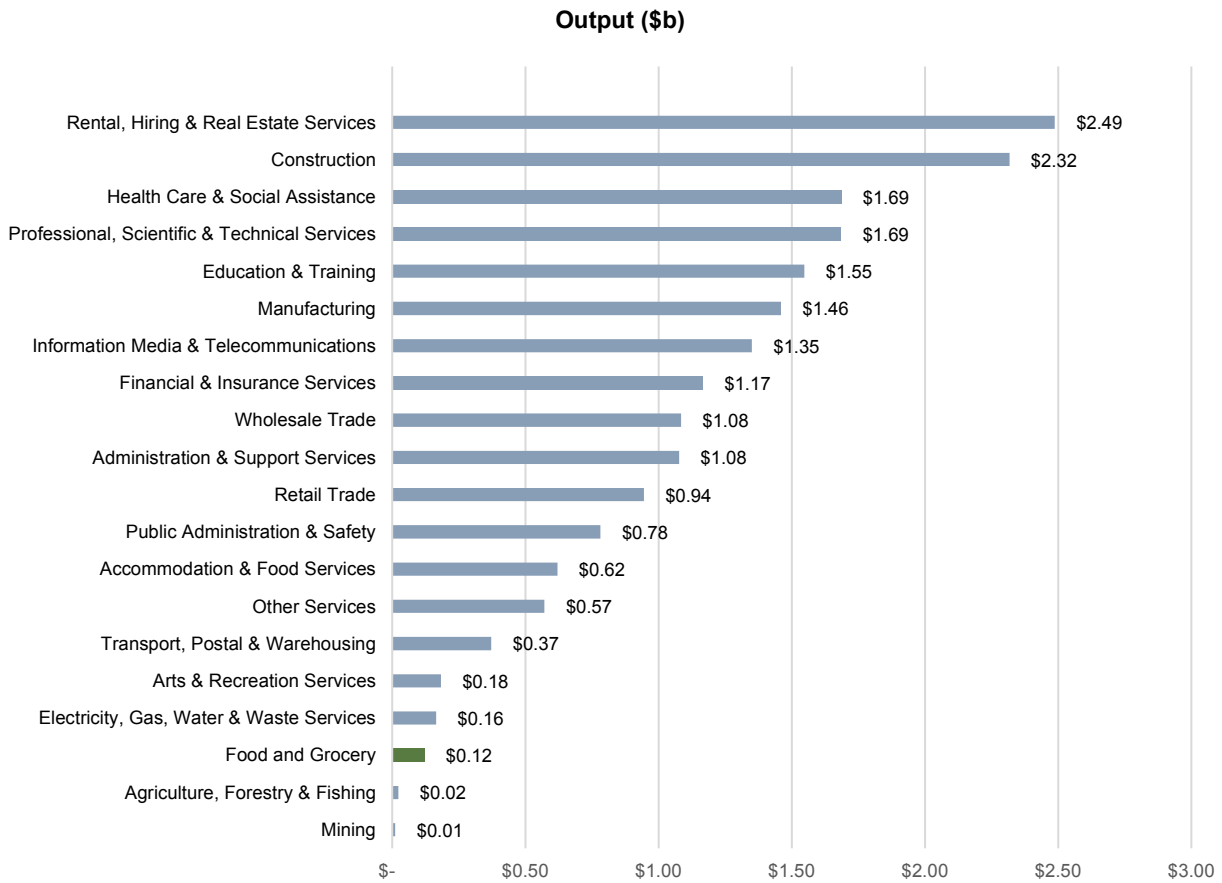


Figure 3.5. Economic outputs of industries in Chisholm, 2018

### 3.5.1 EMPLOYMENT IN CHISHOLM

The food and grocery manufacturing industry created 407 jobs in the electorate of Chisholm.

