An Australian Government Initiative

Regional Development Australia

ADELAIDE HILLS, FLEURIEU AND KANGAROO ISLAND

RDA AHFKI Manufacturing Profile

An Australian Government Initiative

Regional Development Australia

Contents

Snapshot

RDA AHFKI

145,351
Residents in 2024

6.8% increase in working age population over last 5 years (4.6% for South Australia)

3,189
Manufacturing Jobs
(7.5% of all jobs)

$412 Million
Manufacturing Value-Added

$2.17 Billion
Manufacturing Revenue

$1.09 Billion
Manufacturing Exports

$657 Million
Manufacturing Local Expenditure

Top Specialisations

Beverage Product Manufacturing LQ: **2.1**

Food Product Manufacturing LQ: **1.62**

Top Growth Specialisations

Beverage Product Manufacturing LQ: **+.34**

Basic Chemical, Cleaning & Polymer Manufacturing LQ: **+.33**

609
Manufacturing Businesses

Up from 555 in 2019

173
Business Entries

Between 2019 and 2024 in the manufacturing sector

Top Activity by New Entries:

40 entries — Beverage Product Manufacturing

20 entries — Food Product Manufacturing

31 entries — Metal Product Manufacturing

17 entries — Technical Equipment and Appliance Manufacturing

LGAs

Adelaide Hills

A premium food and beverage hub with strong growth in dairy and craft brewing, anchored by high-value wine and meat production.

Value Added (2024):
$154.7m

Wine, Spirits & Tobacco:
$44.1m

Meat Products:
$40.0m

Top Specialisations (LQ):
Dairy Products:
5.9

Tanned Leather & Leather Products:
5.1

Top Growth Specialisations (+LQ):
Tanned Leather & Leather Products:
+5.1

Oils & Fats:
+4.0

Alexandrina

A leading food and beverage producer with growing strengths in marine and bakery manufacturing.

Value Added (2024):
$68.5m

Wine, Spirits & Tobacco:
35% of total

Ships & Boats:
9%

Top Specialisations (LQ):
Tanned Leather & Leather Products:
12.7

Wine, Spirits & Tobacco:
3.4

Top Growth Specialisations (+LQ):
Tanned Leather & Leather Products:
+7.0

Soft Drinks, Cordials & Syrup:
+1.2

Kangaroo Island

A boutique manufacturing base renowned for premium food, beverage, and sustainable products with strong links to eco-tourism.

Value Added (2024):
$8.0m

Wine, Spirits & Tobacco:
40%

Other Food Products:
21%

Top Specialisations (LQ):
Other Food Products:
3.5

Cement, Lime & Ready-Mixed Concrete:
2.6

Top Growth Specialisations (+LQ):
Other Wood Products:
+0.8

Bakery Products:
+0.4

Mount Barker

A high-growth manufacturing centre with specialisations in chemicals, agri-food, and niche high-value sectors.

Value Added (2024):
$156.9m

Basic Chemical, Cleaning & Polymer:
$53.2m

Food Products:
$32.8m

Top Specialisations (LQ):

Cleaning Compounds & Toiletry Prep:
27.1

Veterinary Pharmaceutical Products:
13.4

Top Growth Specialisations (+LQ):

Cleaning Compounds & Toiletry Prep:
+3.6

Textile Products:
+3.0

Victor Harbor

A centre for artisan and value-added manufacturing with growing strengths in metals and furniture.

Value Added (2024):
$14.9m

Beer:
$13.4m

Dairy Products:
$10.6m

Top Specialisations (LQ):

Furniture:
2.1

Other Wood Products:
1.3

Top Growth Specialisations (+LQ):

Other Wood Products:
+0.8

Motor Vehicles & Parts;
Other Transport Equipment:
+0.7

Yankalilla

A vibrant food and beverage producer with rapidly expanding beer exports and a strong dairy sector.

Value Added (2024):
$8.7m

Beer:
$5.1m

Dairy Products:
$1.7m

Top Specialisations (LQ):

Beer:
12.1

Dairy Products:
5.2

Top Growth Specialisations (+LQ):

Beer:
+2.2

Dairy Products:
+1.0

State Of The Region

The Adelaide Hills, Fleurieu and Kangaroo Island (AHFKI) region is a dynamic and vital contributor to South Australia's economy, with an estimated population of 145,351 residents as of 2024. The region comprises six local government areas (LGAs): Adelaide Hills, Mount Barker, Alexandrina, Victor Harbor, Yankalilla, and Kangaroo Island. Each plays a distinct and complementary role in supporting the region's growth and economic diversity.

Adelaide Hills and Mount Barker are strategic peri-urban growth areas, located just 20 kilometres from Adelaide's metropolitan edge. These LGAs benefit from strong transport connectivity and have emerged as key residential and employment nodes. They are also home to a vibrant mix of wineries, breweries, and tourism assets that add to the region's economic and lifestyle appeal.

Alexandrina and Victor Harbor are leading centres for tourism and coastal living, attracting both visitors and new residents. Yankalilla supports a strong coastal agricultural sector alongside a growing visitor economy. Kangaroo Island, with a resident population of around 5,170 in 2024, is renowned for its unspoiled landscapes, unique biodiversity, boutique food and wine offerings, and rich cultural and environmental heritage.

Together, the LGAs of the AHFKI region offer a distinctive mix of natural assets, economic specialisations, and lifestyle advantages. These factors are helping to drive population growth and underpin the development of a resilient, innovative, and productive manufacturing sector.

The AHFKI region is home to approximately 12,610 businesses across all industry sectors as of June 2024, with around 610 of these operating in manufacturing. According to ABS Census Place of Work data, the sector supports about 3,190 jobs across the region. Importantly, manufacturing has experienced a steady resurgence since the early 2000s, led by growth in food and beverage production and supported by a range of emerging industries.

Adelaide Hills leads the region in both manufacturing employment and business presence, with 1,352 jobs and 215 manufacturing businesses. Mount Barker follows closely, supporting 1,032 jobs and 164 manufacturing businesses, just over half the number of enterprises but a similar employment footprint, reflecting the scale of operations in the area.

The broader RDA AHFKI economy is diverse and resilient, underpinned by strengths in manufacturing, agriculture, and tourism. Manufacturing plays a foundational role, contributing an estimated $2.17 billion in output and $411 million in value-added activity annually. The sector is economically significant and wide-ranging, encompassing advanced and high-value industries such as food and beverage production, precision fabrication, and other specialised manufacturing activities.

This diversity not only enhances regional economic resilience but also supports local supply chains, employment, and export capacity. While manufacturing's strategic value to the region is clear, it is not always well understood by external stakeholders. Ongoing support and recognition of the sector are critical to maintaining the region's long-term competitiveness and economic vitality.

Population

As of 2024, the RDA AHFKI region was home to 145,351 residents, an increase of almost 23,300 people since 2015. Over the past decade, the region has maintained steady population growth, consistently outpacing the State's annual growth rate. While annual growth eased slightly after peaking in 2021, it remains robust and has begun to lift again in 2024, signalling continued attractiveness for both new residents and investment.

RDA AHFKI's population growth has been broad-based, with increases recorded across all age groups. The most significant gains have been among residents beyond retirement age, where growth rates have outpaced the State average. The region has also recorded strong results in key working-age cohorts, particularly among young workers (20–34 years).

Across the core working-age population (15–64 years), RDA AHFKI achieved an average annual growth rate of 0.9% over the decade to 2023, compared with 0.7% for South Australia as a whole. Growth has been particularly strong in the young worker cohort, positioning the region for sustained economic vitality through long-term workforce renewal, entrepreneurial activity, and adaptability to changing economic conditions.

Figure 1 Estimated Resident Population, 2019-2024. Source: ABS Regional Population 2025

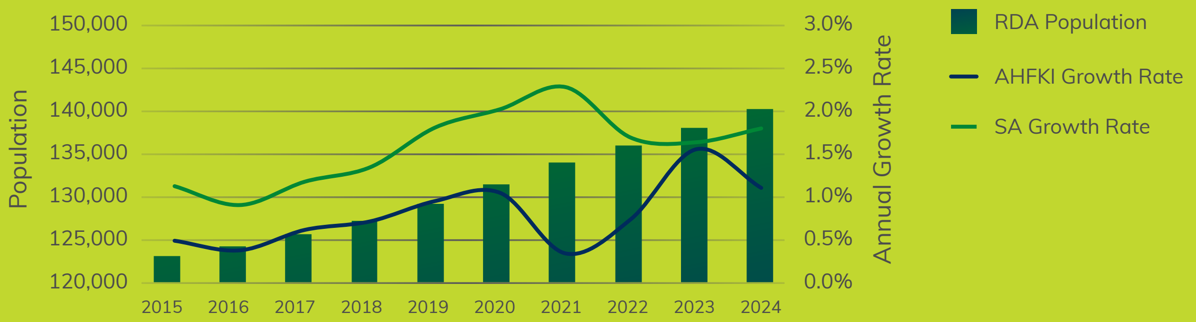


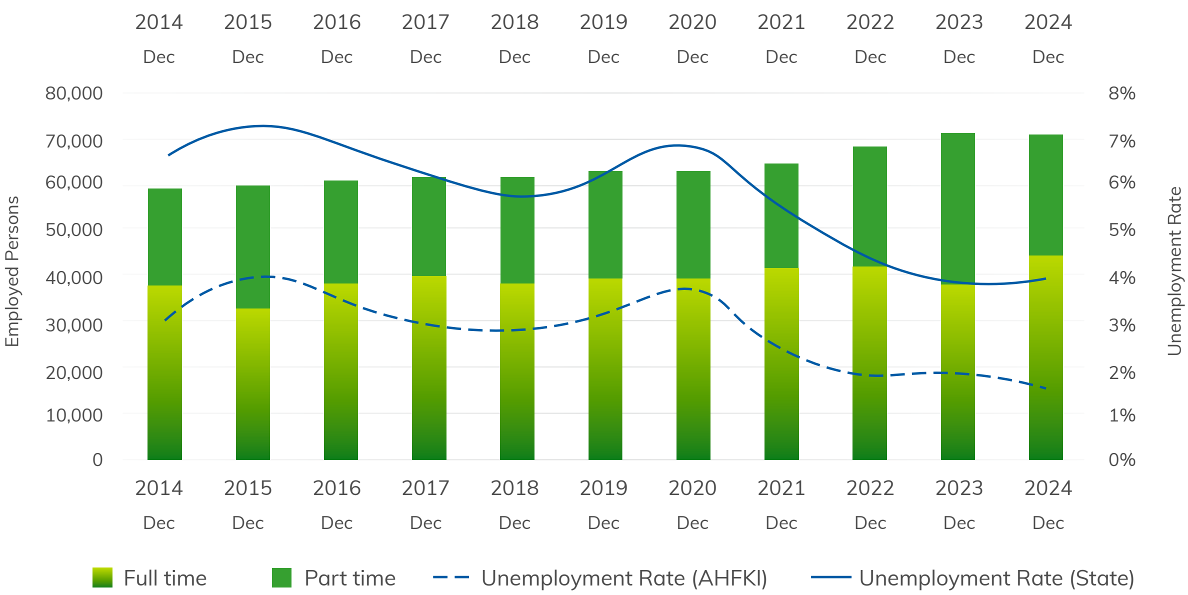
Figure 2 Annual average growth rate by life stage, 2013-2023. Source: ABS Regional Population by Age and Sex. Note: Age breakdown is only available to 2023.

Workforce

Between 2014 and 2024, the RDA AHFKI region's labour market has seen steady gains in both full-time and part-time employment, alongside a marked decline in unemployment. Full-time jobs increased from around 38,500 in 2014 to just over 44,800 in 2024, while part-time employment grew from 20,800 to over 26,000 over the same period.

The unemployment rate fell from 3.2% in 2014 to 1.6% in 2024, consistently remaining well below the South Australian average, which dropped from 6.7% to 4.0%. These trends indicate a resilient and expanding labour market, with strong job creation and comparatively low unemployment levels.

Figure 3 Labour Force Employment Status in RDA AHFKI, 2014-2024. Source: REMPLAN Small Area Labour Force Report; ABS Labour Force Detailed



Economic Trends

Employment

The manufacturing sector supports around 3,190 jobs across the RDA AHFKI region, representing 7.5% of total regional employment. The largest contributors are:

Food Product Manufacturing
1,356 jobs (42.5%)

Beverage Product Manufacturing
889 jobs (27.9%)

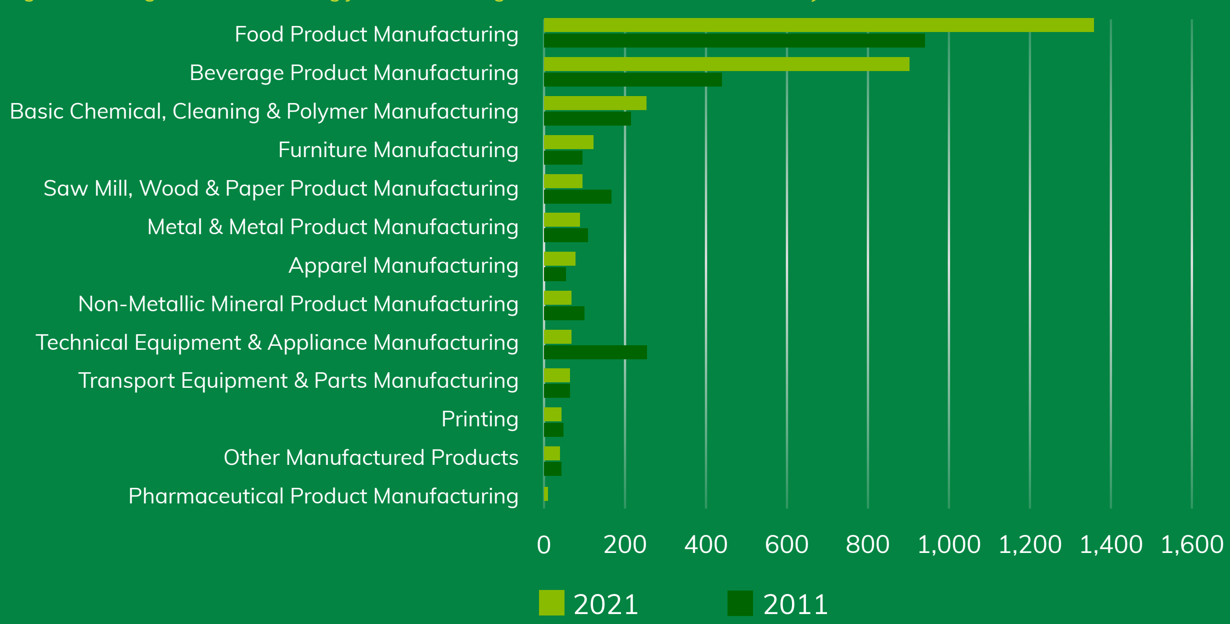
Basic Chemical, Cleaning and Polymer Manufacturing
253 jobs (7.9%)

Over the decade to 2021, manufacturing employment in the RDA AHFKI region grew by more than 650 jobs, led by strong gains in the food and beverage sectors. Beverage Product Manufacturing recorded the largest increase (+460 jobs), followed by Food Product Manufacturing (+415 jobs).

