

The pandemic exposed our vulnerabilities as a vast island nation.

PAST LESSONS SHAPING FUTURE SUPPLY CHAIN

Dr Hermione Parsons, CEO of the Australian Logistics Council (ALC), writes about the lessons industry learned from the COVID-19 pandemic, and what role the ALC will help play in shaping the future of supply chain across the country.

Helping to shape tomorrow's supply chains, today. Thinking back to 2019, supply chains rarely got a mention outside our industry. Despite being essential to almost every part of life, we operated largely unseen. Now, supply chain stories dominate mainstream media.

When COVID-19 hit, and Australia's borders slammed shut, it highlighted the importance of the freight and logistics sector.

With almost no flights into the country, Australia faced the prospect of a shortage of critical supplies, including life-saving medications and PPE to combat the virus. At the same time, exporters reliant on airfreight capacity were facing a crisis of their own, as international competitors eyed lucrative market share.

To make matters worse, as the pandemic progressed, a confluence of factors came to a head for sea freight, with skyrocketing rates, limited capacity, delays, and cancellations wreaking more havoc on severely strained supply chains.

In short, the pandemic exposed our vulnerabilities as a vast island nation. Without working air and sea freight,

Australia is isolated from the rest of the world.

And the problem doesn't end at the border. The sheer size of our country means we are equally reliant on functioning and rail supply chains.

Australia's economic and social success depends on an efficient, sustainable, and cost-effective freight and logistics industry. Each year our freight and logistics companies and infrastructure operators move about four billion tonnes of goods across Australia – that's 163 tonnes of freight for every person. The industry contributes more than \$140 billion annually to the economy (8.6 per cent of GDP) and employs a workforce of more than 1.2 million.

Australia's supply chain workers were the unsung heroes of the pandemic and are key to restoring our national and international supply chains. The challenges facing Australia's freight and logistics industry are significant. Responding to the continuing pressures including worldwide shortages of fuel, containers, pallets, and skilled workers will take time

and commitment.

Now is the time to re-evaluate, to re-invest and to re-build our supply chains. Even before the pandemic, supply chain business models were being transformed by globalisation,





The ALC is focused on delivering enhanced end-to-end supply chain safety, productivity, efficiency, and sustainability.

technological change and an increased focus on ethical supply chains and environmental sustainability. The pandemic created the perfect storm, exposing Australia's susceptibility to global disruption and bringing the role of supply chains into sharper focus.

From climate change, geopolitical tensions, escalating trade wars, digital disruption and future pandemics, our supply chains will need to be resilient enough to survive a multitude of scenarios. We need to think

innovatively and collaboratively both across the sector and externally to meet these challenges.

The Australian Logistics Council represents the country's major logistics supply chain customers, providers, infrastructure owners and suppliers. Together, we take a leading role in shaping Australia's supply chain future

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safety, productivity, efficiency, and sustainability. It connects industry with governments, policy makers and regulators at all levels to ensure they consider the needs of the sector in their investment, policy, and regulatory decisions.

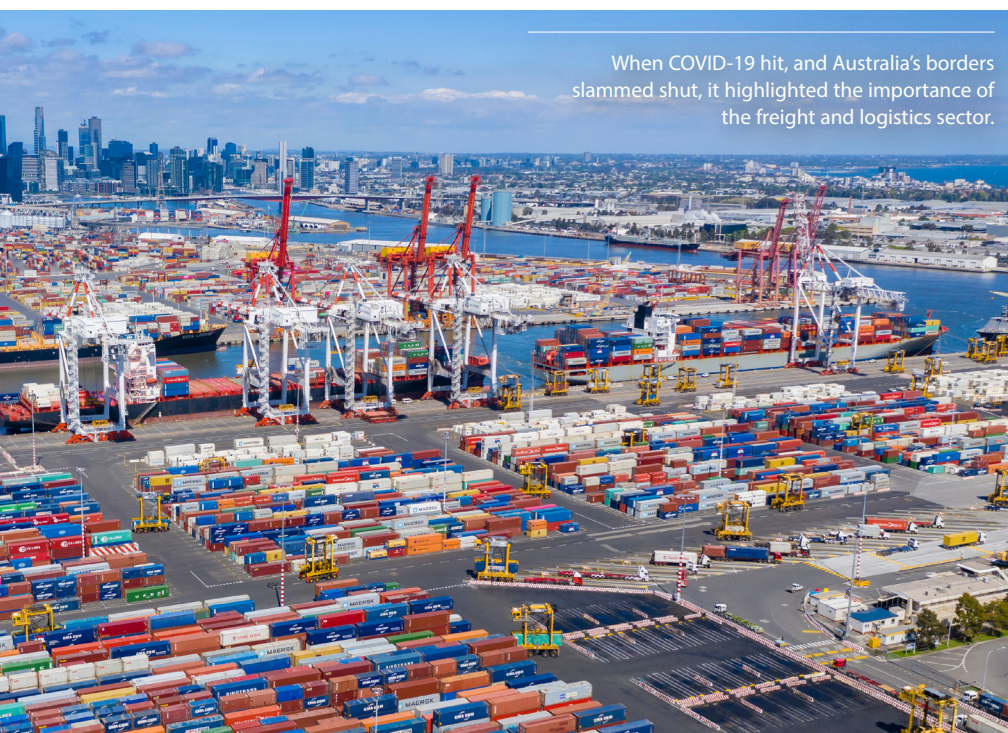
ALC members stretch the length and breadth of the supply chain and provide a unique perspective on the challenges and opportunities in the sector. We guide government by providing innovative policy options to shape safe, sustainable, streamlined supply chains, as well as providing practical advice to tackle immediate challenges.

I truly believe that the key to affecting real change is bringing industry and government together to talk openly and candidly, which is why we are bolstering strategic advocacy and participation across government forums at state, territory, and federal level.

The pandemic showed how much we can achieve when we put aside our differences, pool our resources and work towards a common goal.

The challenges are significant, but we can't lose momentum. Now is the time to capitalise on what we've learned and use it to shape our future supply chains, together. ■

Dr Hermione Parsons, CEO of the Australian Logistics Council



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