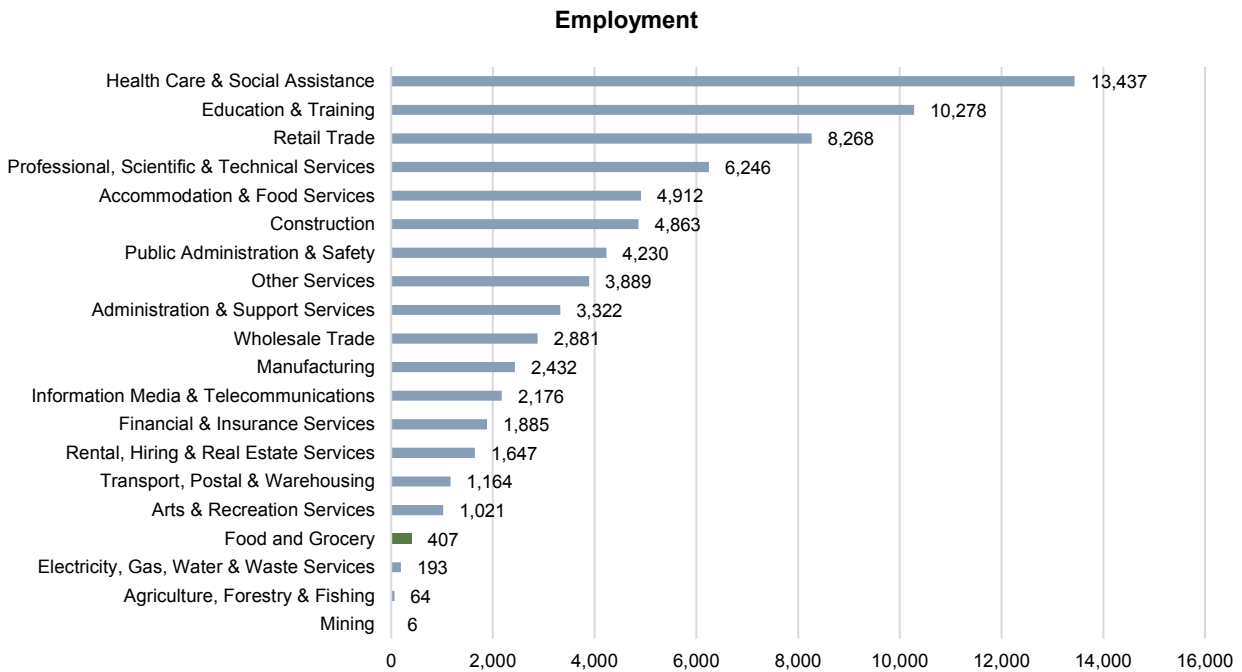


Figure 3.5.1. Employment by number of jobs for industries in Chisholm, 2018

### 3.5.2 WAGES AND SALARIES IN CHISHOLM

In 2018, the food and grocery manufacturing industry contributed \$20.635 million of the total wages and salaries in Chisholm.