Growth within the food industry has been broad-based, with consistent performance across meat, bakery, dairy, and fruit and vegetable processing, supporting a positive long-term outlook. In the beverage sector, beer and soft drinks have seen moderate growth, while wine and spirits have been the standout, with employment in this sub-sector almost doubling over the decade.

Despite this strong performance in food and beverage, some sub-sectors have contracted, most notably Technical Equipment and Appliance Manufacturing (–188 jobs) and Sawmill, Wood and Paper Product Manufacturing (–71 jobs).

Figure 4 Change in manufacturing jobs, AHFKI Region. Source: REMPLAN Economy



Compared with South Australia and Australia overall, RDA AHFKI's manufacturing profile is highly specialised, with a strong concentration in food and beverage production (Figure 4). These two sub-sectors together account for a significantly larger share of manufacturing jobs in the region than at the State or national level, reflecting the region's semi-rural character, natural resource base, and established reputation in premium food and wine.

Other sub-sectors, such as basic chemical, cleaning and polymer manufacturing and furniture manufacturing, also hold a comparatively higher share of local jobs than in the broader economy. In contrast, the region has limited representation in heavy, high-tech, and resource-based manufacturing, which are more prominent at State and national levels.

This specialisation reinforces local competitive advantages and supports the region's positioning in niche, high-value markets. However, it also highlights the importance of pursuing diversification to reduce exposure to industry-specific risks and to capture growth opportunities in emerging and technology-enabled manufacturing fields.

Based on the employment data for the region, the manufacturing industry sector ranks 7th out of 19 industry sectors. With 3,189 jobs, manufacturing sits in the high-middle range compared with other industries. Manufacturing employs fewer people than major service-based sectors such as health care and social assistance, retail trade, and construction, but supports a larger workforce than several smaller service sectors such as professional, scientific and technical services, and public administration and safety. This indicates that while manufacturing is not a leading employer overall, it remains a significant contributor to the local employment base.

Figure 5 Sub sector share of total manufacturing jobs. Source: REMPLAN Economy

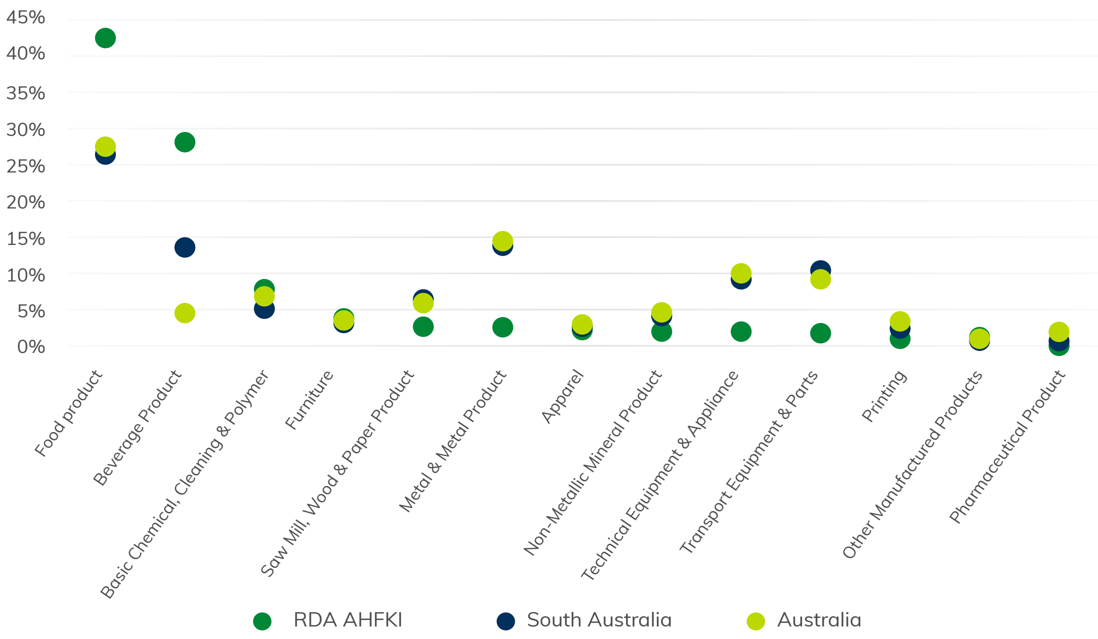
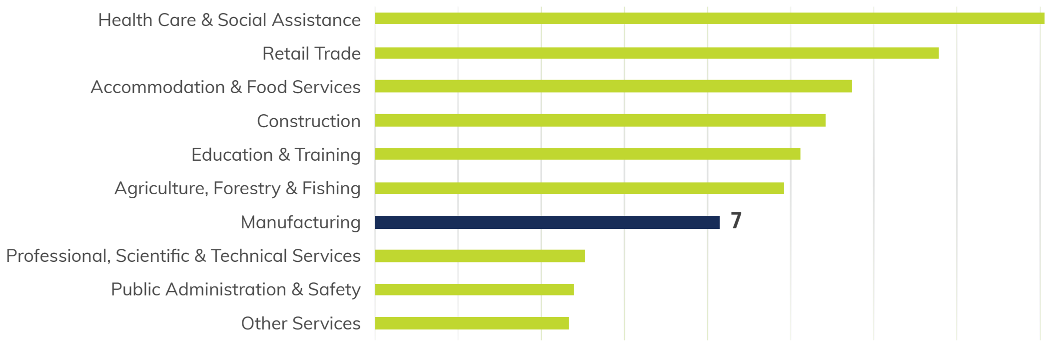


Figure 6 Manufacturing sector employment ranking against other industry sectors, RDA AHFKI. Source: REMPLAN Economy



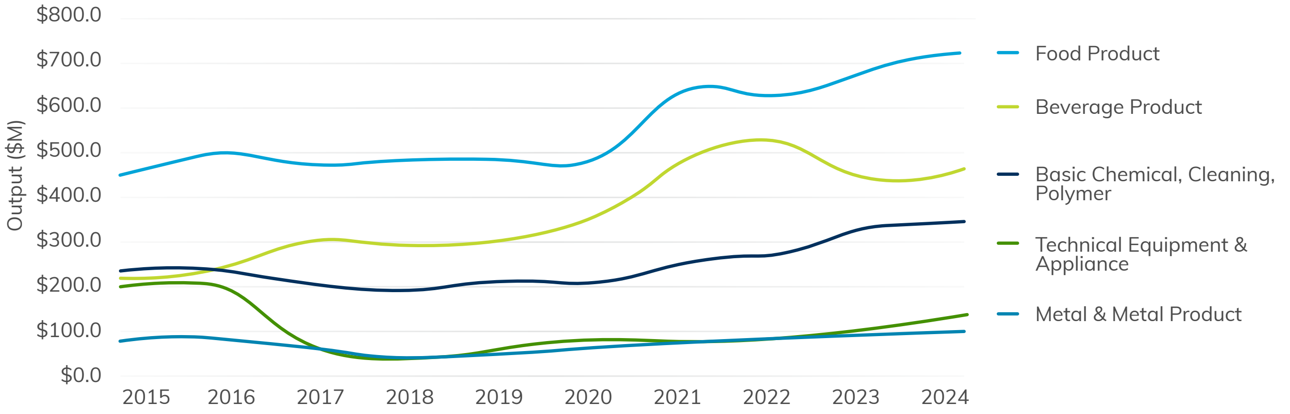
Output

Output represents the gross revenue (also referred to as total sales or total income) generated by businesses and organisations within a region. Industry-level output provides a useful indication of the scale of local economic activity occurring across the LGAs in the RDA AHFKI region.

In 2024, manufacturing contributed an estimated $2,169 million to the regional economy, accounting for 15.5% of total output. This was an increase of $120.8 million on 2023, reflecting stronger economic activity that is likely to support both employment and broader regional development.

Food Product Manufacturing is the region's largest manufacturing sub-sector by output, generating $716.0 million in 2024. Beverage Product Manufacturing is the second largest contributor ($464.7 million), followed by Basic Chemical, Cleaning and Polymer Manufacturing ($339.5 million). Over the past decade, food and beverage manufacturing have shown sustained growth, with food manufacturing in particular accelerating since 2020.

Figure 7 Output trend of top 5 industries in 2024, RDA AHFKI Region. Source: REMPLAN Economy

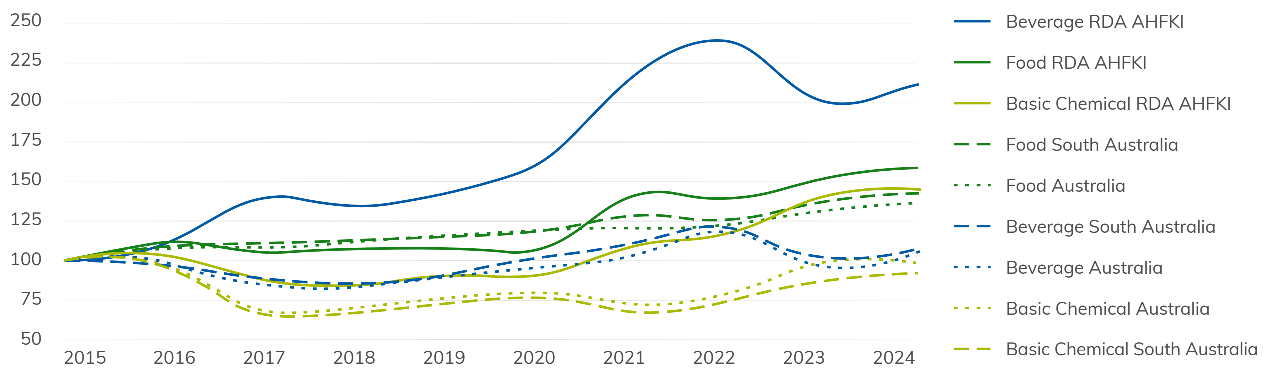


When benchmarked against South Australia and Australia, the RDA AHFKI region's top manufacturing sub-sectors — Food Product Manufacturing, Beverage Product Manufacturing, and Basic Chemical, Cleaning and Polymer Manufacturing — have recorded strong relative growth since 2015.

Beverage Product Manufacturing in particular has outpaced State and national growth rates, with output more than doubling since 2015. Food Product Manufacturing has also grown strongly, especially since 2020, outperforming the national trend and tracking closely with South Australia. Basic Chemical, Cleaning and Polymer Manufacturing has achieved steady growth, in contrast to more volatile results at the State and national levels.

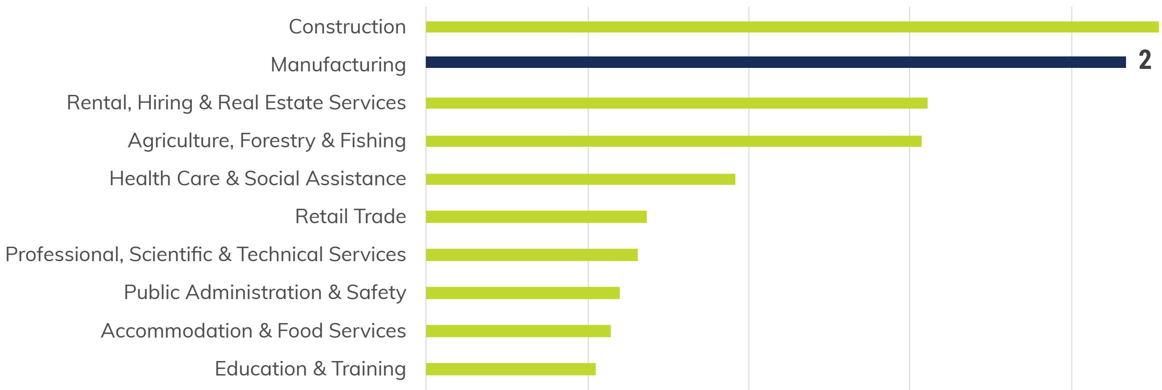
While RDA AHFKI's overall manufacturing base is smaller in absolute terms than South Australia or Australia, the indexed data highlights the region's ability to grow key sub-sectors at a faster rate. This performance reflects the region's specialisation in food and beverage production, underpinned by its agricultural strengths, and positions it well for further growth in high-value, niche manufacturing markets.

Figure 8 Indexed output of RDA AHFKI top three manufacturing sub-sectors. Source: REMPLAN Economy



Based on output, manufacturing ranks 2nd among the 19 industry sectors, generating approximately $2.17 billion in economic output. It is narrowly behind construction, which is the largest generator of gross revenue, and well ahead of the next tier of industries such a rental services and agriculture, forestry and fishing (Figure 9). This high-ranking highlights manufacturing's strong economic significance, particularly when compared with many service-oriented sectors that support considerably lower levels of output. While manufacturing does not employ the largest workforce, its 2nd ranking position in output indicates a high level of productivity and value generation, emphasising its role as a key driver of economic activity within the regional economy.

Figure 9 Manufacturing sector output ranking against other industry sectors, RDA AHFKI. Source: REMPLAN Economy



Value Added

Value added is a key economic metric and a core component of Gross Regional Product. It measures the additional economic value created by an industry through the transformation of raw materials into goods and services, using the skills of its workforce and the capability of its equipment.

