

# PACKAGING MACHINERY

## AUSTRALIAN-MADE VS IMPORTED



## EXECUTIVE SUMMARY

Australian FMCG manufacturers face an important decision when scaling production: invest in Australian-made packaging machinery or import equipment. This whitepaper presents a practical, numbers-driven use case that compares the two options for businesses in the FMCG sector. It highlights how Australian-made machinery, as illustrated in Packserv's portfolio, reduces lifetime risk and Total Cost of Ownership (TCO) through faster commissioning, compliant design, and local service and parts, as well as pathways such as rental, rent-to-buy and buy-for-life with trade-ins.



## KEY FINDINGS

The benefits of Australian-made machinery are:

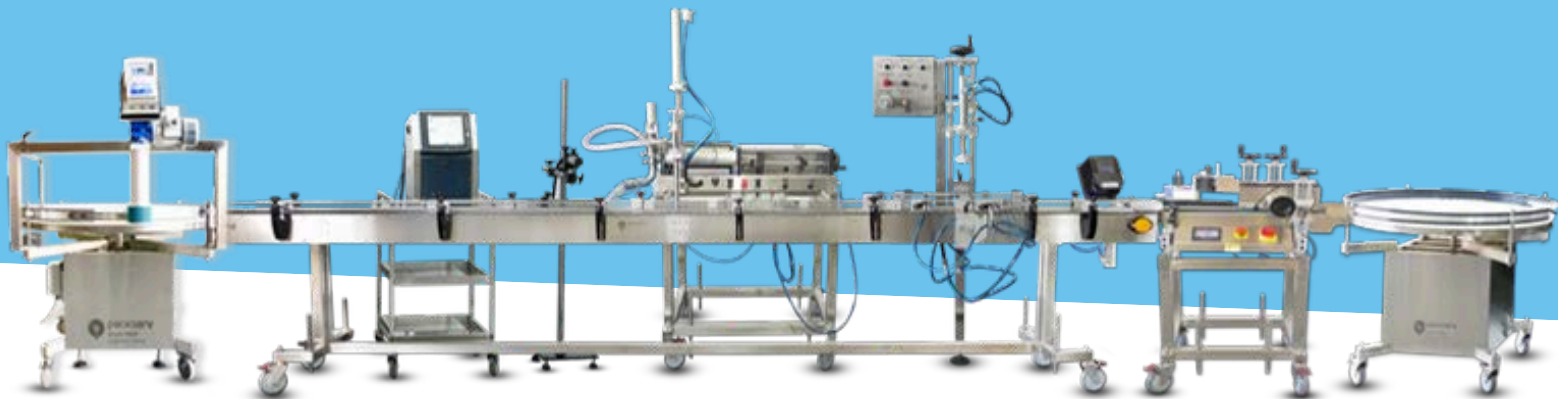
- **A lower lifetime cost** despite a comparable or slightly higher CAPEX, driven by uptime, faster support, and trade-in value.
- **Reduced operational risk** from local compliance (electrical, pneumatic, safety documentation), and ready access to trained local technicians.
- **Faster value realisation** via short lead times, rental bridging options and easy upgrades, with the ability to make quick machine modifications.



## MARKET CONTEXT

FMCG producers operate in a high-cost labour environment where uptime and changeover speed often outweigh the last dollar of the purchase price. Extended global supply chains, parts shortages, and travel constraints increase the cost of importing equipment. Australian-made machinery mitigates these risks with local manufacturing, standards compliance and parts availability.

Packserv supplies filling, capping, labelling, and conveying solutions for purchase, rent-to-buy, or rental. Local technical support and Australian-manufactured parts underpin serviceability across Australia and New Zealand.



## DECISION CRITERIA THAT MATTER

1. **Total Cost of Ownership**
2. **Uptime & Service Response** (Spare parts lead times), Mean Time to Repair (MTTR), Mean Time Between Failures (MTBF)
3. **Compliance and Validation** (Australian standards and documentation)
4. **Scalability and Modularity** (From semi-automated to integrated lines; integration with cappers, labellers and printers)
5. **Data and Traceability** (Serialisation and audit trails)
6. **Sustainability** (Energy use, air consumption, small footprint machinery, easy changeovers and refurbishment/reuse)
7. **Commercial Flexibility** (Purchase, rent-to-buy, rental, finance, trade-in)



## USE CASE: FMCG BUSINESS TRANSITIONING TO IN-HOUSE PRODUCTION

### Scenario:

A Melbourne-based FMCG brand producing sauces is moving from co-packing to in-house production to supply major retailers.

Year-1 Volume is 5,000 units per week of 250ml containers with screw caps, labels are wrap-around.

### Line requirement:

- 20 units per minute initially (target 40 units per minute within 24 months)
- Operators 3-4
- Must integrate filler, capper, labeller, conveyor, tables, and coding (best-before and batch details)

### Options compared:

- **Option A (Australian-made):** Packserv pneumatic twin head filling machine, with quick change tooling, in-line capper, automatic wrap, front and back labeller, conveyors and tables.
- **Option B (Imported):** Similar specifications from an offshore supplier; shipment by sea; installation by non-local agent; parts via an overseas warehouse.