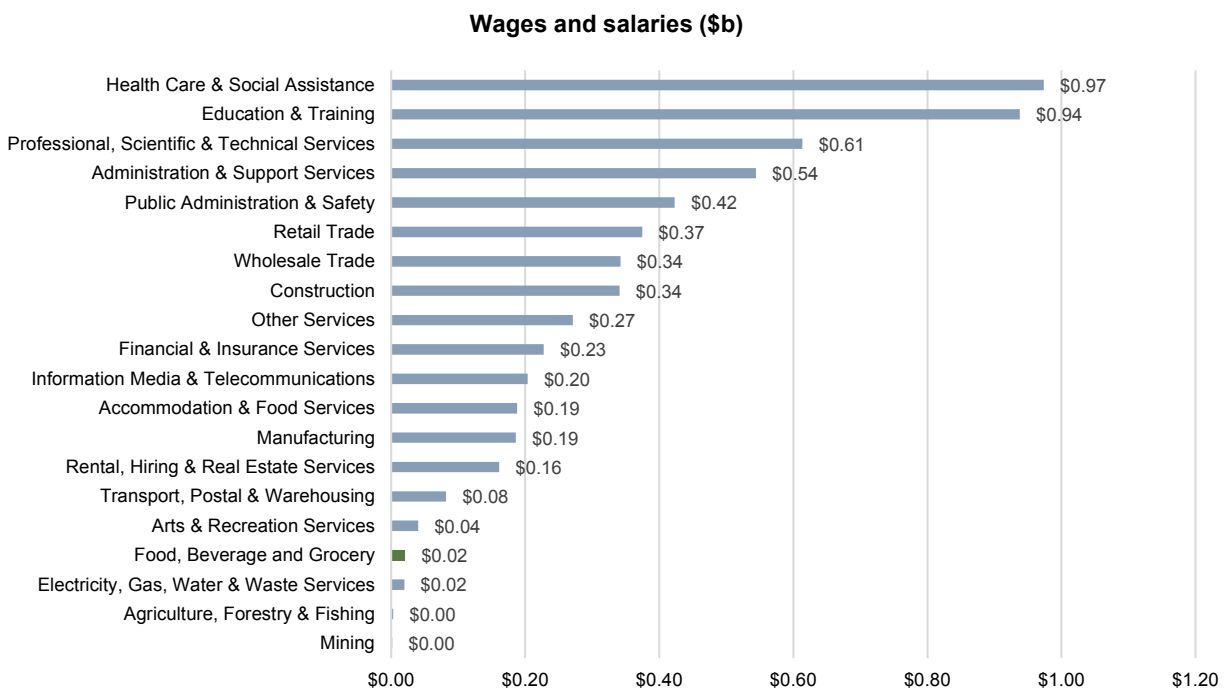
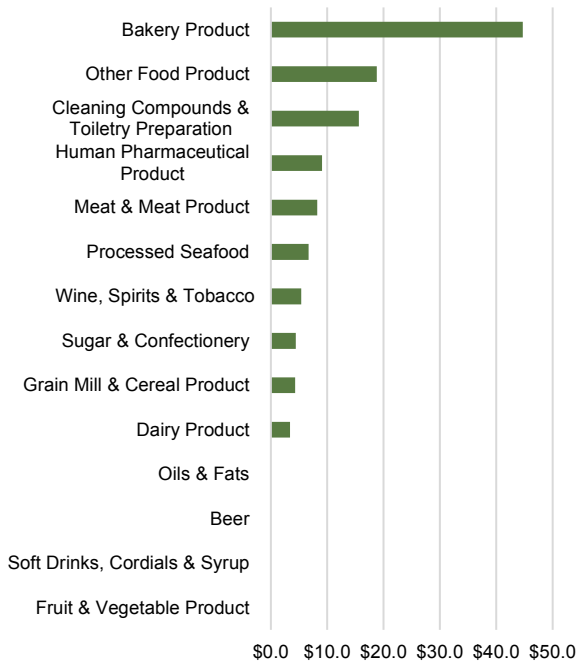