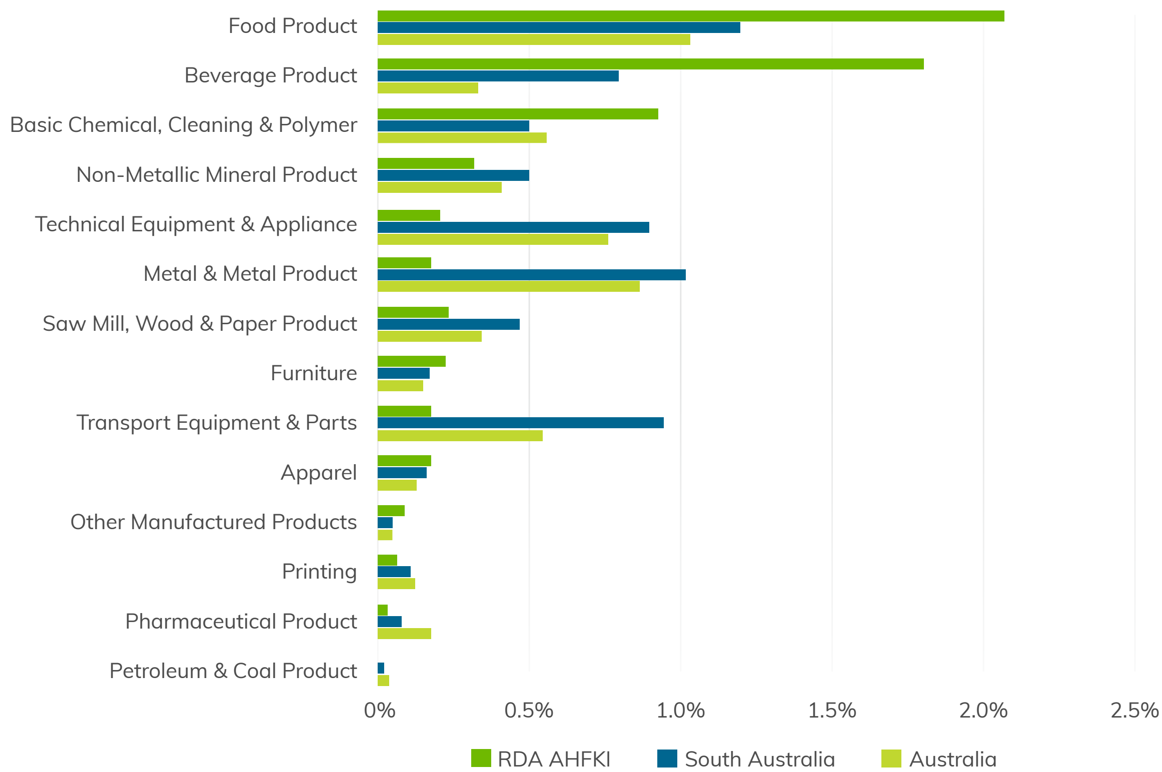
In 2024, the manufacturing sector in the RDA AHFKI region generated an estimated $412 million in value added. The Food Product Manufacturing sector contributed $132 million, while the Beverage Product Manufacturing sector contributed $110 million. These two sectors account for a significantly larger share of manufacturing value added than any other sub-sector, reflecting the presence of major food and beverage manufacturers in the region.

Manufacturing accounts for 6.4% of total value added in the RDA AHFKI region, compared with 6.8% in South Australia and 5.3% nationally. This indicates that manufacturing remains an important part of the regional economy, even though its share is slightly below the State average.

Within manufacturing, Food Product Manufacturing is the largest contributor, representing 2.0% of all value added in the region, well above its share in South Australia (1.2%) and Australia (1.0%). Beverage Product Manufacturing is similarly significant at 1.7%, more than double its share in South Australia (0.8%) and more than five times the national proportion (0.3%). Basic Chemical, Cleaning and Polymer Manufacturing also contributes above-average value added (0.9% vs 0.5% in South Australia and 0.6% nationally).

By contrast, other manufacturing sub-sectors, such as Technical Equipment and Appliance Manufacturing, Metal and Metal Product Manufacturing, and Transport Equipment and Parts Manufacturing, make up a much smaller share of value added locally than in the broader State and national economies.

Figure 10 Manufacturing sub sector share of total regional value added, 2024. Source: REMPLAN Economy

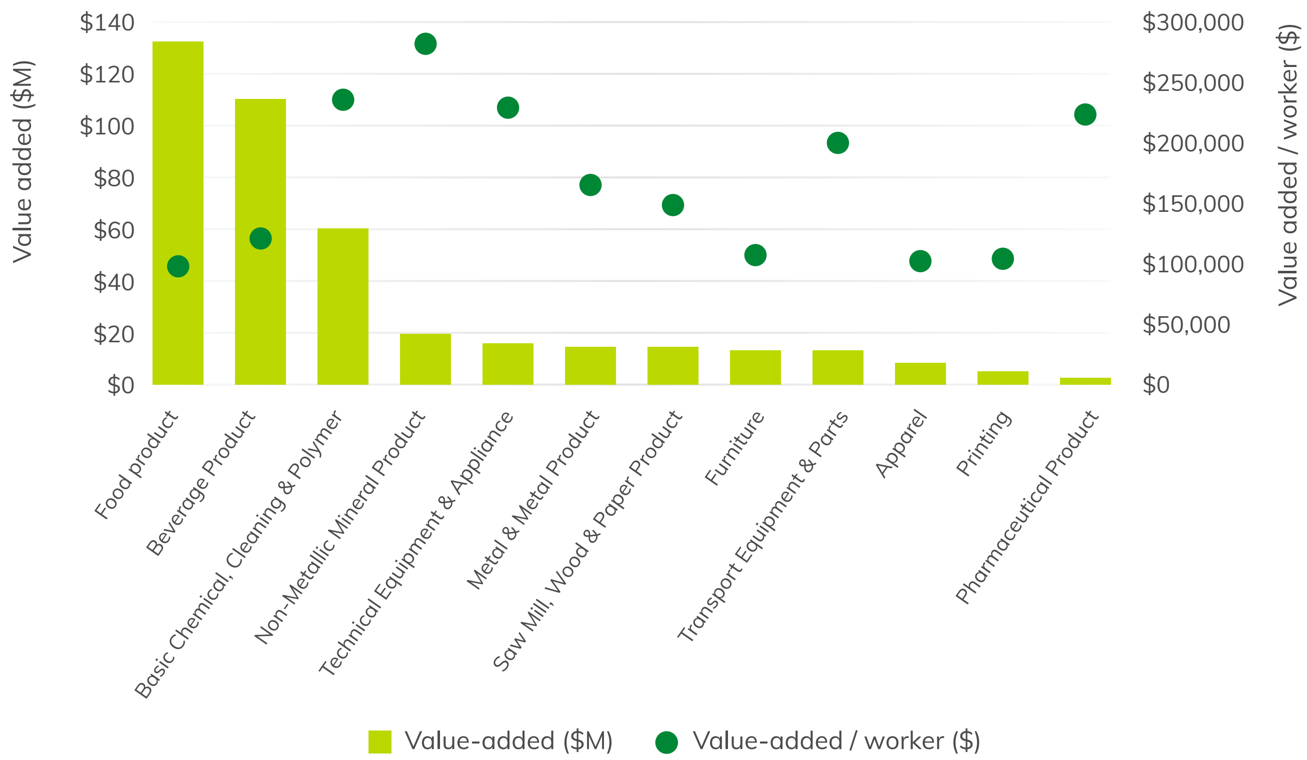


While Food and Beverage Manufacturing dominate total value added, they are not the most productive sub-sectors when measured by value added per worker. Food Product Manufacturing averages around $97,200 per worker, while Beverage Product Manufacturing reaches approximately $122,200 per worker.

Several smaller sub-sectors demonstrate significantly higher productivity. Non-Metallic Mineral Product Manufacturing has the highest value added per worker at $282,600, followed by Basic Chemical, Cleaning and Polymer Manufacturing ($236,000). Both are also relatively substantial contributors to overall regional value added.

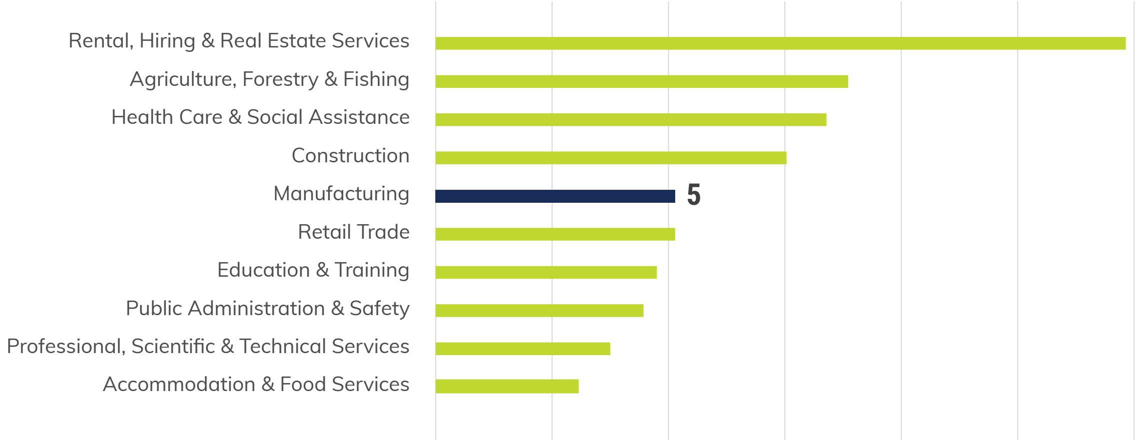
These results indicate that while large-scale food and beverage production remains central to the region's manufacturing economy, certain smaller and more specialised sub-sectors present strong potential for growth in high-value, niche manufacturing that complements the region's established specialisations.

Figure 11 Value added versus value added per worker, RDA AHFKI, 2024. Source: REMPLAN Economy



Based on value-added, manufacturing ranks 5th among the 19 industry sectors, generating approximately $412 million in value-added. This places manufacturing in the upper tier of industries in terms of its contribution to the regional economy, outperforming the majority of sectors on this measure. While it does not rank among the very top contributors, its position highlights manufacturing's strong capacity to generate economic value, reinforcing its role as a key pillar of the local economic structure rather than a marginal or supporting industry.

Figure 12 Manufacturing sector value-added ranking against other sectors, RDA AHFKI Source: REMPLAN Economy



Local Expenditure

Local expenditure measures the value of intermediate goods and services purchased by local industry within the RDA AHFKI region, providing insight into the strength of local supply chains and the degree to which manufacturing activity supports the wider regional economy.

In 2024, manufacturing in the RDA AHFKI region generated an estimated $657 million in local expenditure. The sector's largest contributions came from Food Product Manufacturing and Beverage Product Manufacturing, reflecting the region's established strengths in value-adding to local agricultural output. Basic Chemical, Cleaning and Polymer Manufacturing and Metal and Metal Product Manufacturing each contributed around $44 million, supporting a broad mix of local suppliers and services. While smaller in scale, Apparel Manufacturing has a particularly strong connection to local suppliers. This is largely due to links with the region's meat processing industry, which also produces leather used in clothing, footwear, and other goods, another example of manufacturing activity that builds on the region's agricultural base.

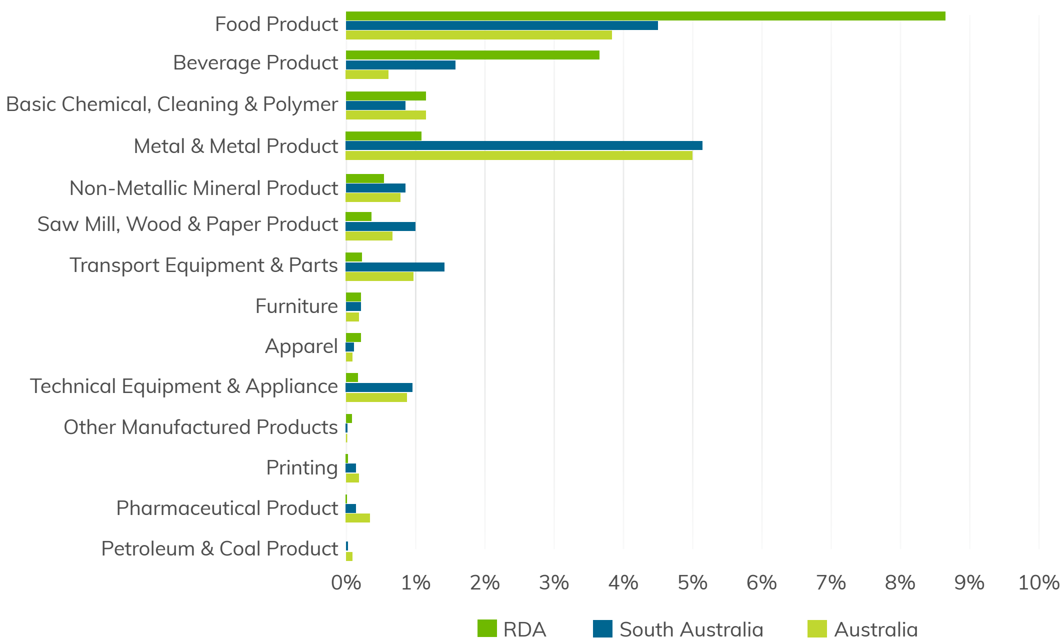
Figure 13 Local expenditure by manufacturing industry sector in 2024, RDA AHFKI Region. Source: REMPLAN Economy

When compared with South Australia, RDA AHFKI's manufacturing expenditure profile is distinct — more concentrated in food and beverage-related industries, underpinned by local raw materials, specialist processing facilities, and strong brand and market recognition.

While the State economy also has significant expenditure in heavy and advanced manufacturing sectors such as Metal Products, Transport Equipment, and Technical Equipment, the RDA AHFKI region's profile highlights the role of specialisation in building competitive advantage.

This concentration of spending in high-value, regionally rooted industries demonstrates the sector's strong integration with the local economy. It also signals opportunities for further growth by deepening supply chain connections, fostering innovation in existing specialisations, and exploring diversification into complementary manufacturing fields.

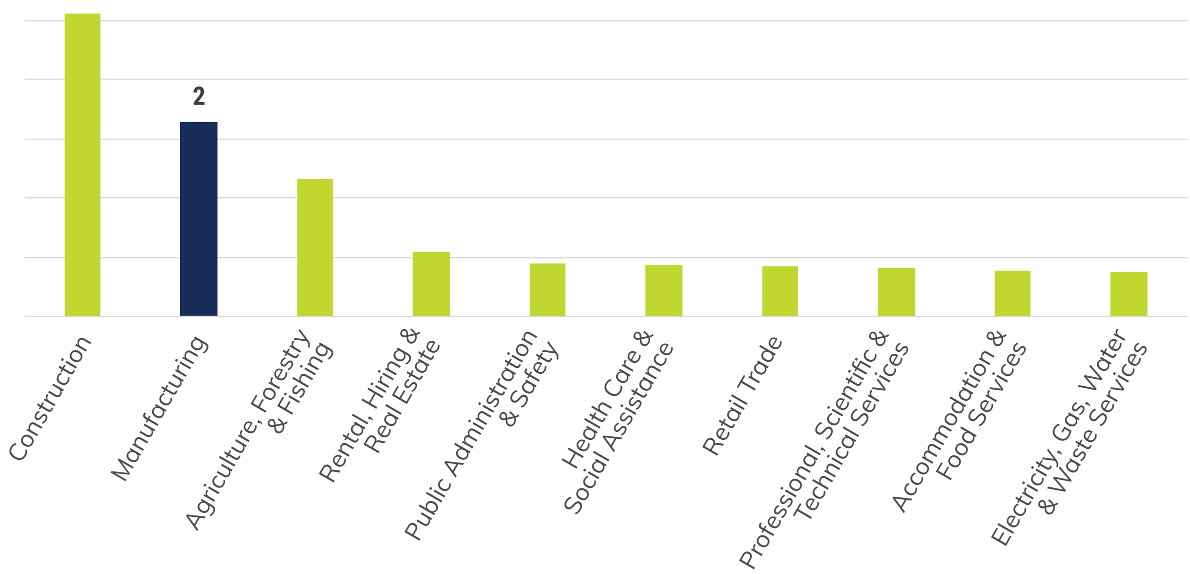
Figure 14 Manufacturing sub sector share of total regional local expenditure, 2024. Source: REMPLAN Economy



The manufacturing sector ranks 2nd among the 19 industry sectors, based on local expenditure, with approximately $657 million spent within the region. This places manufacturing firmly in the top tier of industries in terms of its contribution to local economic circulation, second only to construction.

