

ALC Submission

Opportunities for a renewable fuel industry in NSW

Friday, 26 July 2024

Introduction

The Australian Logistics Council (ALC) welcomes the opportunity to respond to the NSW Renewable Fuel Discussion Paper. The ALC represents major companies in the freight, transport, and logistics sectors, all of which are critical to the Australian economy. Our members are key stakeholders in the drive towards decarbonising the transport sector, and we are committed to supporting initiatives that foster sustainability, energy security, and economic development across the industry.

This submission builds on insights from various recent industry consultations and submissions, including the Australian Government's Low Carbon Liquid Fuels Consultation and the Transport and Infrastructure Net Zero Roadmap, as well as the NSW Government's consultation on the NSW Renewable Fuel Scheme.

The ALC strongly advocates for a harmonized approach to policy development between state and federal governments, ensuring consistency and alignment across jurisdictions. This harmonization is crucial not only for reducing regulatory complexity but also for supporting the seamless operation of national supply chains. Moreover, aligning Australian policies with international standards is essential to facilitate global trade, attract investment, and ensure the competitiveness of Australian-produced fuels on the world stage. Such alignment will also enable Australia to meet its broader national and international commitments to reducing greenhouse gas emissions while addressing the unique needs of the freight and logistics sectors.

Context and Overarching Themes

The decarbonisation of Australia's transport sector, particularly the heavy freight industry, presents both challenges and opportunities. The transition to renewable fuels is an important component of this effort, given the current limitations of battery-electric and hydrogen technologies for certain transport tasks. Renewable fuels, including renewable diesel and Sustainable Aviation Fuel (SAF), offer immediate and scalable solutions to reduce emissions across the existing vehicle fleet and other transportation modes.

However, to fully realise the benefits of renewable fuels, a comprehensive policy framework is required. This framework should address several key areas:

POLICY ALIGNMENT AND INTERNATIONAL STANDARDS: It is imperative that Australia's renewable fuel policies align with international standards. This alignment will facilitate global trade, ensure the competitiveness of Australian-produced fuels, and attract investment. The ALC supports the development of robust lifecycle emissions standards and the establishment of a renewable fuel certification scheme that aligns with global best practices.

INFRASTRUCTURE AND SUPPLY CHAIN CONSIDERATIONS: The transition to renewable fuels will require significant investments in infrastructure. The existing fuel distribution network provides a strong foundation for the deployment of renewable fuels, but targeted investments will be necessary to optimise this infrastructure for new fuel types. Additionally, the development of regional hubs for renewable fuel production, leveraging existing facilities such as landfills and wastewater treatment plants, will be important for ensuring the economic viability of renewable fuel supply chains across NSW.

SUPPORT FOR DOMESTIC PRODUCTION: Australia has the potential to become a leader in renewable fuel production, particularly in the aviation sector. However, without substantial policy support, the country may remain reliant on imports. The ALC advocates for a range of incentives, including tax credits, grants, and long-term contracts, to

support the domestic production of renewable fuels. These measures will enhance energy security, create jobs, and ensure that the benefits of the transition to renewable fuels are realised domestically.

FEEDSTOCK MANAGEMENT AND SUSTAINABILITY: The sustainable sourcing of feedstocks is critical to the success of renewable fuel policies. The ALC emphasises the importance of retaining feedstocks domestically to support local production and avoid the risks associated with over-reliance on imports. A reservation policy, combined with financial incentives for feedstock producers, will help ensure a steady supply of raw materials for renewable fuel production.

DEMAND-SIDE MEASURES AND INCENTIVES: To accelerate the adoption of renewable fuels, the ALC recommends a combination of mandates, financial incentives, and public-private partnerships. These measures should be tailored to the specific needs of different industries, with a particular focus on sectors like heavy transport and aviation, where renewable fuels can deliver the greatest emissions reductions.

COMMUNITY AND ECONOMIC BENEFITS: The transition to renewable fuels offers significant benefits for NSW communities, including job creation, improved air quality, and enhanced energy security. The ALC supports the development of a detailed outline of export opportunities, which would provide valuable insights for investors and help to scale the industry. Moreover, setting clear targets for renewable fuel use across different sectors will ensure that the benefits of the transition are realised broadly across the state.

