

# South Australia's Advanced Manufacturing Action Plan



# Context

South Australia's long and productive manufacturing history is a foundational strength of our state and vital to our economic future. Advanced Manufacturing:

- increases South Australia's economic complexity, unlocking the full potential of opportunities in renewables, hydrogen, minerals, forestry, food, construction, health, defence industry and space
- supports connections to green global value chains and transition to net-zero
- builds Industry 4.0 capability across the economy in design, research, business models, technologies, leadership and entrepreneurship
- contributes to value-added exports, skilled jobs and productivity that drives higher living standards and incomes for communities across the state
- provides the foundation for new knowledge intensive industries.

In 2023, South Australia's Advanced Manufacturing Strategy (the Strategy) was developed and published by the Department of State Development in close consultation with industry and contributing government agencies.

The Strategy's ambition over 10 years is for the manufacturing sector to contribute:

- 10% of SA's economy
- 8% of SA's employment
- 30% of SA's business R&D
- 25% of SA's value-added exports

The full Strategy is available at [statedevelopment.sa.gov.au/manufacturing/plan](https://statedevelopment.sa.gov.au/manufacturing/plan).





## Current opportunities

Since the launch of the Strategy in late 2023, the Department of State Development has designed and implemented a range of new initiatives to support the sustainability and growth of local manufacturers.

Each initiative aims to uplift local SMEs' capability to compete in global supply chains and meet compliance obligations, security requirements, productivity and technology demands of customers.

An overview is provided across the next pages of this document. For full information, please visit [statedevelopment.sa.gov.au/manufacturing](https://statedevelopment.sa.gov.au/manufacturing).



Workers at McKechnie Iron Foundry – one of the South Australian companies participating in the Supplier Capability Uplift Program.

## Initiative in action: Supplier Capability Uplift Program

In September 2024, five South Australian businesses commenced the Department of State Development's Supplier Capability Uplift Program facilitated by the United States' leading shipbuilder HII.

HII's Australian entity, HII Nuclear Australia, selected participants McKechnie Iron Foundry, Century Engineering, Levett Engineering, H-E Parts International and MacTaggart Scott Australia based on their potential to meet specific supply chain requirements for major US defence projects – including the Virginia Class Submarine.

Through the program, each business is undergoing a Supplier Technical Assessment and Validation (STAV) review to identify and address capability gaps.

Upon completion, they'll be supported by the South Australian Government to address any shortfalls and become well-placed to compete for work on the Virginia Class Submarine and other global shipbuilding and sustainment opportunities.

Refining this local expertise will not only empower participating businesses to win work in the short-term, but bolster capability in the local supply chain – preparing the state to fulfil South Australian-based defence projects like the construction of the SSN-AUKUS conventionally armed, nuclear powered submarines.

## Initiative in action: Economic Recovery Fund

The first manufacturer of semiconductors in the state, and one of only a handful in Australia, Hendon Semiconductors (HSC) was granted more than \$605,000 through Round 1 of the South Australian Government's Economic Recovery Fund.

HSC has been designing, testing and manufacturing microelectronic products from its facility in Hendon for 65 years. The company partners with customers to speed up innovation within the state and Australia-wide, and delivers products to some of South Australia's key industries, such as defence, medical, rail, power distribution, and the housing market.

HSC will use the ERF grant for its medical device manufacturing project, including introducing new capabilities:

- A sterilisation chamber for products that may be implanted or come into contact with bodily fluids.
- Class 10k Clean room for many classes of medical application, also important for optical component assemblies, and beneficial for die bonding and wire bonding processes.
- Chip on board (COB) to reduce the size of devices, which is critical to produce miniaturised electronic assemblies.

The \$154 million Economic Recovery Fund was established to help local businesses and industry in key areas to grow secure, well-paid jobs, improve productivity, increase exports and support innovative, value-adding technologies.



HSC Executive General  
Manager Brenton Judge.

# Initiatives

Mapped out below are the key manufacturing initiatives the Department of State Development is delivering over the next 24 months, aligned with the six growth enablers identified in the Strategy.