The ranking indicates that manufacturing plays a disproportionately strong role in supporting local business and supply chains, with a large share of its activity retained within the local economy.

Figure 15 Manufacturing sector local expenditure ranking against other industry sectors, RDA AHFKI. Source: REMPLAN Economy



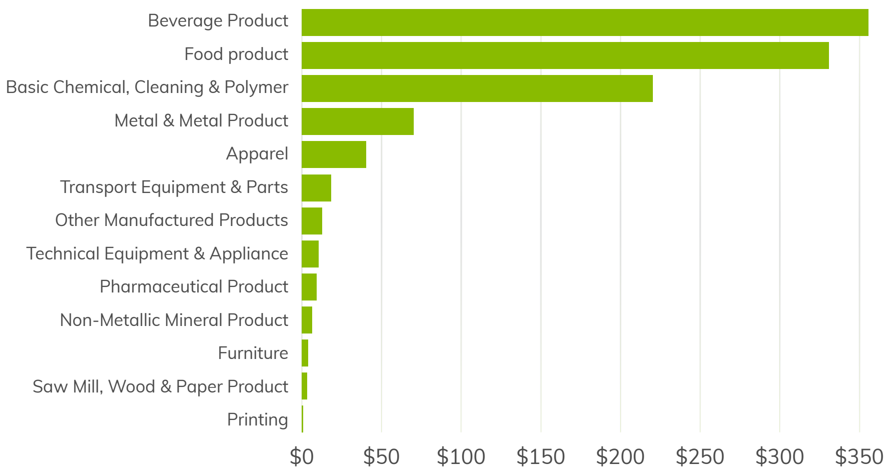
Regional Exports

Regional exports are the value of goods and services produced within the RDA AHFKI region and sold outside its boundaries, either to other parts of Australia or to international markets. Exports are a key driver of economic growth, bringing new income into the region and supporting jobs across both manufacturing and the wider economy.

In 2024, total exports from the RDA AHFKI region were estimated at $3.6 billion, with manufacturing accounting for 31% of this total. The largest manufacturing export contributors were Beverage Product Manufacturing, Food Product Manufacturing, and Basic Chemical, Cleaning & Polymer Manufacturing.

These results reflect the region's strong agricultural base and its ability to add value through specialist food, beverage, and chemical processing industries.

Figure 16 Regional exports by manufacturing industry sector, 2024. Source: REMPLAN Economy



Export-Focused Industries

- **Beverage Product Manufacturing (31.5%)**

  The region's strongest export oriented sector, on par with South Australia (32.3%) and far ahead of the national average (-10.4%).

- **Food Product Manufacturing (12.7%)**

  A key strength, outperforming both South Australia (7.6%) and Australia (1.0%).

- **Metal & Metal Product Manufacturing (16.4%)**

  A net exporter locally, although below the State (31.7%) and national (39.4%) shares.

The RDA AHFKI region's manufacturing export profile is defined by strong performance in beverage and food production, competitive positioning in several other industries, and opportunities to reduce import reliance in key sub-sectors. Together, these strengths highlight the region's ability to compete in external markets while supporting a diverse and resilient local economy.

To understand the balance between exports and imports for each industry, net exports are expressed as a share of total sector output. Positive values indicate that the sector exports more than it imports (net exporter), while negative values indicate a net importer.

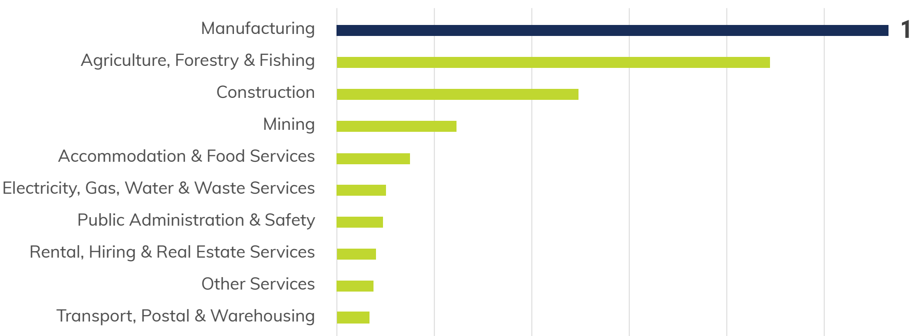
While some manufacturing sectors are net importers, several still perform significantly better than State and national benchmarks, with Basic Chemical, Cleaning & Polymer Manufacturing, Apparel Manufacturing, and Pharmaceutical Product Manufacturing being standouts.

Exports are an important driver of economic growth, but they are not the whole story, many industries make a substantial contribution by building the productive capacity of local businesses and supporting other sectors in the regional economy.

Figure 17 Net Exports as Share of Sector Output, 2024. Source: REMPLAN Economy

Based on regional exports, manufacturing ranks 1st among the 19 industry sectors, with export activity valued at approximately $1.09 billion. As such, manufacturing is positioned as the primary export-oriented industry in the regional economy. The result highlights manufacturing's critical role in generating external income for the region, underpinning economic growth by bringing revenue into the local economy rather than relying on internal demand alone.

Figure 18 Manufacturing sector regional exports ranking against other industry sectors, RDA AHFKI. Source: REMPLAN Economy



Did You Know?

Not all manufacturing industries are primarily export-focused some focus on selling to local households, or government. Others play a bigger role in increasing the productive capacity of local businesses.

Technical Equipment & Appliance Manufacturing is a great example. While it is the fourth-largest manufacturing sector in the RDA AHFKI region by total output, it ranks only eighth for exports. This is because a significant share of its production is sold locally as private investment machinery, equipment, and technology that other local industries use to grow and improve efficiency.

In fact, 22.5% of its output goes into private investment, the highest of any manufacturing sector in the region and one of the highest across the whole economy (second only to construction). This highlights its importance as a supplier of capital goods that strengthen the region's long-term productive capacity.

Location Quotient

Location Quotient (LQ) measures how concentrated an industry is in a region compared to the State average, providing insight into areas of local specialisation. LQ values can be interpreted as:

0.50–1.0	Under-represented
1.0–1.25	Small local strengths worth supporting
1.25–2.0	Local strengths worth supporting or expanding
2.0+	Highly specialised or export-oriented
5.0+	Often linked to niche specialisations or single-employer dominance

LQ should be considered alongside other factors such as industry size and recent employment growth, which together indicate where a sector sits in the economic cycle and what types of support may be required to capitalise on regional strengths.

Figure 19 maps industry LQ against five-year employment growth and current employment size.

Key findings include:

Established Growth Leaders

High LQ (≥1.25) and positive job growth strong local specialisation and expanding employment make these sectors strategic priorities for continued support and investment.

- Beverage Product Manufacturing
- Food Product Manufacturing
- Basic Chemical, Cleaning & Polymer Manufacturing
- Furniture Manufacturing

Specialised Sectors to Strengthen

High LQ (≥1.25) with stable or slightly reduced employment remain important parts of the regional manufacturing mix, with potential to enhance competitiveness through innovation and market development.

- Other Manufactured Products

Emerging Strengths

Moderate LQ (0.5–1.25) with positive job growth showing promising trends and potential to build capacity and market share.

- Apparel Manufacturing
- Non-Metallic Mineral Product Manufacturing
- Printing

Growing Niche Opportunities

Lower LQ (<0.5) but positive job growth while less concentrated, these sectors are expanding and may offer niche opportunities for targeted development.

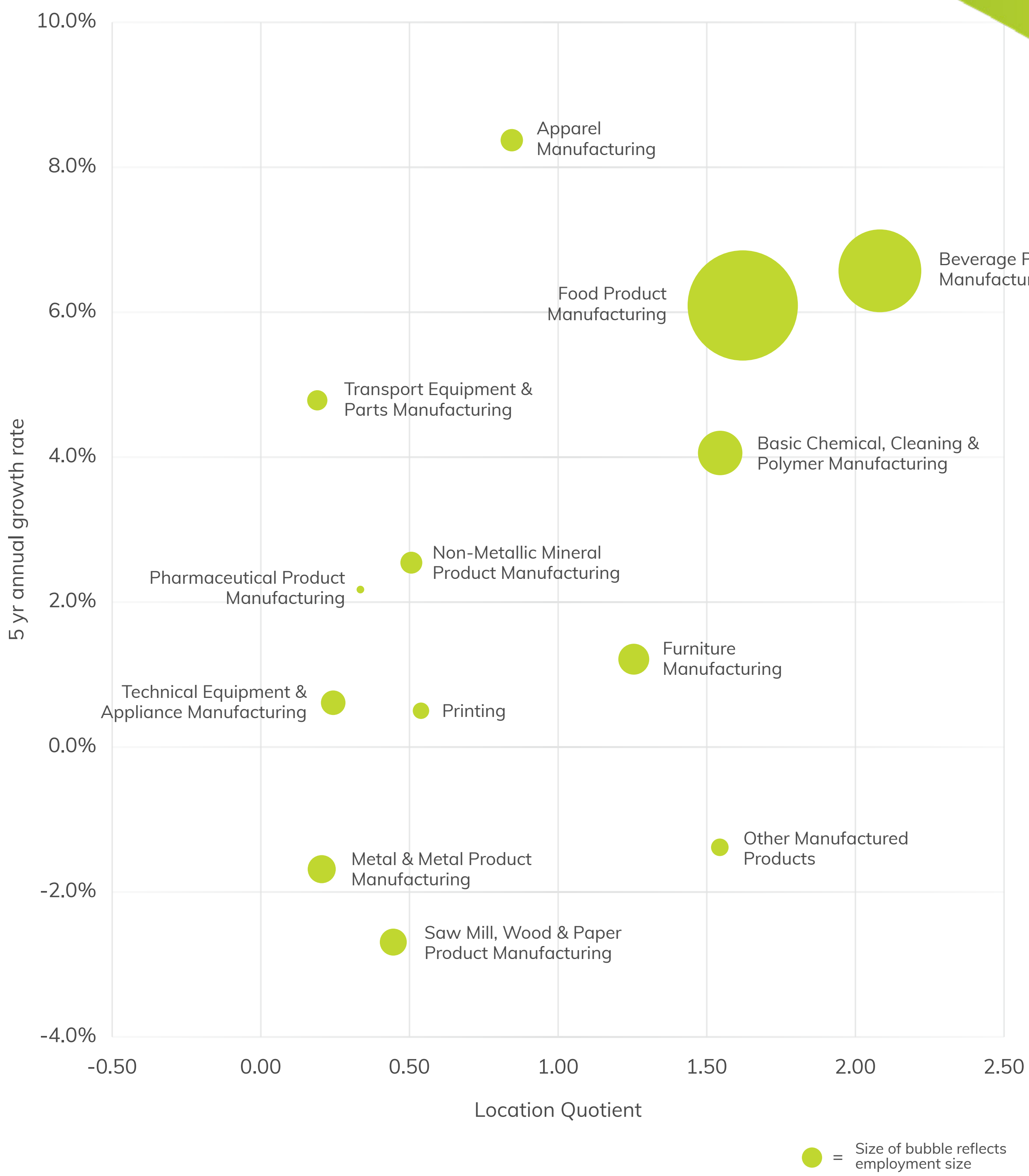
- Pharmaceutical Product Manufacturing
- Technical Equipment & Appliance Manufacturing
- Transport Equipment & Parts Manufacturing

Sectors to Monitor and Renew

Lower LQ (<0.5) and employment decline sectors that may benefit from renewal strategies, diversification, or repositioning within the regional economy.

- Saw Mill, Wood & Paper Product Manufacturing
- Metal & Metal Product Manufacturing

Figure 19 Location Quotient for Manufacturing Sectors, RDA AHFKI 2024.
Source: REMPLAN Economy



Business Operations

Between June 2019 and June 2024, the number of manufacturing businesses in the RDA AHFKI region grew from 555 to 609, according to ABS Business Counts. Employing businesses rose steadily from 239 in 2019 to a peak of 273 in 2023 before easing to 257 in 2024. Non-employing businesses showed consistent growth over the period, increasing from 318 to 352. This expansion has been driven largely by sole proprietors, freelancers, and micro-enterprises, suggesting a dynamic small-business environment. The recent easing in employing business numbers may indicate emerging challenges for sustaining larger operations, highlighting the importance of supporting growth pathways from start-ups to scale-ups.

Table 1 Count of Manufacturing Business, RDA AHFKI

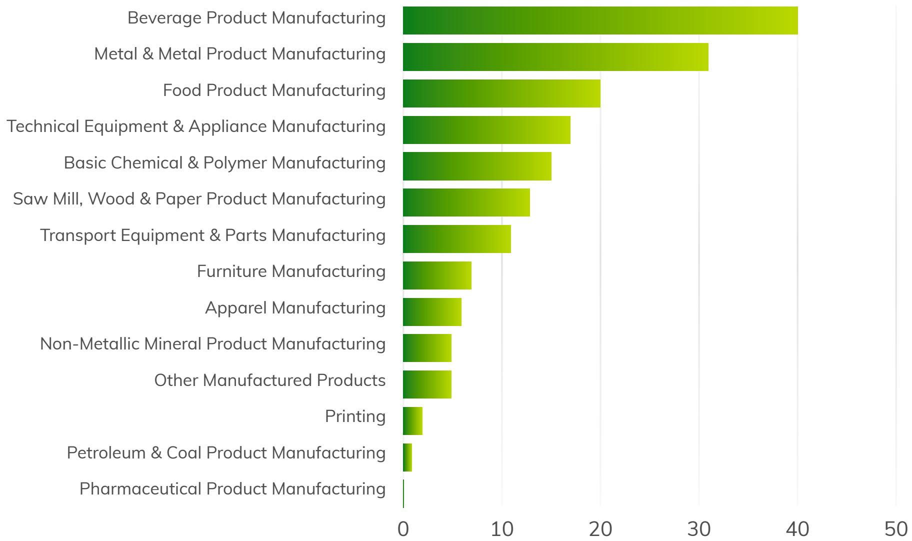
Details	2019	2020	2021	2022	2023	2024
Employing	239	232	252	264	273	257
Not Employing	318	323	307	329	345	352
Total Business Counts	555	555	559	593	618	609

Source: ABS Business Counts (Including Entries and Exits) 2024

The Australian Bureau of Statistics (ABS) Business Counts provide the official measure of actively trading businesses and are based on the ABS Business Register, which draws on Australian Business Register (ABR) data along with other sources. This makes the ABS data robust for tracking long-term trends in manufacturing and changes in employment dynamics.

