

Manufacturing Inquiry
Queensland Productivity Commission
PO Box 12112
George Street Qld 4003

Submission to the Manufacturing Inquiry by:



Introduction

Packer Leather Pty Ltd is a fifth generation family business established in 1891. The firm has survived the enormous changes brought about by the two world wars, the great depression, the rise of the plastics industry, foreign competition, local manufacturers moving offshore, numerous recessions and a host of other challenges over the last 125 years.

Today the company is an international leader in the production of high performance leathers with a reputation for quality and innovation. Through the company's R&D capability the leather can be customised to carry a variety of colours, finishes and technical attributes to suit a wide range of specialised applications.

Packer Leather is one of a handful of tanneries worldwide who can provide this service.

Consequently the business is a preferred supplier with many major global brands who use the leathers in a range of products including:

- Football boots
- MotoGP suits
- Firefighters gloves
- Sports balls
- Motorcycle gloves
- Hiking shoes
- Cycling gloves

In addition Packer Leather provides significant technical assistance to brands and their factories to ensure kangaroo leather is a successful and valued material.

Packer Leather employs over 120 local staff at its factory in Narangba and invests in the latest manufacturing technology to up skill staff, improve efficiencies and ensure the product quality expected by global brands.

The company's efforts have been recognised through these recent awards:

2014 - Finalist for International Tannery of the Year (one of two Asian finalists)

2014 - Winner of Tom Burns Award for Export Excellence to China and Vietnam

2014 - Finalist for Manufacturing Award Qld Premiers Export Awards

2015 - Winner Hong Kong-Australia Business Association Business Excellence Award

2015 - Nominee for the Family Business Queensland Hall of Fame

2015 - Finalist in the Australian Export Awards

2015 - Qld Premiers Exporter of the Year

2016 - Winner of the Moreton Bay Innovation Showcase award

Submission Points

Support is required to enable Queensland manufacturers to be competitive at a global level.

Utilities (Electricity/Water/Gas)

Governments need to direct policy that keeps these markets globally competitive for the Business Sector.

Governments need to take a long term view on these markets (40-50yrs) and be consistent with policy to minimise cost increases.

Over Regulation

Over-regulation by all levels of government suffocates initiative and diminishes risk taking.

Extreme environmental restrictions on manufacturing activities.

Environmental regulations need better consistency / more certainty in policy and application.

Lack of decision making in public service.

International competitiveness suffers due to local on-costs and taxes.

Planning rules need to be simple and consistent to reduce cost and allow for flexibility.

"Material change of use" needs to be re-defined so that standard upgrades to plant are not caught up in red tape.

Approval processes are slow and put us at a disadvantage against international competitors.

Encourage Business Investment

Setup up a "Medium-size" business category (currently only two - small business and everyone else). Government can then better target policy to the three specific business sizes - Small / Medium / Large - for investment programs.

Implement a taxation policy that encourages investment through:

- Reduced Payroll Tax (a tax on employing people)
- R&D Tax incentive needs a specific Medium-size business category
- Capital Gains Tax must be reduced to be competitive when viewed globally

Training / Labour market

Training funds should go direct to Business not through a Training provider. Businesses are in best position to understand their training requirements.

Giving Businesses the flexibility to determine Training and if they want to engage a third party training provider or through other means through TAFE / University.

Businesses need the flexibility to bring in training expertise from outside the traditional education facilities.

Access to Global Labour market for particular skill sets through 457 visas is important.

The tanning industry is small locally but with an international focus it's at a disadvantage as highly skilled technical staff are not available in this country.

Lack of manufacturing awareness at schools and universities and an over emphasis on service industry careers.

Lack of trade training (TAFE) and apprenticeships.

Technical training needs to be relevant and use the latest technologies and techniques.

Local re-certification of materials, chemistries and machinery

Re-certification of technologies that are already certified in Europe and/or USA creates the following issues:

- Inhibits access to new technology and scientific advances
- Increase the complexity of doing business pertaining to new innovative chemicals in Australia
- Significantly increases business compliance costs
- Reduces Packer Leathers competitiveness in global market
- Inhibits our ability to win new business quickly when our customers are changing their sourcing models to improve speed to market



David Packer
Managing Director