Industry Spotlight

Manufacturing

How can digital infrastructure support the growth of advanced manufacturing in WA?



WA's 2026–27 Budget explicitly supports advanced manufacturing, including financing for manufacturing equipment and new advanced-manufacturing facilities.[1] This investment could strengthen local production of mining equipment, defence components, and energy technologies. Additional to these sectors, the Diversify WA: Future State plan targets the State to be a global leader in manufacturing or processing of the following areas by 2035:[2] Critical Minerals, Medical products and digital health, and Space and cross-sector technologies.

$1.1bn
Contribution to WA's Digital Economy in FY40 from Manufacturing

Adoption of 3D printing (% of businesses)



Source: ABS 2026, Business Characteristics

1. Government of WA (2026) *2026-27 State Budget: Economy and Jobs.* Available here.
2. Government of WA (2023) *Future State: Accelerating Diversify WA.* Available here.

WA's advantages

WA already has substantial demand for specialised industrial products from its mining, energy, defence and construction sectors. The State's existing capabilities in critical-minerals processing and emerging green commodity production, including green iron, provide a strong foundation for developing new forms of high-value manufacturing.

Key barriers

Realising this opportunity will require continued investment in modern production equipment, reliable digital infrastructure and a workforce with advanced engineering, software, automation and technical skills. While advanced manufacturing involves significant upfront costs and long investment horizons, targeted financing, shared facilities and partnerships between major operators and their suppliers can help businesses adopt new technologies at scale. This is particularly important for the smaller firms that comprise much of WA's industrial supply chain and could enable them to participate more fully in the State's growing advanced-manufacturing ecosystem.

Benefits to WA

Digital manufacturing could increase local production of mining equipment, defence components, energy technologies, modular buildings and specialised industrial products. It could also improve productivity, strengthen local supply chains and help WA businesses develop higher-value products for domestic and export markets. By expanding knowledge-intensive industries and creating new sources of skilled employment and exports, advanced manufacturing could diversify WA's economic base.

Key use cases

1. **Using robotics, computer vision, additive manufacturing and digital engineering** to automate production, improve quality control, reduce material waste and produce highly specialised components at greater scale, all requiring low-latency, high-volume data processing.

2. **Simulating and testing products and production lines** through digital twins before committing to tooling, moving large volumes of simulation and sensor data between design teams, plant and cloud compute.

3. **Applying AI to design, materials selection and process data** to shorten development cycles and support product innovation, enabling closer integration between product design, testing and manufacturing so WA businesses can respond more quickly to the needs of the mining, defence, energy and construction sectors.

About this Industry Spotlight

This Industry Spotlight draws on independent analysis by Oxford Economics Australia for *Australia's Western Gateway*. The report examines the size and potential growth of Western Australia's digital economy to FY2040, including digital activity embedded across established industries. It also assesses how additional network capacity and resilience could support technology adoption, productivity and economic activity. Read the full report for the complete analysis and methodology.

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