Figure 3.5.2. Wages and salaries for industries in Chisholm, 2018

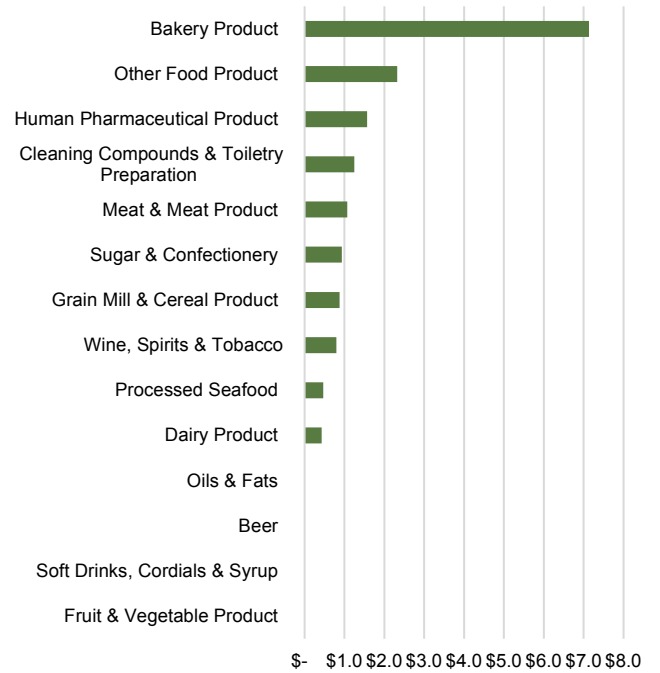
### 3.5.3 SUBSECTORS IN CHISHOLM

There are several food and grocery manufacturing sub-sectors within the electorate of Chisholm that contribute significant economic benefits. The key sub-sectors in Isaacs include: bakery product manufacturing, other food product manufacturing, human Pharmaceutical product manufacturing and cleaning compounds and toiletry preparations. The output, expenditure, employment and wages and salaries are outlined overleaf

**Output (\$m)**



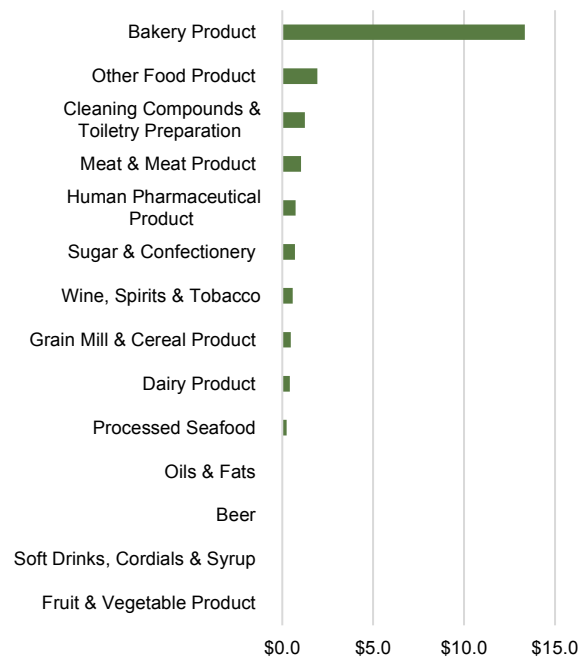
**Local expenditure (\$m)**



**Employment**



**Wages and salaries (\$m)**



## APPENDIX A – 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 7. 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 south east Melbourne, are outlined below.

**Table 8. Economic outputs for the food and grocery manufacturing industry categories, 2018**

SUBSECTOR	OUTPUT (\$B)	EMPLOYMENT (JOBS)	LOCAL EXPENDITURE (\$B)
Bakery Product	\$0.60	4263	0.18
Beer	\$0.10	84	0.01
Cleaning Compounds & Toiletry Preparation	\$0.78	800	0.06
Dairy Product	\$1.81	2140	0.22
Fruit & Vegetable Product	\$0.71	710	0.09
Grain Mill & Cereal Product	\$0.39	366	0.04
Human Pharmaceutical Product	\$3.27	3245	0.26
Meat & Meat Product	\$0.48	935	0.06
Oils & Fats	\$0.03	24	0.00
Other Food Product	\$1.21	1155	0.12
Processed Seafood	\$0.06	36	0.00
Soft Drinks, Cordials & Syrup	\$0.42	540	0.05
Sugar & Confectionery	\$0.99	1352	0.16
Wine, Spirits & Tobacco	\$0.24	540	0.03
<b>TOTAL</b>	<b>\$11.10</b>	<b>16,190.0</b>	<b>1.287</b>

## 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 south east Melbourne in this report.

These electorates are:

- Aston
- Hotham
- Isaacs
- Chisholm
- Deakin.

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.