## AUSTRALIAN-MADE VERSUS IMPORTED MACHINERY

### TCO Comparison (Illustrative, 5-Year Horizon)

Values are indicative for the FMCG liquid filling scenario provided. They exclude GST and are shown in AUD.

Cost Element	Option A: Australian-Made	Option B: Imported
Purchase price (initial line)	\$150,000	\$50,000
Freight and logistics	\$2,100 (domestic)	\$1,000 (sea/air/customs)
Lead time to production	4-6 weeks	16-28 weeks
Commissioning and training	\$1,000	\$12,000 or non existent
Downtime cost in the first year	< \$1,000	\$28,000
Service response (average)	Immediate response (cellphone) on site (< 24 hours)	10-21 days
Maintenance (parts and labour)	\$7,500	\$27,500
Changeover time	15-20 minutes	3 hours
Unplanned breakdowns average per year	0 - 1	4
Integration/upgrade cost at 24 months	\$65,000 Four-head filler, (trade-in credit applied)	\$100,000 Four-head filler

*Note: Indicative guide only. Packserv can model the TCO against your exact SKUs, formats and demand profile.*

**Five-Year Cost (illustrative):**

**Option A (Australian-Made)** Approximately **\$230k** after trade-in.

**Option B (Imported)** Approximately **\$308k**

*Outcome: Option A yields a significantly lower five-year ownership cost and earlier revenue capture.*

**Additional benefits of purchasing Australian-Made Machinery****1. Lead times minimised through local manufacture****2. Uptime through local service & parts**

- Local technicians reduce the time to repair; most issues are resolved immediately via phone, or within 24 hours, versus weeks for overseas travel or parts
- Locally manufactured parts avoid customs delays and enable rapid refurbishment

**3. Faster, Cleaner Changeovers**

- Tool-less, or quick-release, change parts and simple adjustment settings reduce the changeover time by 40-60%, which is critical for FMCG production.

**4. Compliance & Documentation**

- Built to Australian standards with Australian-ready electrical and pneumatic components, and complete manuals for quality assurance and audits.

**5. Scale as You Grow**

- Modular upgrades (additional heads, automatic cap feeders) avoids non-scalable asset investment. Packserv's Buy-for-Life philosophy allows trade-ins as throughput increases.

**6. Sustainability and Whole-of-Life**

- Equipment with a small footprint reduces compressed-air and energy use. Refurbishment and parts-based repairs extend life. Local manufacturing reduces freight emissions.

## RISK MATRIX (QUALITATIVE)

Risk	Australian-made	Imported
Commissioning delay	Low	High
Parts availability	High (local)	Variable (overseas)
Compliance non-conformance	Low	Medium-High
Operator safety/ergonomics	High	Variable
Support continuity	High (local team)	Medium (agent dependency)

### Rental Equipment:

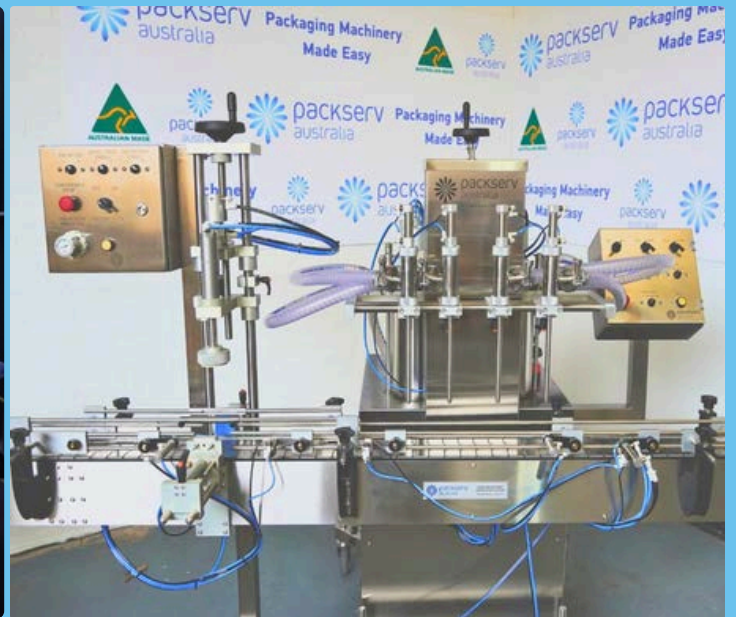
- For immediate capacity, rental equipment can be deployed while the final system is built.

### Trade-ins:

- Upgrading a twin-head filling machine to a four-head filling machine at 24 months can recover a significant portion of the initial outlay with Packserv's trade-in program.

## CONCLUSION

For FMCG producers, where labour, uptime and compliance drive profitability, **Australian-made packaging machinery** routinely delivers the **lowest risk and lowest lifetime cost**. With local service and parts, fast commissioning, and scalable upgrades, plus rental and trade-in pathways, businesses capture value sooner and keep lines running. Packserv exemplifies this model with Australian-made equipment, local technical support and locally manufactured parts, with flexible commercial options to match growth.



**Contact the Packserv sales team to find out how Packserv can help you.** Our experts will assist with choosing the right machinery solution.

