

Overview

Manufacturing broadly relates to the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand. This chapter presents a range of data about employment, production, industry contribution to total factor income (formerly referred to as gross state product (GSP) at factor cost), turnover and exports for the manufacturing sector as a whole.

Manufacturing remains Victoria's most important industry, despite falling as a proportion of total factor income since 1992–93 from 19.0% to 17.0% (\$21,197 million) in 1997–98 (table 13.1). Victorian employment in the manufacturing sector accounted for 33.0% of total manufacturing employment in Australia. Victorian employment in the manufacturing industry over the last 5 years has increased by 3.7%, from 303,500 persons in 1992–93 to 314,800 in 1997–98.

13.1 INDUSTRY CONTRIBUTION TO TOTAL FACTOR INCOME—1997–98(a)

	Victoria	Australia
	%	%
Agriculture, forestry and fishing	3.0	3.0
Mining	3.0	5.0
Manufacturing	17.0	13.0
Electricity, gas and water	3.0	3.0
Construction	5.0	6.0
Wholesale trade	6.0	6.0
Retail trade	5.0	6.0
Accommodation, cafes and restaurants	2.0	2.0
Transport and storage	5.0	6.0
Communication	4.0	3.0
Finance and insurance	7.0	6.0
Property and business services	11.0	11.0
Government administration and defence	3.0	4.0
Education	5.0	5.0
Health and community services	7.0	6.0
Culture and recreational services	2.0	2.0
Personal and other services	2.0	2.0
Ownership of dwellings	9.0	9.0
General government(b)	2.0	2.0
Total	100.0	100.0

(a) Sum of components may not equal total due to rounding. (b) State details for general government gross operating surplus by industry are not available.

Source: Australian National Accounts: State Accounts (Cat. no. 5220.0).

Turnover

Turnover is a key performance measure of establishments in an industry. It covers the sales of goods and services by an establishment (together with transfer of goods to other parts of the same business), and includes all other operating revenue generated by the establishment.

Turnover for the manufacturing industry in Victoria was \$69,517 million for 1997–98, an increase of 1.7% over the previous 12 months and 22.0% since 1992–93 (table 13.2). The industry subdivisions that made the largest contribution to turnover were machinery and equipment (25.0%); food, beverage and tobacco (21.0%); petroleum, coal, chemical and associated product (16.7%); and metal product (12.5%).

13.2 TURNOVER(a), By Manufacturing Industry Subdivision

Industry subdivision	1992–93	1993–94	1994–95	1995–96	1996–97r	1997–98
	\$m	\$m	\$m	\$m	\$m	\$m(b)
Food, beverage and tobacco	11 291.1	11 924.2	12 471.9	13 064.5	14 027.3	14 550.7
Textile, clothing, footwear and leather	4 575.7	4 784.4	4 472.6	4 649.8	4 693.9	4 802.9
Wood and paper product	2 976.6	3 182.1	3 306.3	3 471.9	3 266.1	3 250.6
Printing, publishing and recorded media	3 733.5	3 933.7	4 255.5	4 172.7	4 563.3	4 698.2
Petroleum, coal, chemical and associated product	9 806.0	10 240.7	10 486.6	11 170.7	11 511.2	11 599.6
Non-metallic product	2 086.2	2 081.2	2 023.3	2 225.4	2 085.9	2 232.5
Metal product	7 396.1	7 626.6	7 827.9	8 522.9	8 522.0	8 684.4
Machinery and equipment	13 484.9	14 676.2	15 353.3	16 206.1	17 535.5	17 403.6
Other manufacturing	1 610.9	1 810.4	1 859.1	1 800.0	2 149.4	2 294.4
Total manufacturing	56 960.9	60 259.5	62 056.6	65 284.1	68 354.6	69 516.7

(a) Value data are at current prices and, therefore, do not discount the impact of price changes. Data for the period 1991–92 to 1995–96 have been adjusted to allow for lags in processing new businesses to, and the omission of some businesses from the Australian Bureau of Statistics Business Register. (b) Commencing with the 1997–98 manufacturing collection, new international standards apply to the calculation of turnover. For more details, see paragraphs 11 and 12 of the Explanatory Notes of Manufacturing Industry, Victoria, 1997–98 (Cat. no. 8221.2).

Source: *Manufacturing Industry, Victoria* (Cat. no. 8221.2).

Employment

Employment in the manufacturing industry increased by 2.7% over the preceding 12 months, to 314,800 persons in 1997–98 (table 13.3). The machinery and equipment industry subdivision employed 74,200 persons (23.6% of total manufacturing employment); followed by the food, beverage and tobacco industry which employed 48,500 persons (15.4% of total manufacturing employment); and the metal product industry which employed 40,500 persons (12.9% of total manufacturing employment). The largest proportional employment increase from 1996–97 to 1997–98 occurred in printing, publishing and recorded media (6.1%), while the largest decrease was in non-metallic mineral product (2.2%).