Response to Questions

Renewable Fuel Policy Objectives

1. DO YOU SUPPORT THESE PRIMARY OBJECTIVES? ARE THERE OTHER OBJECTIVES RENEWABLE FUEL POLICIES SHOULD ADDRESS?

The ALC supports the primary objectives of reducing emissions, enhancing energy security, and fostering economic development, particularly in regional areas. These goals are essential for advancing Australia's transition to a low-carbon economy. However, additional objectives should include ensuring the sustainability of feedstock sourcing, particularly avoiding the diversion of agricultural products that could impact food security.

Another critical objective should be the alignment of Australia's renewable fuel standards with international norms, facilitating global trade and ensuring that Australian-produced fuels are competitive on the world stage. The policies should also prioritise the development of robust lifecycle emissions standards to ensure that all stages of fuel production and use contribute to meaningful reductions in greenhouse gas emissions.

Existing Policies and Programs

2. WHAT ACTIONS CAN THE NSW GOVERNMENT TAKE TO CONTINUE SUPPORT FOR HYDROGEN PRODUCTION IN NSW?

Hydrogen plays a role Australia's decarbonisation and sovereign capabilities. Beyond renewable hydrogen itself (to decarbonise the hard to electrify parts of our economy, and as a potential export), low carbon liquid fuels, such as sustainable aviation fuel (SAF), need hydrogen as a feedstock to support scale when there is insufficient biofuel.

To continue its support for hydrogen production, the NSW Government should focus on several key areas. First, expanding financial incentives, including grants, tax credits, and subsidies, will be important to encouraging private sector investment in hydrogen infrastructure and technology. The Government should also enhance its support for research and development (R&D) initiatives aimed at improving the efficiency and reducing the costs of hydrogen production, storage, and distribution.

Additionally, the Government should streamline regulatory frameworks to facilitate quicker project approvals, which will be critical in maintaining the momentum of hydrogen development in the state.

Finally, investing in hydrogen refuelling infrastructure, particularly in strategic locations across NSW, will be essential for supporting the adoption of hydrogen-powered vehicles, especially within the freight and logistics sectors.

3. WHAT COULD BE IMPLEMENTED OR LEARNT FROM EXISTING POLICIES AND PROGRAMS?

NSW should adopt long-term policy signals similar to California's Low Carbon Fuel Standard (LCFS), which combines mandates and market incentives to drive investment. Public-private partnerships should be promoted to share risks and benefits, and a carbon pricing mechanism should be considered to encourage lower-carbon fuel adoption.

In considering a carbon pricing mechanism, it is essential to carefully assess its interaction with the existing Safeguard Mechanism. The Safeguard Mechanism already acts as a pseudo carbon price for large organisations. Overlaying a new carbon pricing mechanism could risk creating regulatory complexity and resistance from industries already covered by the Safeguard Mechanism.

From a policy perspective, one option could be to replace the Safeguard Mechanism with a comprehensive carbon pricing system that captures all organisations rather than just the largest emitters. This could streamline the approach and ensure a uniform carbon price across sectors, potentially creating a more efficient and equitable framework. However, it is important to highlight that such a system would need to be applied on a national scale. Introducing a carbon price solely in NSW could present significant regulatory and economic challenges, as a state-specific approach may not integrate effectively with national markets and emissions reduction strategies.

Therefore, if a carbon pricing mechanism is to be considered, it should replace the Safeguard Mechanism, not act as an additional layer. Moreover, the Australian Logistics Council (ALC) supports a nationwide approach to carbon pricing, recognising that any state-level mechanism must align with broader national policies to ensure regulatory coherence and economic viability.

Infrastructure

4. HOW CAN THE NSW GOVERNMENT SUPPORT INFRASTRUCTURE REUSE AND DEVELOPMENT THAT DELIVERS EFFICIENT, LOW-COST RENEWABLE FUEL SUPPLY CHAINS ACROSS THE STATE?

The NSW Government should offer financial incentives for retrofitting existing fuel infrastructure to handle renewable fuels, encourage collaboration among stakeholders to share resources, and streamline planning and approval processes to accelerate project development.

