



MEDIA RELEASE

8 December 2021

Supply chain sovereignty will make or break Australia

Australia, and the way of life of its 25 million inhabitants, is at a critical juncture in over 200 years of nationhood, with supply chain headwinds on several fronts threatening consumer confidence, economic security and the standard of living generations of Australians have become accustomed to.

“At stake, unless governments do more to support the transport industry’s pivot to attaining supply chain sovereignty, is our ability to supply the basic needs of Australians all over the country,” said Victorian Transport Association CEO Peter Anderson.

“Supply chains in Australia have been under immense pressure at the best of times over the past decade, but COVID has exposed the deep structural flaws that have put them on the brink of collapse,” he said.

“Labour shortages and an ageing workforce of drivers has been an issue for years, but COVID and the way it has driven workers from the industry through restrictions, compliance and vaccination mandates is starting to resonate in the community. For example, the heavy vehicle licencing system that discourages young and capable people from considering a career as a professional transport worker is alienating a new generation of workers and undermining renewal of an essential workforce.

“And now we have reports of a lack of supply of a key engine additive our industry uses to keep the wheels of our economy turning, because China has halted exports of urea, one of the main ingredients in the Adblue emissions reduction additive. If we as a nation can’t maintain supply of a basic engine additive relied upon by hundreds of thousands of commuter and commercial vehicles, we’re in huge strife.”

Anderson said a recent VTA industry survey showed labour availability, costs and rates management, and fuel pricing are the most pressing issues for freight operators. He said that only by attaining higher rates of supply chain sovereignty – defined by maintaining supply chains that are less vulnerable to international disruptions – would Australians be able to have economic security and confidence in living standards being upheld.

“We desperately need regulatory and legislative settings to identify the greatest risks that inhibit us from standing on our own two feet when it comes to basic things like labour and fuel security, which means ensuring we have a growing – not shrinking workforce, – sufficient reserves of fuel and energy, and the associated inputs necessary to keep road, rail and sea transport supply chains intact,” Anderson said.

“The one silver lining from COVID is that Australian consumers are starting to have an appreciation of how supply chains work because so many of their online orders during two years of disruption have been delayed. In the past, people only cared about supply chains when they didn’t have uninterrupted access to the things they enjoy, and with shortages, delays and disruption now routine people are starting to ask ‘why?’.

“On the verge of an election year, the politicians and public servants tasked with setting legislation and regulation that impacts supply chain sovereignty must factor this into their decision-making because the status quo of shortages and delays is not acceptable or sustainable for Australia,” Anderson said.

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