The ABR, however, records all registered businesses, including those not currently trading, offering a more detailed view of sector composition and early-stage activity. Analysing ABR data for the RDA AHFKI region between 2019 and 2024 shows 173 new business registrations in manufacturing. The most active sectors were Beverage Product Manufacturing (40 entries), Metal and Metal Product Manufacturing (31), Food Product Manufacturing (20), and Technical Equipment and Appliance Manufacturing (17). Many of these sectors attract new entrants due to relatively low barriers to entry or seasonal demand. Traditional manufacturing strengths remain evident, with food, beverage, and metal product manufacturing prominent among new business formations. While ABR data does not include employment levels, these results reinforce earlier findings that the region's manufacturing sector is driven by food and beverage production, local trades, and knowledge-based enterprises.

Figure 20 Manufacturing Industry Sectors Ranked by Number of Business Entries from 1 July 2019 to 1 July 2024. Source: Australian Business Register

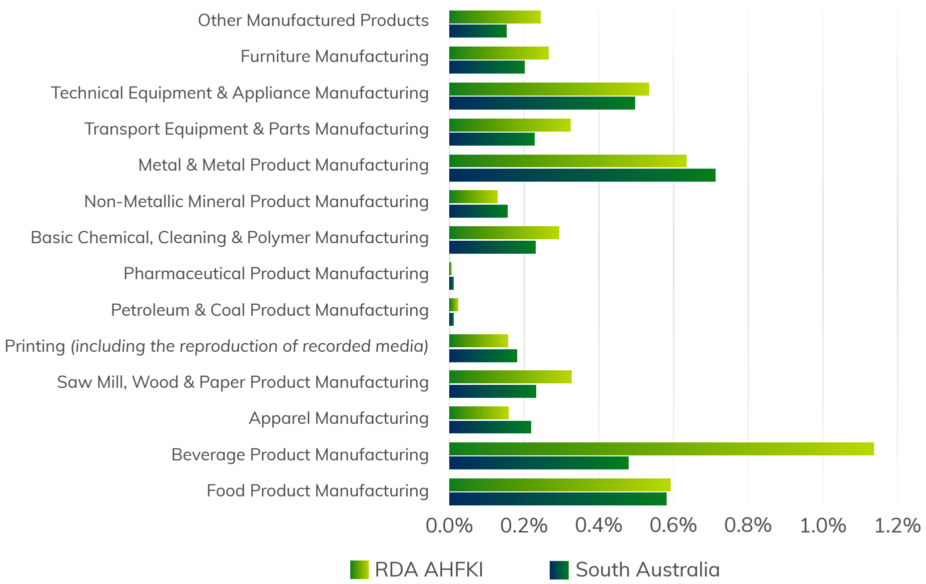


As at 1 July 2024, manufacturing accounted for 4.89% of all businesses in the RDA AHFKI region (574 businesses), compared with 3.97% for South Australia (6,542 businesses). This highlights manufacturing's stronger role in the region's economy relative to the State.

Beverage Product Manufacturing is a clear standout, representing 1.14% of all local businesses—more than double the State average of 0.48%. The region also has higher proportions of businesses in Food Product Manufacturing, Saw Mill & Wood Product Manufacturing, and Technical Equipment & Appliance Manufacturing. These areas reflect the region's niche strengths, particularly in food and beverage production, underpinned by its agricultural base and value-added processing capabilities.

While South Australia has a broader spread of manufacturing activity, RDA AHFKI's profile shows targeted specialisations that contribute to its competitive positioning in selected industries.

Figure 21 Manufacturing Businesses as Share of Total Businesses Trading at 1 July 2024, RDA AHFKI compared to South Australia. Source: Australian Business Register



LGA Breakdown

Manufacturing in the RDA AHFKI region is more than just an economic contributor; it is an emerging force of regional dynamism and identity. Anchored in the strengths of local agriculture, rich biodiversity, and niche market demands, the sector demonstrates notable specialisations across the LGAs, particularly in food and beverage production. A synthesis of recent growth patterns, sectoral contributions, and economic linkages reveals manufacturing to be a propulsive sector, one that not only generates direct economic value, but also stimulates broader regional development through innovation, exports, and supply chain activity.

Adelaide Hills

Adelaide Hills is a picturesque region known for its cool climate, vineyards, and charming historic towns. Adelaide Hills offers a blend of gourmet food, artisan markets, and nature trails through lush bushlands. The LGA exemplifies how natural assets, consumer preferences, and entrepreneurship combine to elevate a manufacturing base. The region's manufacturing sector is focused on food and beverage production, including premium wine, cider, and specialty foods, with many small to medium enterprises contributing to the local economy.

When comparing Adelaide Hills to South Australia, there are notable differences in Dairy Product Manufacturing and Beer Manufacturing growth over the past decade. Beer Manufacturing in Adelaide Hills saw a significant increase of 11.5%, which is a significant difference to the State-wide decline of 4.9%. This suggests a strong local demand and successful craft brewing across the LGA. Similarly, Dairy Product Manufacturing increased by 13.6% in Adelaide Hills, despite a slight decline of 0.4% across the State. This also suggests a growing specialisation of this sector within the LGA. These trends indicate that Adelaide Hills may be emerging as a key hub for niche or premium food and beverage production, varying from the wider State patterns.

Adelaide Hills contributes approximately $783.7 million in gross revenue, with the Food Product Manufacturing industry sector contributing the largest amount of $395.6 million, followed by Beverage Product Manufacturing at $234.1 million. When both sectors are broken down further, it is evident that Meat Product Manufacturing ($209.5 million) and Wine, Spirits & Tobacco ($201.7 million) are the highest contributing sectors.

Figure 22 Annual Average Growth in Employment Food and Beverage Product Sub-Sectors, 2011-2021. Source: REMPLAN Economy

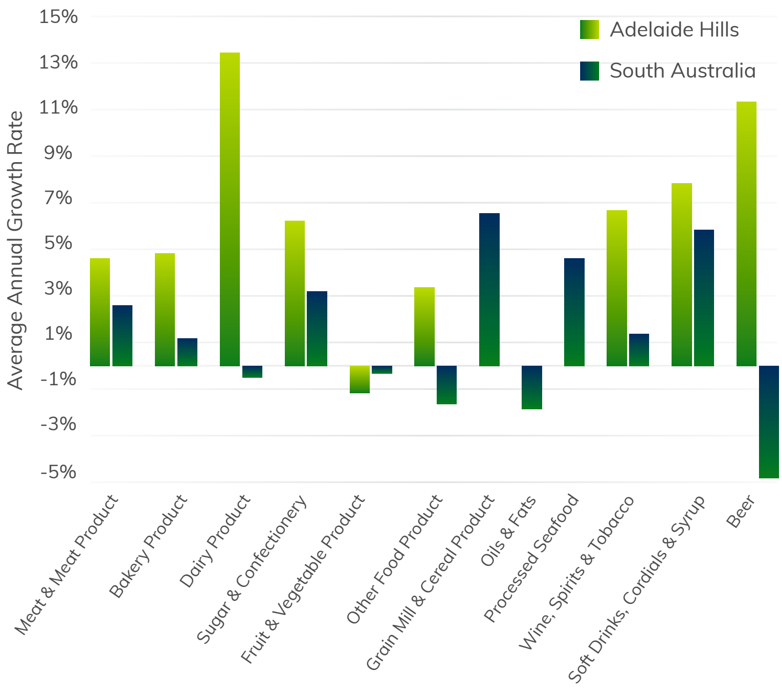
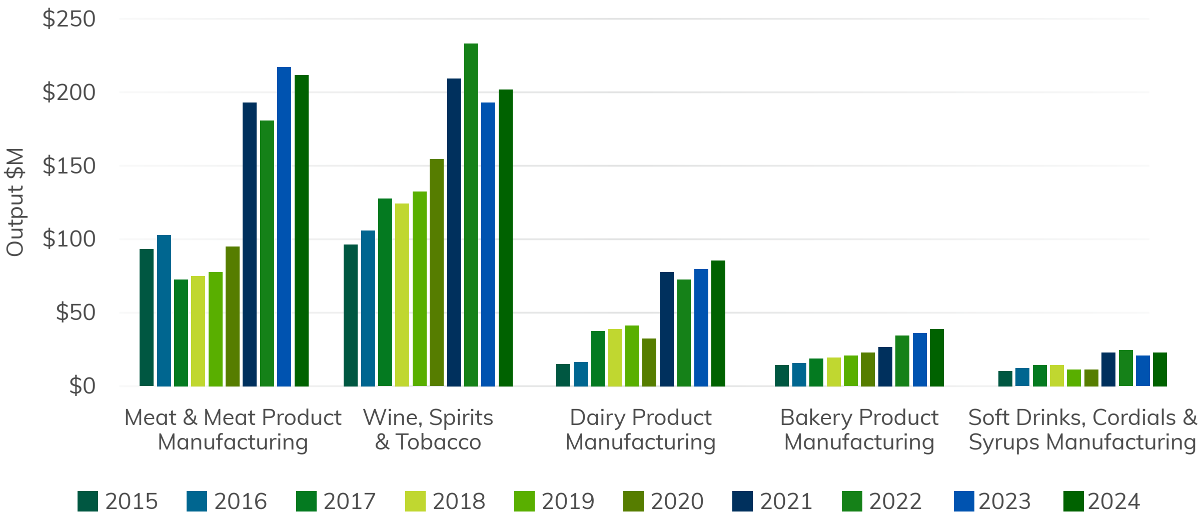


Figure 23 Top 5 industries contributing to total gross revenue in Adelaide Hills LGA. Source: REMPLAN



An estimated $154.7 million in value added was generated by the Adelaide Hills LGAs manufacturing industry in 2024. The Wine, Spirits and Tobacco sector contributes $44.1 million in value-added, and the Meat Product Manufacturing sector contributes $40.0 million in value-added. Both sectors contribute significantly more than the remaining manufacturing industry sectors.

Input coefficients measure the share of an industry's total revenue spent on goods and services sourced from within the local economy. Higher values indicate that more goods and services used in production are sourced locally, supporting local jobs and businesses, while lower values point to greater reliance on imports from outside the area.

Input coefficient data indicates that most manufacturing sectors in Adelaide Hills rely heavily on external inputs, with local expenditure below 30% in nearly all sectors. Sugar and Confectionery, Cement, Lime and Ready-Mixed Concrete, Dairy Products, Bakery Product, and Soft Drink, Cordials, and Syrup Manufacturing are the only sectors that show moderate local supply chain integration. This suggests limited manufacturing self-sufficiency and highlights opportunities to strengthen local supplier networks, particularly in sectors with high external dependency.

Figure 24 Value-added by manufacturing industry sector, Adelaide Hills compared to South Australia, 2024. Source: REMPLAN

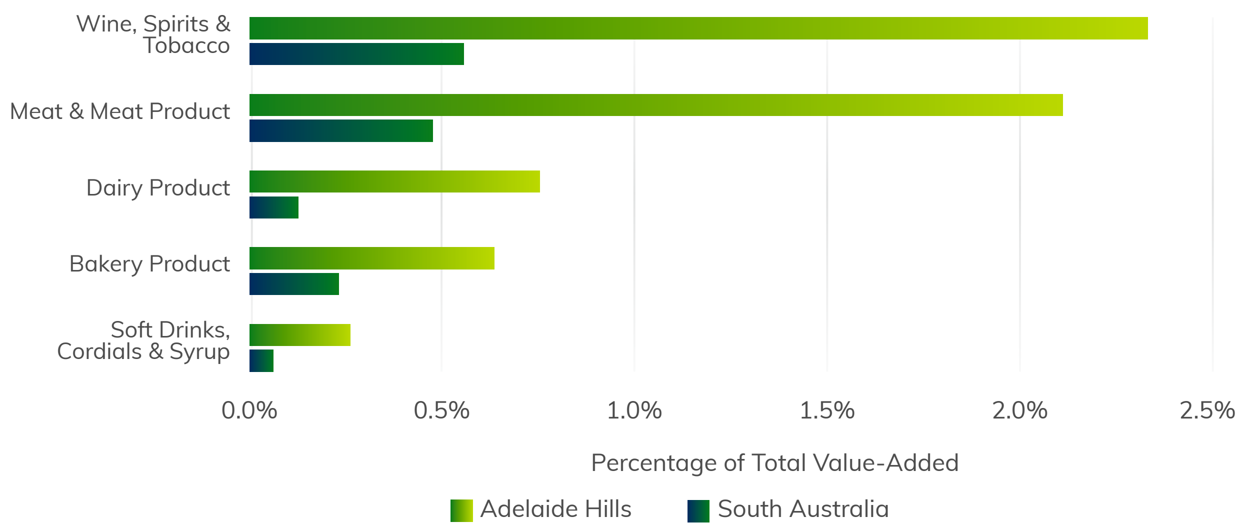


Figure 25 Input coefficient for Adelaide Hills manufacturing sectors. Source: REMPLAN

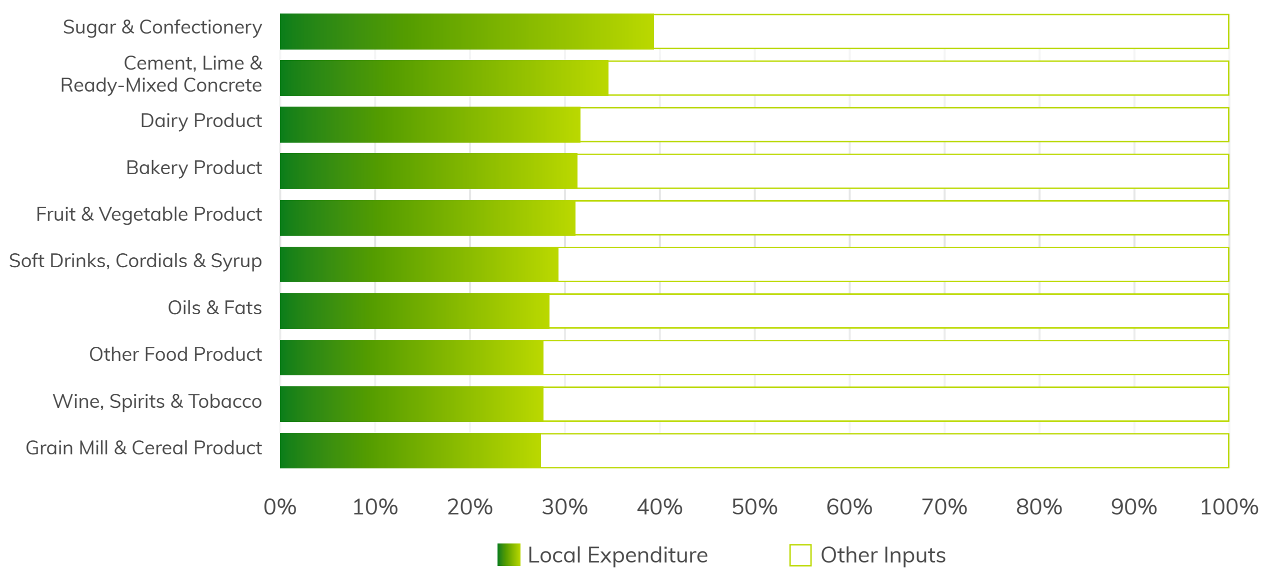


Table 2 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Dairy Product	5.9
Tanned Leather, Dressed Fur & Leather Product	5.1
Soft Drinks, Cordials & Syrup	4.3

Top 3 Movers	LQ (Change)
Tanned Leather, Dressed Fur & Leather Product	5.1 (+5.1)
Oils & Fats	4.0 (+4.0)
Soft Drinks, Cordials & Syrup	4.3 (+2.8)

The RDA AHFKI region's manufacturing sub sectors show clear areas of specialisation and notable recent shifts in industry concentration. The strongest specialisations were in Dairy Product Manufacturing (LQ 5.9), Tanned Leather, Dressed Fur & Leather Product Manufacturing (LQ 5.1), and Soft Drinks, Cordials & Syrup Manufacturing (LQ 4.3), each well above the threshold for strong local specialisation, indicating industries that are far more concentrated in the region than in the broader economy. While strong specialisation can, in some cases, be driven by a limited number of established operators, such concentrations highlight proven industry capability and continue to provide scope for new manufacturing businesses and evolving sub-sectors to emerge and become future growth drivers.