5. HOW CAN THE NSW GOVERNMENT SUPPORT REGIONAL RENEWABLE FUEL SUPPLY? IS THERE AN OPPORTUNITY TO AGGREGATE FEEDSTOCKS AT EXISTING REGIONAL FACILITIES SUCH AS LANDFILLS OR WASTEWATER TREATMENT PLANTS TO CREATE HUBS FOR RENEWABLE FUEL PRODUCTION?

To support regional renewable fuel supply, the Government should establish hubs at existing facilities like landfills and wastewater treatment plants for feedstock aggregation. This can be supported through feasibility studies and incentives for local businesses, ensuring the economic viability of these hubs.

6. WOULD SUPPORT FOR FEASIBILITY AND FRONT-END ENGINEERING AND DESIGN STUDIES ASSIST WITH REACHING FINAL INVESTMENT DECISIONS? IF SO, HOW IS THIS BEST DELIVERED?

Yes, support for feasibility and front-end engineering and design (FEED) studies is essential for reducing the risks associated with renewable fuel projects and helping investors reach final investment decisions. The NSW Government can best deliver this support through grants or co-funding arrangements with private sector partners. Such financial backing would de-risk early-stage investments by providing the detailed technical and economic assessments necessary to make informed decisions. This support would be particularly beneficial in the context of large-scale renewable fuel projects, where the upfront costs and technical uncertainties can be significant barriers to progress.

7. WHAT ACTION WOULD BEST SUPPORT INVESTMENT IN THESE PROJECTS OR A NSW RENEWABLE FUEL INDUSTRY? ARE THERE EXAMPLE PROJECTS WHERE THIS WOULD ACCELERATE DEVELOPMENT?

The best actions to support investment include offering long-term contracts or price guarantees (such as Contracts for Difference), which provide revenue certainty for renewable fuel producers. Additionally, establishing clear, stable regulatory frameworks and providing upfront capital through grants or low-interest loans would incentivize private sector investment. Example projects that could benefit include renewable diesel production facilities in regional areas, where feedstock availability and local demand align.

8. SHOULD THE NSW GOVERNMENT ESTABLISH RENEWABLE FUEL DEMONSTRATION PROJECTS? IF SO, WHAT WOULD BE THE BEST MODEL TO SUPPORT THESE PROJECTS?

Yes, the NSW Government should establish renewable fuel demonstration projects. The best model to support these projects would involve public-private partnerships, where the government provides initial funding and regulatory support, while private companies contribute expertise and operational capabilities. These projects could focus on testing new technologies or feedstocks in real-world conditions, with outcomes used to refine policies and standards for broader implementation. Demonstration projects would also serve as a proving ground for innovations that can later be scaled across the industry.

9. ARE THERE CURRENT REGULATORY GAPS OR BARRIERS TO ESTABLISHING RENEWABLE FUEL FACILITIES? IF SO, WHAT ARE THEY AND HOW COULD THEY BE ADDRESSED?

Current regulatory gaps include the lack of specific standards for renewable fuels, such as a standalone paraffinic diesel standard. Additionally, there are barriers related to environmental permitting and zoning laws that may not yet accommodate the unique needs of renewable fuel facilities. These gaps can be addressed by updating regulations to include clear definitions and standards for renewable fuels, streamlining the permitting process, and ensuring that local planning laws are aligned with the goals of renewable fuel development.

Supporting Demand

10. HOW CAN THE NSW GOVERNMENT ACCELERATE THE USE OF RENEWABLE FUELS?

The NSW Government can accelerate the use of renewable fuels by implementing mandates that require a certain percentage of fuel sold in the state to be derived from renewable sources. Providing tax incentives or subsidies for consumers and businesses that choose renewable fuels over conventional options would also drive adoption. Additionally, establishing clear targets for renewable fuel usage and supporting the development of infrastructure needed for their distribution and use will be key to increasing their market share.

11. SHOULD THE NSW GOVERNMENT SET, OR REDESIGN EXISTING MANDATES FOR THE USE OF RENEWABLE FUELS? IF SO, WHAT INDUSTRIES OR FUELS SHOULD BE PRIORITISED?

