



MEDIA RELEASE

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AdBlue rorting demonstrates supply chain sovereignty vulnerability

Exorbitant increases in the price freight operators around the country are being charged for the diesel exhaust fluid AdBlue demonstrates the repercussions of the lack of sovereignty in supply chains and must be addressed by the Commonwealth's National Coordination Mechanism, according to Victoria's peak freight and logistics body.

"While the VTA welcomes the Commonwealth's agreement with Incitec Pivot to secure local production of refined urea for the supply of AdBlue, more needs to be done in the interim to stop the extraordinarily higher prices operators are now paying for this essential additive," said Victorian Transport Association CEO Peter Anderson.

"We've had reports of operators being charged up to five times more for AdBlue today than they were paying last week," Anderson added.

"Such exorbitant increases cannot be explained by demand exceeding supply alone and is a stark example of the manipulation that can occur in the absence of supply chain sovereignty of the basic inputs the transport industry needs, like fuel and labour, to avoid collapse."

While much of the freight industry has been focussed on AdBlue shortages, the VTA has been advocating that the bigger picture issue facing Australia is far too much dependency on imports for integrity in our supply chains to be maintained.

"COVID has laid bare just how dependent we are on other nations for the supply of material and labour to keep our country running," he said.

"We are seeing this play out right now with higher inflation and consumer prices because of deficiencies in our supply chains from labour shortages and delays and shortages of spare parts, raw materials and other essential inputs to keep our fleets of trucks, trains and ships running.

"If we don't attain higher levels of sovereignty with these key ingredients to support our industry, delays, shortages and higher prices will become the norm for every Australian," Anderson said.

Anderson said the solution to these issues was creating local industries to support supply chains, so our economy is less dependent on imported goods.

"Dedicated training for a new generation of freight workers, and state and local governments investing in and incentivising industries that can support the and supply the freight sector with fuel, engine additives, spare parts and other inputs, will see us be less beholden to foreign nations, with consumers the ultimate benefactors in the form of lower prices for goods and services," he said.

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