The biggest movers since the previous period were Tanned Leather, Dressed Fur & Leather Product Manufacturing (up 5.1 points), Oils & Fats Manufacturing (up 4.0), and Soft Drinks, Cordials & Syrup Manufacturing (up 2.8). These changes suggest growing regional strengths in value-added processing linked to the agricultural base, as well as in niche beverage production.

Case Study: Woodside Cheese Wrights

Located in Adelaide Hills, Woodside Cheese Wrights is a renowned producer of premium, award-winning artisan cheeses. To meet growing demand and unlock new domestic markets and export opportunities, the business secured grant funding to automate its jar packaging process. This investment has allowed them to eliminate critical production bottlenecks, improve workplace safety, and increase throughput and consistency. As a result, Woodside Cheese Wrights has been able to launch new product lines and strengthen its capacity to compete in high-value markets, reinforcing the Adelaide Hills reputation for premium food manufacturing.

Alexandrina

Alexandrina is a scenic region encompassing the lower Murray River, Lake Alexandrina, and parts of the Fleurieu Peninsula. It's rich in biodiversity and cultural heritage, with thriving rural communities. Alexandrina is known and ideal for exploring local produce and wineries. Manufacturing in Alexandrina is largely driven by food processing, beverage production and niche agricultural manufacturing.

In 2024, manufacturing in the Alexandrina LGA accounted for an estimated $68.5 million in value added, with several sub-sectors showing strong specialisation within the industry mix. Wine, Spirits and Tobacco Manufacturing remained the dominant contributor, representing 35% of total manufacturing value added, up from 30% in 2015.

Ships and Boat Manufacturing also grew strongly, rising from 3% to 9% of the sector, while Bakery Product Manufacturing increased from 4% to 8%. These gains reflect both established strengths in wine production and emerging growth in marine and bakery manufacturing. This diversification indicates a broadening manufacturing base that builds on traditional strengths while creating new areas of competitive advantage.

The input coefficient shows the composition of inputs required to produce one unit of output across various manufacturing industries. Growth in sectors with high proportion of local input typically support expanded local economic activity due to strong local supply chains. Basic Non-Ferrous Metal Manufacturing exhibits the highest local expenditure share of 57.8%, closely followed by Dairy Product Manufacturing spending 56.8% locally. Most of the remaining manufacturing sectors in Alexandrina rely heavily on external inputs, with local expenditure below 30%.

Figure 26 Value-Added by manufacturing industry sector, 2024 compared to 2015, Alexandrina LGA. Source: REMPLAN

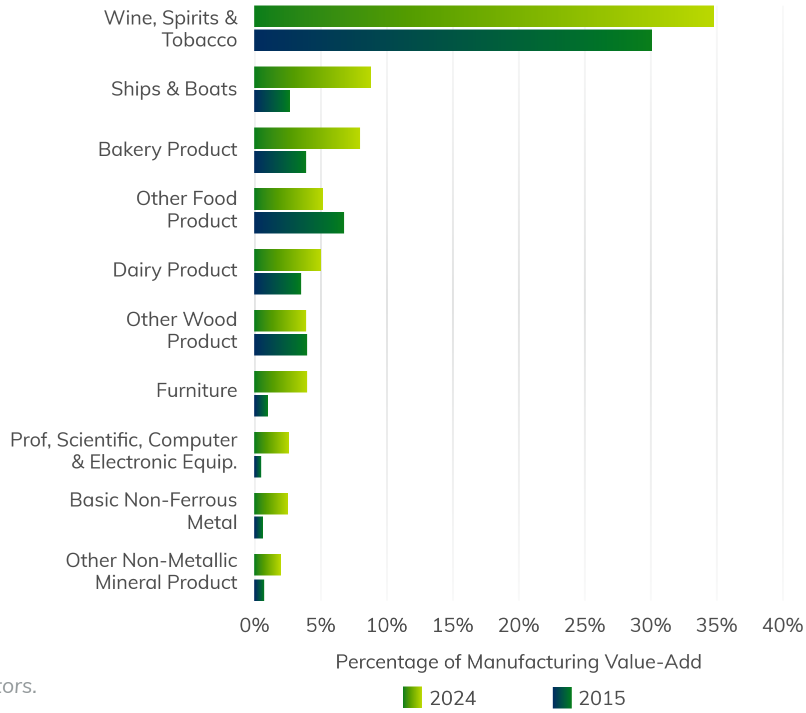


Figure 27 Input coefficient for Alexandrina manufacturing sectors. Source: REMPLAN

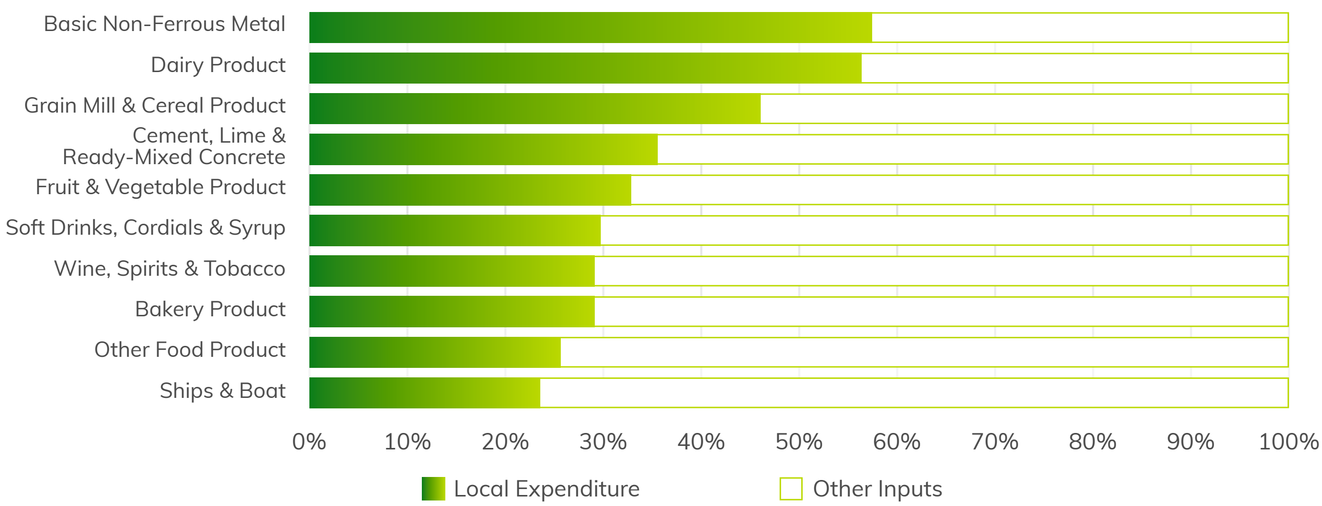


Table 3 shows the shifts in the manufacturing industry sectors LQ, operating in Alexandrina between 2016 and 2021. The LQs were mapped against the five-year growth and current employment size. Alexandrina demonstrates clear local strengths in Tanned Leather, Dressed Fur and Leather Product Manufacturing (LQ 12.7) and in Wine, Spirits and Tobacco Manufacturing (LQ 3.4). It also shows moderate strength in Dairy Product Manufacturing (LQ 2.2). These specialisations indicate the underlying capability and continued scope for new manufacturing businesses to emerge within and alongside existing sub-sector businesses.

Table 3 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Tanned Leather, Dressed Fur & Leather Product	12.7
Wine, Spirits & Tobacco	3.4
Dairy Product	2.2

Top 3 Movers	LQ (Change)
Tanned Leather, Dressed Fur & Leather Product	12.7 (+7.0)
Soft Drinks, Cordials & Syrup	1.6 (+1.2)
Processed Seafood	1.1 (+1.1)

Case Study: Matchett Productions

Operating within the Alexandrina region, Matchett Productions is known for its range of artisan chutneys, sauces, and crackers. Responding to rising demand for premium local food, the business invested in a state-of-the-art production equipment, transitioning from manual to automated processing. This shift significantly increased production speed and efficiency while maintaining product quality. The investment has allowed the business to scale output, diversify its product range, and better service growing markets, directly addressing a key challenge of moving from small-batch production to commercially scalable operations.

Kangaroo Island

Kangaroo Island is a wildlife haven and one of Australia's most iconic natural destinations, known for its rugged coastlines, pristine beaches, and conservation parks. Home to sea lions, koalas, and native bushland, the island offers an immersive eco-tourism experience. It also boasts local food, wine, and artisan products in a tranquil island setting. The manufacturing sector on Kangaroo Island includes honey production, wool processing, and boutique food and beverage operations, often tied closely to local agriculture and sustainable practices.

Kangaroo Island's manufacturing sector contributes approximately $34.1 million in gross revenue, with the Wine, Spirits and Tobacco sector contributing the largest amount of $14.7 million, followed by Other Food Product Manufacturing at $8.3 million.

Kangaroo Island's manufacturing sector, while smaller in scale, remains an important part of the local economy. In 2024 it generated an estimated $8.0 million in value added, with Wine, Spirits and Tobacco contributing the largest share at 40%, up from 31% in 2015. Another standout is Other Food Product Manufacturing, which has grown from no recorded value in 2015 to 21% in 2024, suggesting emerging strengths in niche or artisan food production. Cement, Lime and Ready-Mixed Concrete Manufacturing also plays a significant role, accounting for 21% of value added. These shifts highlight the island's mix of established specialisations, such as wine production, alongside newer growth areas that may reflect diversification in local manufacturing.

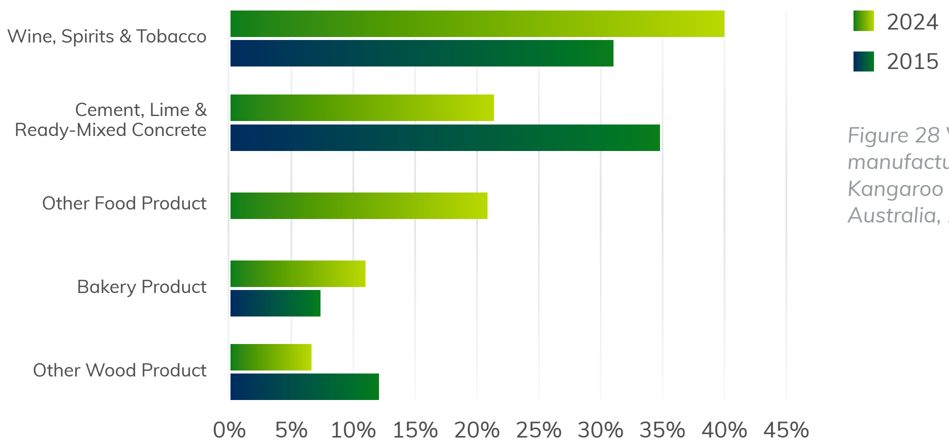


Figure 28 Value-added by manufacturing industry sector, Kangaroo Island compared to South Australia, 2024. Source: REMPLAN

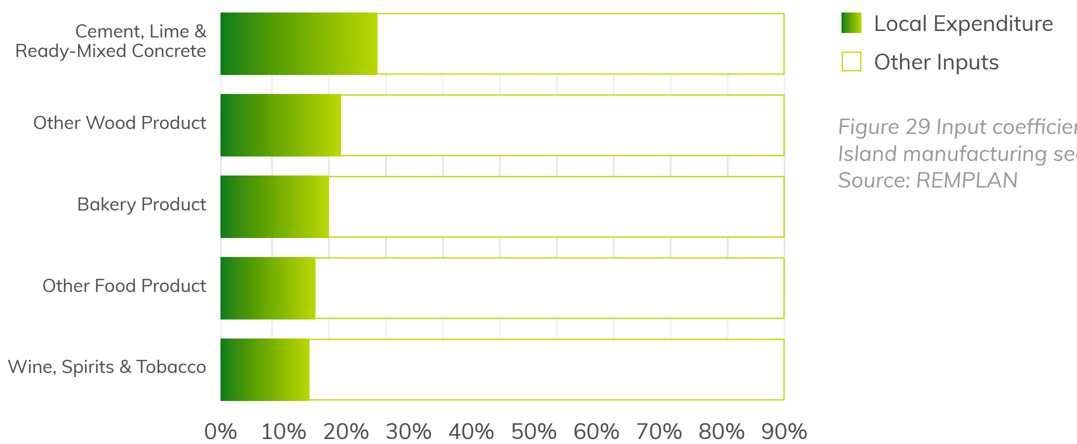


Figure 29 Input coefficient for Kangaroo Island manufacturing sectors. Source: REMPLAN

Input coefficient data shows the proportion of expenditure by industry sectors that is spent locally, providing insights into the economic self-sufficiency and interdependence of the LGA in terms of its industry supply chains. The input coefficient data indicates that local expenditure across the LGA is generally quite low, with the majority of spending occurring outside the LGA. Cement, Lime and Ready-Mixed Concrete Manufacturing relies on local expenditure the most (25.5%), closely followed by Other Wood Product Manufacturing (19.3%).