Yes, the NSW Government should introduce or redesign mandates for renewable fuels, but this must be done carefully to avoid past challenges. For instance, while mandates have been successful in driving renewable fuel adoption in some regions, such as California's Low Carbon Fuel Standard (LCFS), which effectively combines mandates with market incentives to reduce emissions and drive investment, others have faced significant hurdles. California's approach has created a strong market for renewable fuels, demonstrating that mandates can work when supported by robust policies and industry engagement.

However, it is important to note that the NSW ethanol mandate, introduced under the Biofuels Act 2007, did not achieve the expected outcomes. Ethanol sales have consistently fallen short of the mandated 6% of total fuel sales, with actual ethanol sales averaging only 2.1% in 2020-21. Factors such as low consumer demand and price competition have hindered the success of this mandate. Therefore, any new or redesigned mandates must consider these lessons, ensuring clear incentives and strong market support.

Prioritisation should be given to industries with high energy consumption and significant emissions, such as heavy transport, aviation, and shipping. Fuels like renewable diesel, biodiesel, and sustainable aviation fuel (SAF) should be prioritised as they offer immediate decarbonisation potential and can be integrated into existing infrastructure without significant modifications.

12. WOULD RENEWABLE FUEL PURCHASE REQUIREMENTS FOR THE NSW GOVERNMENT'S ASSETS SUPPORT INVESTMENT IN PRODUCTION FACILITIES?

Yes, setting renewable fuel purchase requirements for the NSW Government's assets would create a guaranteed demand for renewable fuels, thereby supporting investment in production facilities. Such requirements would provide long-term market stability, making it more attractive for investors to fund new production capacity, knowing there is a consistent and predictable demand from the government. This approach has been successful in other jurisdictions, such as California, where similar mandates have driven significant investment in renewable fuel infrastructure.

13. SHOULD THE NSW GOVERNMENT SET TARGETS FOR RENEWABLE FUEL USE? IF SO, SHOULD THESE TARGETS BE BROAD OR FUEL AND INDUSTRY-SPECIFIC?

The NSW Government should set specific targets for renewable fuel use, tailored to different industries and fuel types. Broad targets may not adequately address the unique challenges and opportunities within sectors like heavy transport or aviation. Setting industry-specific targets ensures that the most appropriate renewable fuels are promoted in each sector, maximizing their impact on emissions reduction and energy security. For example, targets could be higher for sectors like aviation, which have fewer alternatives to liquid fuels, compared to light vehicles where electrification is more viable.

14. WHAT INCENTIVES CAN THE NSW GOVERNMENT PUT IN PLACE TO ACCELERATE THE USE OF RENEWABLE FUELS?

The NSW Government can accelerate the use of renewable fuels by offering tax credits, rebates, or grants to consumers and businesses that switch to renewable fuels. Additionally, implementing fuel excise reductions for renewable fuels, providing financial support for upgrading infrastructure to accommodate renewable fuels, and establishing a carbon pricing mechanism that favours lower-carbon fuels would further incentivise adoption.

15. WHAT SUPPORT DO ASSET OWNERS NEED TO REFURBISH OR UPGRADE EXISTING ASSETS FOR RENEWABLE FUEL USAGE?

Asset owners may need financial support, such as grants or low-interest loans, to refurbish or upgrade infrastructure to handle renewable fuels. Technical assistance programs that provide expertise on integrating renewable fuels into existing systems would also be beneficial. Ensuring that regulatory frameworks allow for and support the necessary upgrades is crucial to facilitating these transitions.

Accelerating Supply

16. WHAT FUNDING MECHANISMS OR SUPPORT SHOULD THE NSW GOVERNMENT CONSIDER TO SUPPORT RESEARCH AND INNOVATION AND IMPROVE THE COMMERCIAL VIABILITY OF RENEWABLE FUEL PRODUCTION?

The NSW Government should consider funding mechanisms such as grants for R&D projects, tax incentives for companies investing in renewable fuel technology, and public-private partnerships that share the financial risks of innovation. Additionally, establishing a dedicated fund for renewable fuel innovation that focuses on improving production efficiency and reducing costs would help make these fuels more commercially viable.

17. SHOULD THE RENEWABLE FUEL SCHEME BE EXPANDED TO SUPPORT OTHER RENEWABLE FUELS?

Yes, the Renewable Fuel Scheme should be expanded to include other renewable fuels like sustainable aviation fuel (SAF), renewable hydrogen, and advanced biofuels. Expanding the scheme would support the development of a more diverse and resilient renewable fuel industry in NSW, catering to the specific needs of different sectors.