From 1992–93 to 1997–98, the largest proportional increase in employment was recorded in the other manufacturing (14.3%) and printing, publishing and recorded media (11.8%) industry subdivisions, while the largest decline occurred in textile, clothing, footwear and leather (3.3%) and non-metallic mineral product (2.2%).

13.3 EMPLOYMENT(a), By Manufacturing Industry Subdivision

	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98
Industry subdivision	'000	'000	'000	'000	'000	'000
Food, beverage and tobacco	45.3	45.3	46.4	44.0	46.4	48.5
Textile, clothing, footwear and leather	39.7	38.6	36.8	37.9	37.1	38.4
Wood and paper product	16.6	17.4	17.8	20.0	17.4	17.5
Printing, publishing and recorded media	28.0	27.3	29.3	28.3	29.5	31.3
Petroleum, coal, chemical and associated product	35.0	34.9	36.3	35.7	r 36.1	36.1
Non-metallic mineral product	10.0	10.0	9.6	9.7	9.3	9.1
Metal product	37.0	37.6	37.3	38.9	r 39.0	40.5
Machinery and equipment	75.0	71.7	70.4	73.9	r 73.4	74.2
Other manufacturing	16.8	17.2	17.3	16.7	18.2	19.2
Total Manufacturing	303.5	299.9	301.2	305.3	r 306.4	314.8

(a) Includes working proprietors. Data for the period 1992–93 to 1995–96 have been adjusted to allow for lags in processing new businesses to, and the omission of some businesses from, the Australian Bureau of Statistics Business Register.

Source: *Manufacturing Industry, Victoria (Cat. no. 8221.2)*.

Production

In 1998–99, Victorian manufacturing enterprises accounted for more than half of the national production of whole milk (63.0%), butter and butteroil (84.2%) and cheese (62.3%) (table 13.4). They also accounted for a large proportion of national lamb production (42%).

13.4 PRODUCTION OF SELECTED MANUFACTURING COMMODITIES—1998–99

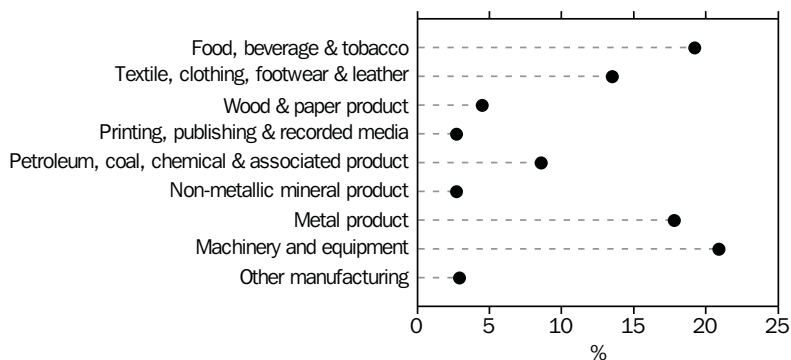
Item	Unit	Victoria	Australia
Meat (carcass weight)			
Beef and veal	'000 tonnes	415 643	2 008 979
Mutton	'000 tonnes	61 780	298 419
Lamb	'000 tonnes	128 763	309 395
Pig meats	'000 tonnes	114 582	361 858
Dairy products			
Whole milk	million litres	6 414	10 178
Butter and butteroil	tonnes	147 412	175 023
Cheese	tonnes	194 259	311 747
Building materials			
Clay bricks for structural purposes	million	346	1 593
Ready mix concrete	'000 cubic metres	4 110	18 587
Energy			
Electricity generated	gigawatt hours	39 767	179 630
Gas available for issue through mains	terajoules	178 938	675 198

Source: *Livestock Products, Australia (Cat. no. 7215.0)*; *Manufacturing Production, Australia (Cat. no. 8301.0)*; *Unpublished data, Australian Dairy Corporation*.

Exported goods produced

For 1997–98, Victorian manufacturers directly exported \$9,427 million of the goods that they produced. This represents a 5.9% increase on the \$8,904 million recorded for 1996–97. The industry subdivisions that recorded the highest proportion of direct exports were machinery and equipment (20.9%); food, beverage and tobacco (19.2%); food, beverage and tobacco (19.2%); and metal product (17.8%).

13.5 EXPORTED GOODS PRODUCED, Manufacturing Establishments—1997–98



Source: *Manufacturing Industry, Victoria* (Cat. no. 8221.2)

References

ABS sources

Australian National Accounts: Concepts, Sources and Methods (Cat. no. 5216.0)

Australian National Accounts: State Accounts (Cat. no. 5220.0)

Livestock Products, Australia (Cat. no. 7215.0)

Manufacturing Industry, Australia (Cat. no. 8221.0)

Manufacturing Industry, Victoria (Cat. no. 8221.2)

Manufacturing Production, Australia (Cat. no. 8301.0)

Non ABS sources

Australian Dairy Corporation.