Kangaroo Island's manufacturing sub sectors show clear areas of specialisation and notable recent shifts in industry concentration. The strongest sectors were Other Food Product Manufacturing (LQ 3.5), and Cement, Lime and Ready-Mixed Concrete Manufacturing (LQ 2.6). These specialisations reflect existing industry structure and capability, and do not preclude opportunities for new or emerging manufacturing activity within the region. The biggest movers since the previous period were Other Wood Product Manufacturing (up 0.8 points), and Bakery Product and Cement, Lime and Ready-Mixed Concrete Manufacturing (up 0.4 points each). These changes suggest very small growth in regional strengths.

Table 4 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Other Food Product	3.5
Cement, Lime & Ready-Mixed Concrete	2.6
Wine, Spirits & Tobacco	1.6

Top 3 Movers	LQ (Change)
Other Wood Product	0.82 (+0.8)
Bakery Product	1.01 (+0.4)
Cement, Lime & Ready-Mixed Concrete	2.6 (+0.4)

Case Study: D'Estrees Bakery

D'Estrees Bakery is a well-established Kangaroo Island Producer, recognised for its handmade sourdough breads and artisan pastries that showcase the island's strong local food identity. Through targeted grant funding, the bakery invested in new equipment that enabled the development of additional product lines and expanded product capability. This expansion reflects a broader trend on the island, where small-scale producers are leveraging the region's strong food brand to diversify and capture value from the visitor economy.

Mount Barker

Mount Barker is one of the fastest growing regional centres in South Australia, balancing urban convenience with country charm. Surrounded by rolling hills and farmland, it offers vibrant markets, family-friendly amenities, and easy access to Adelaide Hills. The mix of heritage buildings and modern development makes it a hub for both residents and visitors. Its manufacturing sector is diverse, featuring food and beverage processing, timber products, light engineering, and building materials.

When compared to the State, Mount Barker's manufacturing sector follows a positive growth trend. While Basic Chemical Manufacturing declined in both the LGA and the State, the decrease in Mount Barker was less severe (-2.34% compared to -5.1%). Notably, Fruit and Vegetable Product Manufacturing in Mount Barker grew by 5.7%, outperforming the State-wide decline of 1.6%, and Wine, Spirits and Tobacco Manufacturing experienced an 11.5% increase, surpassing the State's 1.5% growth. These figures suggest that Mount Barker's manufacturing sector is not only resilient but also increasingly specialised in high-value or niche segments such as agri-food and beverages, reflecting local strengths and potentially growing demand for locally produced goods.

Figure 30 Average Annual Growth in Employment, Basic Chemical and Food Product Sub-Sectors, 2011-2021
Source: REMPLAN

Mount Barker's manufacturing industry generated an estimated $156.9 million in value added in 2024, with strong contributions from Basic Chemical, Cleaning and Polymer Manufacturing ($53.2 million) and Food Product Manufacturing ($32.8 million). Cleaning Compounds and Toiletry Preparation remains the standout, growing from $28.0 million in 2015 to $41.4 million in 2024. Several other sectors have also seen significant growth over the period, including Wine, Spirits and Tobacco Manufacturing (up from $5.7 million to $12.0 million) and Fruit and Vegetable Product Manufacturing (up from $13.2 million to $15.8 million). Notably, Beer Manufacturing emerged as a new contributor, increasing to $11.3 million by 2024. These trends reflect diversification within the sector, alongside sustained strength in high-value, niche manufacturing segments.

Figure 31 Value-added by manufacturing industry Sub-sector, Mount Barker, 2024. Source: REMPLAN

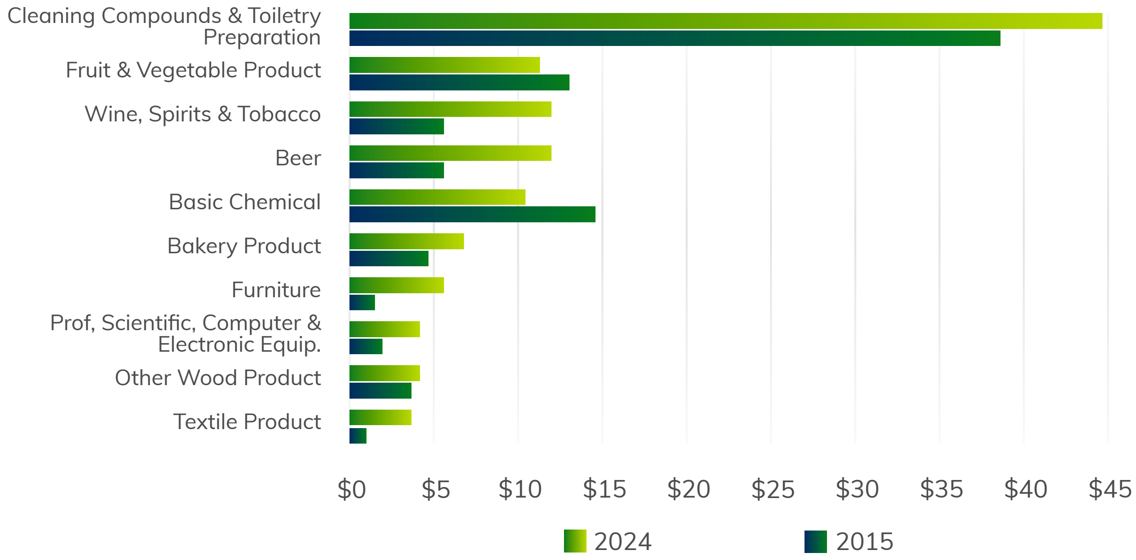


Table 5 highlights the strongest specialisations and fastest-growing subsectors within Mount Barker's manufacturing industry. The most highly concentrated sectors are Cleaning Compounds and Toiletry Preparation Manufacturing (LQ 27.1), Veterinary Pharmaceutical Product Manufacturing (LQ 13.4), and Fruit and Vegetable Product Manufacturing (LQ 12.1). These concentrations signal established scale rather than constrained capacity for future industry entry or expansion. The largest increases in specialisation were recorded in Cleaning Compounds and Toiletry Preparation Manufacturing (up 3.6 points), Textile Product Manufacturing (up 3.0 points), and Tanned Leather, Dressed Fur and Leather Product Manufacturing (up 2.7 points).

Table 5 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Cleaning Compounds & Toiletry Preparation	27.1
Veterinary Pharmaceutical Product	13.4
Fruit & Vegetable Product	12.1

Top 3 Movers	LQ (Change)
Cleaning Compounds & Toiletry Preparation	27.1 (+3.6)
Textile Product	4.2 (+3.0)
Tanned Leather, Dressed Fur & Leather Product	10.9 (+2.7)

Case Study: Finch Restorations

Finch Restorations, based in Mount Barker, is Australia's premier classic and vintage car restoration specialist, servicing a global clientele. Blending traditional craftsmanship with modern technology, the business has leveraged funding to integrate high-tech innovations, such as 3D scanning, into their workflow. This unique blend of heritage skills and digital precision allows them to undertake complex reproduction projects, such as their 1938 SS Jaguar 100 recreation, for clients worldwide.

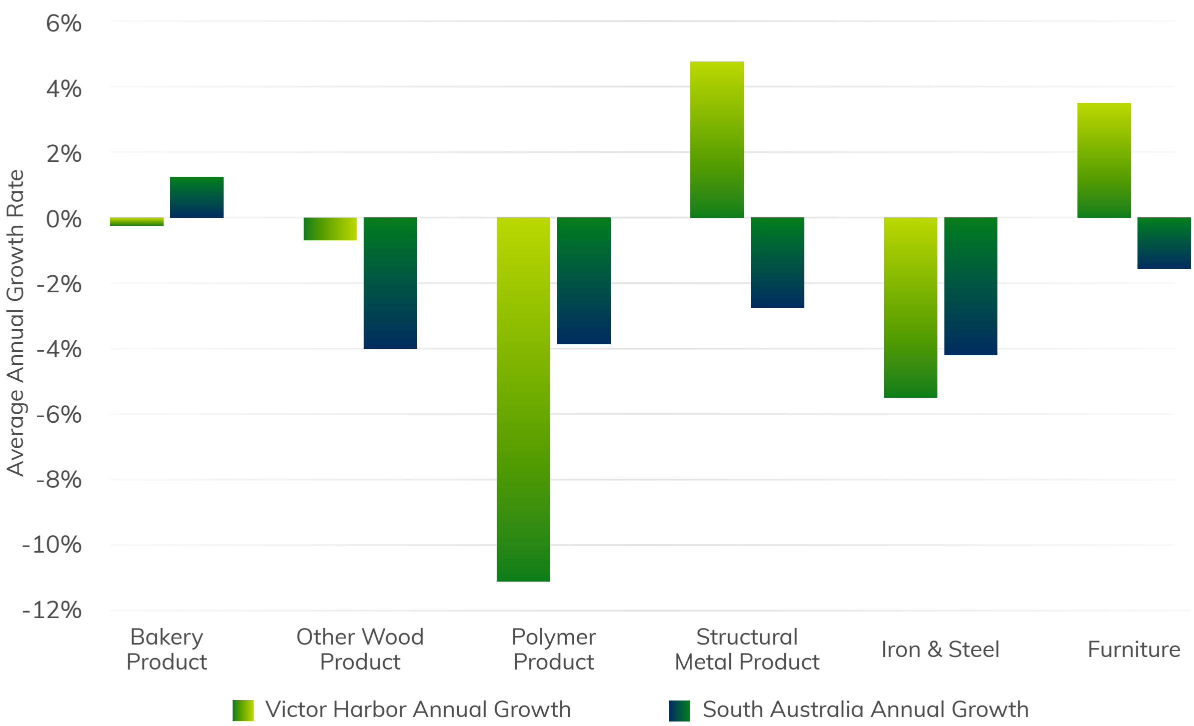
Victor Harbor

Victor Harbor is a popular coastal town famous for its historic horse-drawn tram to Granite Island and sightings of southern right whales. It offers stunning ocean views, sandy beaches, and a welcoming holiday atmosphere. The town's small-scale manufacturing reflects its artisan culture, with activity in areas such as vehicle parts fabrication, specialty food production, and custom woodwork and joinery.

Victor Harbor's manufacturing sector is primarily locally focused, with the lowest share of exports among the six LGAs in the region but a relatively strong share of local sales, particularly when compared with other smaller LGAs. This reflects an economic orientation towards serving local businesses and residents rather than competing in broader external markets. The sector remains small in scale and steady over the long term supported by recent modest growth, much of it tied to tourism and lifestyle demand.

The manufacturing sector in Victor Harbor has experienced moderate growth and significant decline over the last 10-years. Victor Harbor has experienced a larger decrease than the State in Polymer Manufacturing (-11.1% compared to -3.8%) and Iron and Steel Manufacturing (-5.4% compared to -4.1%). The decrease in Polymer Product Manufacturing (-11.1%) is significantly higher than the decrease across South Australia (-3.8%). However, Victor Harbor outperforms South Australia in several areas such as Structural Metal Product Manufacturing which grew by 4.8% in the LGA and declined by 2.7% across the State, and Furniture Manufacturing which increased by 3.6% in the LGA and declined by -1.5% across the State. These trends suggest that while some traditional manufacturing sectors are facing challenges, Victor Harbor's strengths lie in niche and value-added sectors like metal and furniture manufacturing, indicating a shift in the local economy towards more specialised production.

Figure 32 Average Annual Growth in Employment, Selected Manufacturing Sub-Sectors, 2011-2021.
Source: REMPLAN



Victor Harbor's manufacturing sector has a strong local focus, with many industries primarily supplying to businesses and households within the LGA. Structural Metal Product Manufacturing and Other Wood Product Manufacturing each direct around 90% of all sales to local businesses, while Bakery Products and Motor Vehicles & Parts also serve significant local household demand.

A smaller group of sectors is export-oriented, most notably Wine, Spirits and Tobacco Manufacturing (82% exported, both through direct exports and tourism spend) and Iron and Steel Manufacturing (57%). Furniture Manufacturing also exports a substantial share of its output.

Overall, the mix of locally serving industries and niche export producers reflects Victor Harbor's role as both a service hub for residents and visitors and a base for specialised manufacturing that reaches beyond the region.

Figure 33 Output Coefficient for Victor Harbor Manufacturing Sub Sectors. Source: REMPLAN

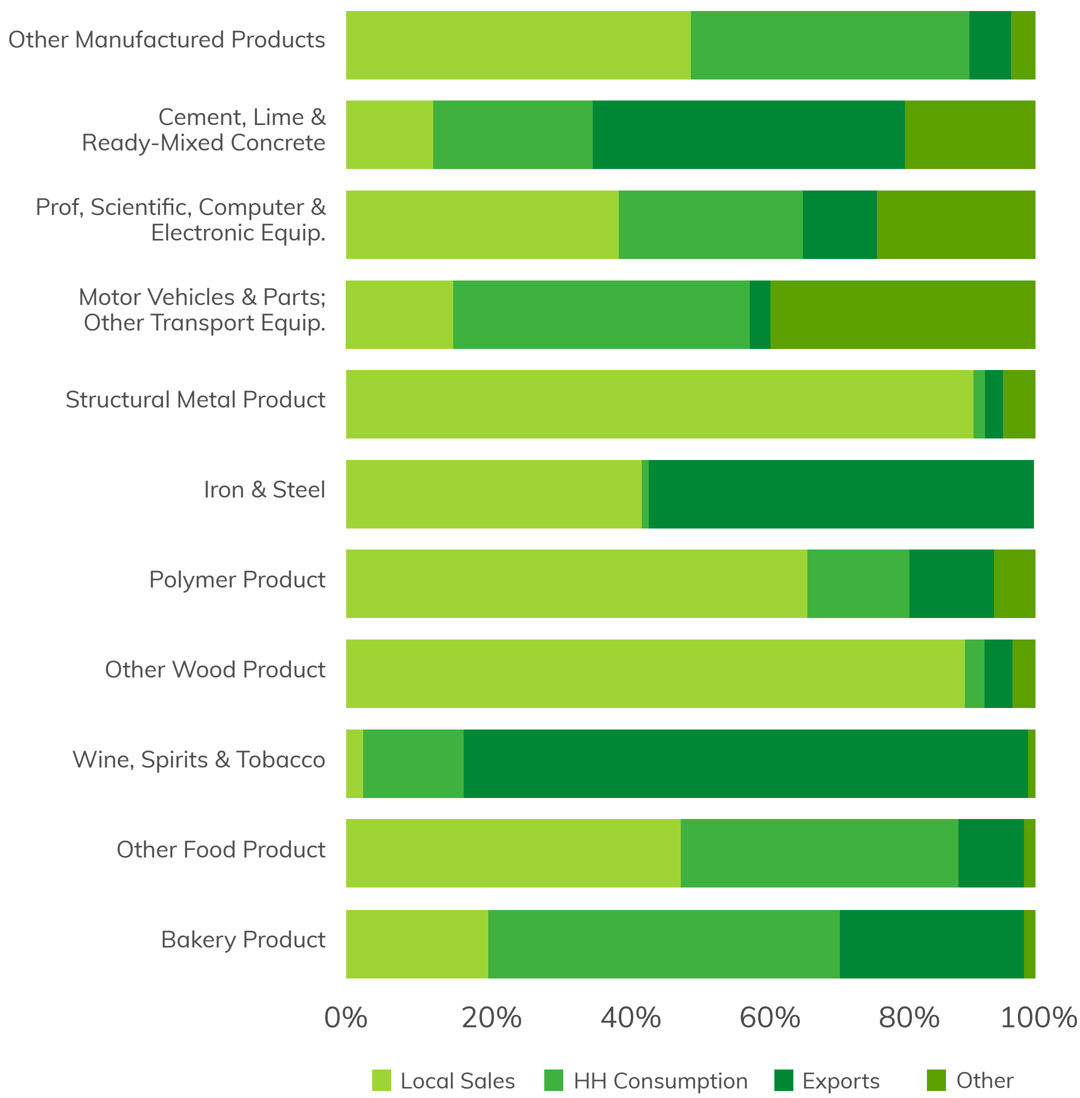


Table 6 shows the shifts in the manufacturing industry sectors LQ, operating in Victor Harbor between 2016 and 2021. The strongest sectors were Furniture Manufacturing (LQ 2.1), Other Wood Product Manufacturing (LQ 1.3), and Other Manufactured Products (LQ 1.1). These patterns reflect emerging specialisation and indicate scope for further diversification within the manufacturing base.