18. IF THE RENEWABLE FUEL SCHEME IS EXPANDED TO INCLUDE OTHER RENEWABLE FUELS, WHO SHOULD BE THE LIABLE PARTIES AND WHY?

Liable parties under an expanded Renewable Fuel Scheme should include fuel producers, importers, and distributors, as they are the primary entities responsible for introducing fuels into the market. By making these parties liable, the scheme can effectively ensure that the environmental benefits of renewable fuels are realised across the supply chain. This approach would also create a level playing field, encouraging all market participants to invest in and promote the use of renewable fuels.

19. SHOULD THE RENEWABLE FUEL SCHEME INCENTIVISE FUELS THAT OFFER SHORT-TERM EMISSION REDUCTION, LONGER-TERM EMISSION REDUCTION, OR A COMBINATION?

The Renewable Fuel Scheme should incentivise a combination of fuels that offer both short-term and long-term emission reductions. This approach allows for immediate impacts on reducing greenhouse gas emissions while also supporting the development and scaling of technologies that promise greater reductions over time. Prioritising a mix ensures that the transition to a low-carbon economy is both rapid and sustainable.

20. HOW CAN THE NSW GOVERNMENT SUPPORT FEEDSTOCK PRODUCERS FOR LOCAL RENEWABLE FUEL PRODUCTION (REGULATORY, RESEARCH, FINANCIAL ETC.)? WHAT ARE THE POTENTIAL RISKS THAT SHOULD BE CONSIDERED?

The NSW Government can support feedstock producers by providing financial incentives such as grants or subsidies for feedstock production and processing. Regulatory support, such as streamlined approval processes and clear guidelines for sustainable practices, will also be important. Research funding should be directed toward improving the efficiency and sustainability of feedstock production. Potential risks include the diversion of feedstocks from food production, which could impact food prices and availability. Ensuring a balanced approach that considers both food security and renewable fuel production is essential.

21. FOR FEEDSTOCK PRODUCERS AND BUSINESSES CURRENTLY EXPORTING BIOMASS CROPS, TALLOW, AND USED COOKING OILS FOR OVERSEAS RENEWABLE FUEL PRODUCTION, WOULD AN INCENTIVE SCHEME SUPPORT THE LOCAL SALE OF THESE IMPORTANT FEEDSTOCKS?

Yes, an incentive scheme would support the local sale of these feedstocks by making domestic processing more economically attractive. Financial incentives could include subsidies, tax breaks, or guaranteed purchase agreements for feedstocks used in local renewable fuel production. This would encourage producers to sell domestically, ensuring a steady supply of raw materials for the local renewable fuel industry and enhancing Australia's energy security.

22. SHOULD A RESERVATION POLICY BE USED TO KEEP FEEDSTOCK ONSHORE TO SUPPORT THE LOCAL INDUSTRY?

A reservation policy could be effective in ensuring that sufficient feedstocks remain in Australia to support the local renewable fuel industry. However, such a policy must be carefully designed to avoid unintended consequences, such as reducing the profitability of feedstock production or disrupting international trade relationships. The policy should be flexible and possibly linked to market conditions, ensuring that it supports the local industry without imposing undue restrictions on producers.

23. IN SETTING GUIDELINES FOR RENEWABLE FUELS, WHAT SUSTAINABILITY MEASURES SHOULD BE CONSIDERED?

Sustainability measures for renewable fuels should include lifecycle emissions calculations, ensuring that the entire production process—from feedstock cultivation to fuel use—results in a net reduction in greenhouse gases. Additionally, the guidelines should consider the impact on food availability and affordability, particularly when agricultural feedstocks are used. Monitoring changes in market prices for agricultural and waste products is also essential to prevent negative economic impacts.

24. SHOULD A HIERARCHY OF USE FOR BIO-FEEDSTOCKS BE ENFORCED TO PRIORITISE FEEDSTOCKS FOR APPLICATIONS WHERE THERE IS NO AVAILABLE ALTERNATIVE FOR DECARBONISATION?