Manufacturing Action Plan – Initiatives Snapshot		
INVESTMENT	INNOVATION	CAPABILITY
<p><b>Manufacturing Technology Adoption Program</b> Advice and co-funding to support manufacturers to implement Industry 4.0 and other key enabling advanced manufacturing technologies.</p>		
<p><b>Research and Innovation Fund (RIF)</b> A strategic fund investing in the South Australian research and innovation value chain. Innovative manufacturers can take advantage of the RIF through the Seed-Start program, which provides grant funding to early-stage companies to support the commercialisation of an innovative product or service.</p>		
<p><b>National Collaborative Research Infrastructure Strategy (NCRIS) projects</b> Critical research infrastructure for researchers and businesses to develop new products, services and solutions to major health, environmental and economic challenges. Six NCRIS projects in South Australia operate across 12 research facilities providing manufacturers and researchers access to state-of-the-art equipment and highly skilled technical experts for advice and support to test new ideas and achieve R&amp;D goals.</p>		
<p><b>South Australian CRC Assistance Program</b> Support and conditional funding for Cooperative Research Centre (CRC) bids that intend to establish their headquarters or a node in South Australia. CRCs support industry to partner with the research sector to solve industry-identified problems in collaborative research.</p>	<p><b>Cyber Uplift Step Program</b> Delivered in partnership with the Australian Cyber Collaboration Centre to provide accessible and affordable cyber security education and support for small and family businesses.</p>	
<p><b>Economic Recovery Fund Round 1 (Manufacturing Innovation)</b> Thirteen local manufacturers were awarded funding totalling \$19.8 million towards their innovation projects in Round 1 of the Economic Recovery Fund (concluded).</p>	<p><b>Manufacturing Growth Accelerator at the Tonsley Factory of the Future</b></p>	
<p><b>Investment Accelerator Program</b> Grants and bespoke case management services to attract innovative, high growth potential businesses to South Australia.</p>	<p><b>Supplier Capability Uplift Program (Defence Industry)</b></p> <p><b>Export support services</b></p> <p><b>First Nations Export Mentoring Program</b></p>	
<p><b>Invest South Australia</b> Facilitates new investment in key industry sectors.</p>		
<p><b>Concierge Service</b> Gateway for SA manufacturers to access support for growth. Industry Development Managers are available to connect businesses to relevant services, advice, expertise and funding sources.</p>		<p><b>Government Procurement</b> Increase opportunities for local manufacturers through coordination between the Office of the Industry Advocate, Procurement SA and ICN SA. Procurement SA's proposed SA Supplier Hub will help SA suppliers to register their interest and receive updates for upcoming government procurements.</p>

## Supporting

## Economic complexity | Net-zero transition | Productivity

MARKETS	WORKFORCE	SUSTAINABILITY
<p><b>Industry Capability Network SA (ICN)</b></p> <p>Connects local suppliers to opportunities in projects and supply chains across key sectors including defence, energy, renewables, mining and infrastructure.</p>	<p><b>SA Defence Industry Workforce and Skills Action Plan</b></p> <p>A suite of Commonwealth and South Australian Government funded initiatives to build a skilled defence industry workforce, capable of delivering the major projects slated for South Australia in the years and decades to come.</p>	<p><b>Economic Recovery Fund Round 2 Small Business Energy Grants</b></p> <p>\$20 million in funding to help businesses invest in more energy efficient equipment or make improvements that optimise energy usage and costs.</p>
<p><b>Global Expansion Program</b></p> <p>Grants and case management services to support high-growth, export-ready South Australian businesses to build their export capability.</p>	<p><b>The Alternative</b></p> <p>A new program connecting local graduates with South Australian SMEs and startups, designed to build capacity within local organisations and help the state retain outstanding talent.</p>	<p><b>Sustainability Support Program</b></p> <p>Helps small and family businesses, including manufacturers, increase their knowledge of environmental sustainability, implement emission reduction strategies and mitigate sustainability risks.</p>
<p><b>SA Manufacturing Portal</b></p> <p>A comprehensive online database of SA manufacturing capability powered by ICN Gateway.</p> <p>This platform enables manufacturers to showcase their capabilities and connect with potential clients, suppliers and partners.</p>	<p><b>Skilled Migration</b></p> <p>South Australia's skilled migration programs respond to industry workforce priorities. \$2 million over 2 years (2024-25 and 2025-26) is committed in the State Budget to deliver programs in partnership with the private sector to address migrant underutilisation in engineering, construction and ICT sectors.</p>	<p><b>Business Sustainability Program Green Industries</b></p> <p>SATools and advice for businesses to accelerate sustainable change and transition to a more circular economy, including resource recovery and efficiency, net-zero emissions measurement and reduction strategies and sustainable procurement/supply chain engagement.</p>
<p>Support and co-funding for manufacturers to develop and strengthen their capabilities to secure customer contracts and participate in global supply chains.</p>	<p><b>South Australian Skills Commission – Industry Skills Councils</b></p> <p>Ten Industry Skills Councils (ISCs) provide a mechanism for peak industry, employee and employer associations to advise the Commission and South Australian Government on skills, training and workforce needs.</p> <p>There is a dedicated Manufacturing and Automotive ISC, as well as Councils for other key sectors with manufacturing activity, including Agribusiness, Food and Wine/Beverages, and Defence and Space Technologies.</p>	
<p>Collaborating with HII to increase the capability of South Australian companies with identified potential to supply into global defence supply chains, including naval shipbuilding and sustainment programs.</p>	<p><b>Skills SA – South Australia's Skills Plan</b></p> <p>Approximately 20,000 new training places are being targeted through the \$2.3 billion National Skills Agreement for Manufacturing, Fabrication and Engineering, Electrical, Maritime and Aerospace Engineering and Technology.</p> <p>Skills SA supports the development of new training products to help industry access skilled workers in high priority sectors – for example, the new Photonics Industry Technician short course, developed in partnership with industry to address industry need.</p>	
<p>Offers businesses export guidance, market research, business-to-business introductions, capability building activities, and in-market support, including connection to the South Australian Government's international office network and AusTrade's Tradestart network.</p>		
<p>Connects Aboriginal businesses with experienced mentors to help them grow through export or investment.</p>		