The biggest movements were experienced in Other Wood Product Manufacturing (up 0.8 points), Motor Vehicle and Parts and Furniture Manufacturing (up 0.7 points each). These changes suggest growing regional strengths in value-added processing.

Table 6 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Furniture	2.1
Other Wood Product	1.3
Other Manufactured Product	1.0

Top 3 Movers	LQ (Change)
Other Wood Product	1.3 (+0.8)
Motor Vehicles & Parts; Other Transport Equipment	0.9 (+0.7)
Furniture	2.1 (+0.7)

Case Study: Egritech

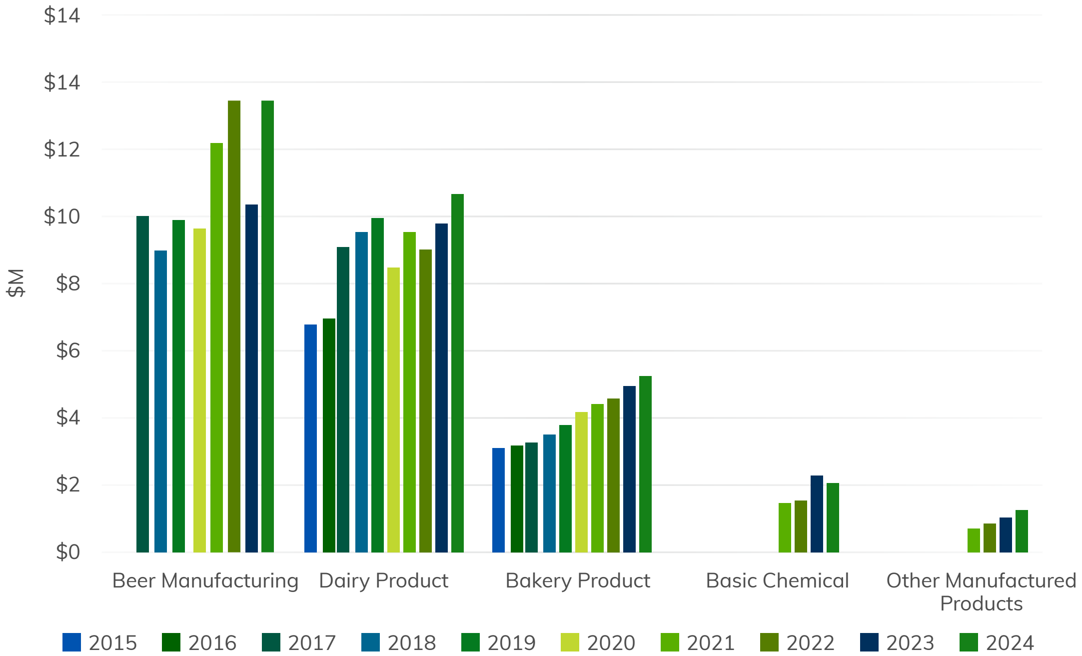
Operating from Victor Harbor, Egritech is an innovative manufacturer of specialised transport equipment and portable housing solutions. Challenging the perception of Victor Harbor as solely a tourism-based economy, the business demonstrates the region's potential for innovative and diversified manufacturing. With a strong foundation in engineering, the company utilised grant funding to streamline its production processes, eliminate operational bottlenecks, and improve its overall efficiency. These improvements have allowed the company to lift productivity, expand its product range, and strengthen its competitive position, highlighting the capacity for manufacturing to thrive in the region's coastal centres.

Yankalilla

Yankalilla is a charming rural district nestled in the Fleurieu Peninsula, known for its green valleys, heritage towns, and coastal access. It includes attractions like the scenic Inman Valley, the historic town of Normanville, and breathtaking views along the Heysen Trail. The manufacturing sector in Yankalilla is closely tied to agriculture, with operations in dairy processing, artisan food production, and small-scale machinery or equipment manufacturing supporting local farming enterprises.

Manufacturing in Yankalilla generates around $32.7 million in revenue, accounting for 6% of total output. The sector is dominated by food and beverage production, with Beer Manufacturing and Dairy Product Manufacturing leading the way. While still relatively small, beer manufacturing has grown strongly since its emergence in 2017, reaching $13.4 million in 2024 despite some year-to-year fluctuations. Dairy production has shown steady long-term growth, increasing from $6.8 million in 2015 to $10.6 million in 2024. Bakery Product Manufacturing also plays a consistent role, contributing $5.3 million in 2024.

Figure 34 Top 5 industries contributing to total gross revenue in 2024, Yankalilla LGA. Source REMPLAN



Regional exports (including domestic and international markets) from Yankalilla's manufacturing sector are estimated at $21.8 million in 2024. With the decline or complete exit of several manufacturing sectors from the local economy, food and beverage production has become increasingly central to the region's export profile. Beer Manufacturing is now the largest contributor, rising from no recorded exports in 2015 to $11.3 million in 2024. Dairy Product Manufacturing follows with $7.3 million, and Bakery Product Manufacturing adds $2.7 million. Beyond direct exports, Yankalilla's strong tourism industry likely channels a significant share of locally made beer, bakery goods, and other specialty products to visitors, effectively "exporting" them through on-site consumption. The sustained growth of these sectors has helped offset losses elsewhere, reinforcing their importance to both the local visitor economy and wider domestic and international markets.

Figure 35 Regional exports by manufacturing industry sector, 2024 compared to 2015, Yankalilla 2024.
Source: REMPLAN

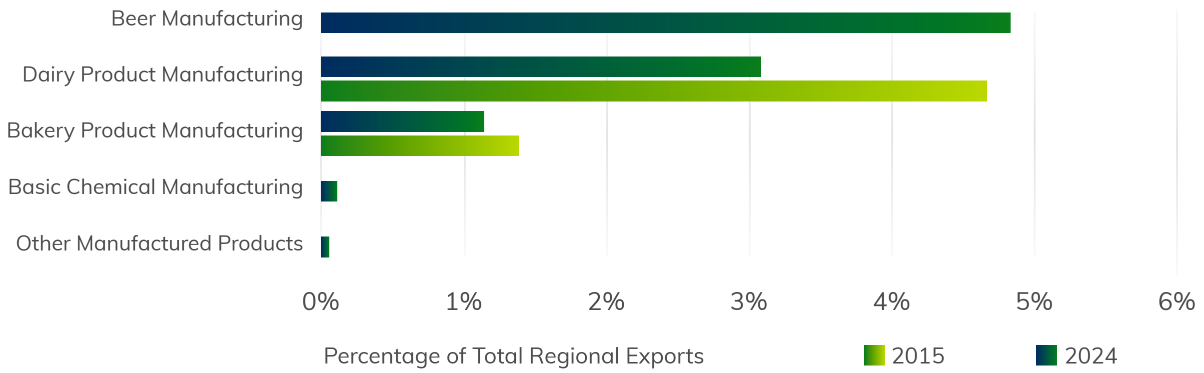


Table 7 highlights Yankalilla's areas of manufacturing specialisation and the sectors showing the most growth. The sector is modest in scale but shows strong concentration in Beer Manufacturing (LQ 12.1), followed by Dairy Product Manufacturing (LQ 5.2) and Bakery Product Manufacturing (LQ 2.4). These food and beverage sectors underpin much of the region's manufacturing activity and are important drivers of local identity and economic output. Such specialisations reflect established niches while still allowing scope for new and complementary manufacturing activity to emerge.

The most significant growth in specialisation since 2016 has been in Beer Manufacturing (up 2.2 points), alongside increases in Other Manufactured Products (up 1.0 point) and Basic Chemical Manufacturing (up 0.8 points). This growth reflects a strengthening in value-added and niche production areas, particularly in beverages, which are closely tied to both local consumption and tourism-driven demand.

Table 7 Location quotient, top specialisations and top movers

Top 3 Specialisations	LQ
Beer	12.1
Dairy Product	5.2
Bakery Product	2.4

Top 3 Movers	LQ (Change)
Beer	12.1 (+2.2)
Other Manufactured Products	1.0 (+1.0)
Basic Chemical	0.8 (+0.8)

Case Study: Fleurieu Milk Company

The Fleurieu Milk Company is a cornerstone of the Yankalilla economy and one of South Australia's most recognisable premium dairy brands. Originating as a collaborative initiative among local farmers, the company exemplifies the value of vertical integration, processing, bottling, and branding local milk within the region rather than exporting raw product. Today, Fleurieu Milk Company is not only a major regional employer but also a key industry leader, validating the region's strength in dairy manufacturing. Its recent commitment as a corporate sponsor supporting future local manufacturing businesses further emphasises its role in anchoring and growing the Fleurieu Peninsula's premium food economy.

Opportunities and Challenges for Future Growth

Manufacturing is a propulsive sector in the RDA AHFKI region, underpinning prosperity through high levels of value-added activity, strong export performance, and robust local supply chains, particularly in the food, beverage, and chemical industries. The sector is increasingly defined by growth in niche and premium segments that reflect the region's distinct identity and evolving consumer preferences.

Closely aligned with regional strengths such as tourism, agriculture, and sustainability, manufacturing amplifies economic impacts across multiple sectors. Its success in export markets, especially in beverages, further strengthens the region's competitive position. With deep place-based specialisations and strong links to local resources and skills, manufacturing in RDA AHFKI is both resilient and adaptive, positioning it as a dynamic driver of future regional development.

Opportunities

Manufacturing in the RDA AHFKI region is well positioned to grow by leveraging its strengths in premium food, beverages, and chemical products. Innovation in functional foods, sustainable packaging, and craft production aligns with rising consumer demand for quality, wellness, and sustainability. These trends support not only the expansion of existing firms, but also the entry of new manufacturers seeking to serve emerging and high-value markets. Building stronger local supply chains, particularly in Adelaide Hills, Mount Barker, and Victor Harbor, would capture more value locally and boost resilience. Targeted skills development in food technology, clean chemical production, and bio-manufacturing will ensure a future-ready workforce. The region's strong branding offers scope to expand premium export markets.

Challenges

Growth is constrained by high energy costs, infrastructure limitations, and reliance on external inputs, which increase vulnerability to supply chain disruptions. An ageing workforce and limited labour pools in some LGAs pose skills challenges. Climate risks, including water scarcity and impacts on agricultural productivity, threaten key inputs for agri-food manufacturing. In addition, many sub-sectors face squeezed margins from rising input costs, concentrated retail markets, and increasing compliance burdens. Addressing these challenges is essential not only for sustaining existing manufacturers, but also for lowering barriers for entry and enabling new businesses to establish and scale within the region. Without targeted investment in innovation, sustainability, and capacity building, these pressures could limit the region's manufacturing potential.

Opportunities and Challenges by Key Sector

Food Product Manufacturing

Opportunities:

Strong local reputation and links to agriculture support premium and niche products, including health-focused and plant-based foods. Tourism also boosts demand for artisan and specialty products. There's scope to expand exports by capitalising on the region's clean, green image, creating space for new food manufacturers to emerge.

Challenges:

Concentrated retail markets squeeze margins, and rising input costs limit investment in new technology. Skills shortages in food technology and processing, along with regulatory complexity, slow innovation.

Beverage Product Manufacturing

Opportunities:

Premium wines, craft beers, and spirits have strong export appeal, supported by the region's established branding and tourism profile. Innovations in packaging, branding, and sustainability can expand market share.

Challenges:

High energy and logistics costs erode margins. Fragmented regulatory systems increase compliance burdens, particularly for smaller producers seeking new markets.

Basic Chemical, Cleaning & Polymer Manufacturing

Opportunities:

Growth potential in clean-technology applications, sustainable materials, and specialised chemical production. Links to mining and agricultural supply chains can be leveraged for advanced manufacturing, with opportunities for new businesses in specialised and high-value niches.

Challenges:

Volatile raw material costs and energy intensity make competitiveness dependent on efficiency gains and secure supply chains.

Metal & Metal Product Manufacturing

Opportunities:

Infrastructure investment and the clean-energy transition create demand for high-value components and fabrication. Niche opportunities exist in precision metal products for mining and renewable sectors, supporting both diversification and the establishment of new specialist manufacturers.

Challenges:

Strong competition from imports, reliance on cyclical construction markets, and input price volatility put pressure on margins.

Furniture & Other Manufactured Products

Opportunities:

Growing consumer demand for locally made, sustainable, and custom-designed products provides a market niche. Integration of technology (e.g. modular or smart furniture) offers new revenue streams and lowers barriers for innovative and design-led manufacturers.

Challenges:

Vulnerability to construction downturns and competition from low-cost imports make resilience reliant on strong branding and high-quality differentiation.

Did You Know?

Beyond its well-known strengths in food and beverage production, the RDA AHFKI region is home to a surprisingly diverse range of manufacturing activity. Local businesses produce everything from wheelchairs and go-kart braking systems to fish tags, abattoir equipment, natural beauty products, tea bags, candles and organic fertiliser.

Several of these manufacturers operate at scale, supplying national and international markets and supporting skilled local jobs. This diversity highlights the region's underlying manufacturing capability and points to opportunities for new niche specialisations and emerging industry leaders to build on existing strengths.

An Australian Government Initiative

Regional Development Australia

RDA ADELAIDE HILLS, FLEURIEU AND KANGAROO ISLAND

Postal address: 1 Colman Terrace, Strathalbyn SA 5255

Email: info@rdahc.com.au

Phone: 08 8536 9200