## Measures

### Industry forums, events, information sessions and workshops

Economic Development Round Table  
Unlocking Funding for Growth Series  
Emerging Technologies Interest Groups

Manufacturing Insight Series  
International Trade Missions  
Manufacturing Hub: ([statedevelopment.sa.gov.au/manufacturing](https://statedevelopment.sa.gov.au/manufacturing))



Representatives from South Australian manufacturing companies tour the ANFF-SA facility as part of a DSD Emerging Technologies Interest Group event.

## Initiative in action: Emerging Technologies Interest Group

The Department of State Development hosts regular Emerging Technologies Interest Group (ETIG) events to connect local manufacturers with the wealth of advanced manufacturing expertise within South Australian universities, research facilities, and businesses.

This low investment, high-impact activity has already yielded positive outcomes, including one business that was able to pivot their plans to purchase equipment from overseas in favour of a more suitable local solution they encountered during an ETIG demonstration.

In June 2024, a cohort of representatives from South Australian manufacturers (pictured) toured the Australian National Fabrication Facility of South Australia (ANFF-SA) – a cutting-edge micro and nanofabrication facility at the University of South Australia’s Mawson Lakes campus.

ANFF-SA provides access to more than \$20 million of equipment, tools and facilities in design, fabrication and testing of micro-scale devices. The cutting-edge equipment can be used to draw patterns, etching, deposition, 3D printing, additive manufacturing, prototype testing, and more.

It is a National Collaborative Research Infrastructure Strategy (NCRIS) facility, working closely with industry and research clients to achieve great research outcomes that have the potential to become commercial products.



## Initiative in action: Manufacturing Technology Adoption Program

The Department of State Development invites South Australian manufacturers to apply for up to \$50,000 in matched funding to support the adoption of new, productivity-boosting technologies.

The pilot Manufacturing Adoption Program (MTAP) recognises the transformative potential of Industry 4.0 technologies and will support small and medium sized enterprises with the upfront costs associated with adoption.

Eligible MTAP projects will enable the development of new or enhanced products, support entry into new markets and/or increase a business's productivity and competitiveness.

Learn more and apply: [statedevelopment.sa.gov.au/manufacturing](http://statedevelopment.sa.gov.au/manufacturing).





# Connection to national support

In addition to the initiatives set out in this document, the Department of State Development is working in partnership with the Australian Government to maximise the benefit to South Australian manufacturers through national industry support programs, including but not limited to the:

- National Reconstruction Fund
- Industry Growth Program
- AI Adopt Centres
- CSIRO SME Connect
- Future Made In Australia
- National Skills Agreement
- Renewable energy initiatives (e.g. Solar Sunshot, Hydrogen Headstart)
- Defence industry support programs (e.g. Defence Industry Development Grants)

## Initiative in action: Unlocking Funding for Growth event

The significant number of manufacturing businesses that submitted strong applications for funding through the first round of the South Australian Government's Economic recovery Fund (ERF) demonstrated the sector's appetite to invest in business improvement and growth.

In response, the Department of State Development partnered with industry and other support organisations to host an 'Unlocking Funding for Growth' event in July 2024. The 100+ manufacturers in attendance heard about funding opportunities and other help available to assist their innovation and growth, including various South Australian and Australian Government business accelerator programs.

Importantly, the event encouraged businesses that did not receive an ERF grant to consider alternative funding sources so that they might follow through on their growth plans.

It cemented the Department of State Development's role as a concierge service – providing advice to local manufacturers and ensuring they are aware of the supports available to help them succeed.



# Let's talk

For more information on how your business can access government support programs and services, reach out to the Department of State Development Concierge Service for manufacturers at [manufacturing@sa.gov.au](mailto:manufacturing@sa.gov.au).

Or visit [statedevelopment.sa.gov.au/manufacturing](https://statedevelopment.sa.gov.au/manufacturing)



Published October 2024.

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