Yes, enforcing a hierarchy of use for bio-feedstocks is a prudent approach. This would prioritise feedstocks for applications such as aviation and heavy transport, where there are fewer viable alternatives for decarbonisation. Such a hierarchy would ensure that bio-feedstocks are used most effectively to achieve the greatest environmental benefits. However, it's also essential to prevent bio-feedstock prices from escalating due to limited supply, which could negatively impact transport operators who operate on slim margins. By carefully managing the allocation of bio-feedstocks, we can maintain competitive pricing, ensuring that biofuels remain affordable and accessible for these essential industries. This balance is crucial to support the broader adoption of biofuels without placing undue financial strain on transport operators.

Value for NSW Communities

25. WOULD A NSW GOVERNMENT-SPONSORED OUTLINE OF EXPORT OPPORTUNITIES AND VOLUMES ASSIST WITH INVESTMENT?

Yes, a government-sponsored outline of export opportunities and volumes would provide valuable market insights for investors. This would help identify the most promising export markets and allow producers to scale their operations accordingly. By providing clear and reliable data, the Government can reduce market uncertainty and attract investment in the renewable fuel sector.

26. SHOULD THERE BE A LIMIT ON FINANCIAL SUPPORT FOR RENEWABLE FUEL EXPORT PROJECTS? IF SO, WHAT IS THAT LIMIT AND WHEN SHOULD IT APPLY?

There should be a limit on financial support for renewable fuel export projects to ensure that resources are allocated efficiently and that domestic needs are not neglected. The limit should be determined based on the scale of domestic production and the strategic importance of export markets. Financial support should

prioritise projects that offer significant economic and environmental benefits, with a cap applied once the industry reaches a level of maturity that allows it to compete without government intervention.

27. HOW CAN THE NSW GOVERNMENT ENSURE THAT THE EXPORT OF RENEWABLE FUELS BENEFITS NSW COMMUNITIES? ARE ROYALTIES AN APPROPRIATE MECHANISM?

No comment

28. HOW CAN THE NSW GOVERNMENT, EDUCATION PROVIDERS, AND INDUSTRY BEST SUPPORT THE DEVELOPMENT OF SKILLS, TRAINING, AND THE WORKFORCE NEEDED IN A RENEWABLE FUEL INDUSTRY?

No comment

Managing Market Risks

29. HOW CAN THE NSW GOVERNMENT SUPPORT COMPANIES AND INDUSTRIES WITH CROSS-BORDER MARKETS TO DECARBONISE?

The NSW Government can support companies with cross-border markets by harmonizing regulations with other states and territories to ensure consistency in decarbonisation efforts. Additionally, offering incentives for the adoption of renewable fuels and low-emission technologies, along with providing support for the development of cross-border infrastructure such as fuel distribution networks, will be crucial. Collaboration with federal agencies to align with national and international standards will also support seamless cross-border operations.

30. HOW CAN THE NSW GOVERNMENT ENCOURAGE A FUEL TRANSITION THAT ALIGNS WITH TECHNOLOGICAL ADVANCEMENT?

The NSW Government should implement flexible policies that can adapt to technological advancements. This includes setting up a framework for regular reviews of renewable fuel standards and mandates to incorporate emerging technologies. Encouraging innovation through grants, R&D funding, and pilot projects will also help the industry transition smoothly as new technologies become viable.

Moreover, the NSW Government could future-proof its strategy by broadening its focus beyond renewable fuels to include the development and homologation of synthetic fuels. This would involve establishing the foundation for R&D in synthetic fuel technologies, investing in future infrastructure development, and fostering international collaboration. By supporting synthetic fuels, NSW can position itself to leverage a wider range of low-carbon fuel solutions that could complement or even surpass renewable fuels as technologies evolve. This forward-looking approach will help ensure that the fuel transition remains resilient to technological shifts and global energy trends.

Building Community Understanding

31. WHAT INFORMATION SHOULD BE PROVIDED TO INDUSTRY AND THE COMMUNITY TO BUILD AN UNDERSTANDING OF RENEWABLE FUELS? HOW IS THIS INFORMATION BEST DELIVERED?

The Government should provide clear, accessible information on the benefits of renewable fuels, including their role in reducing emissions and enhancing energy security. This could be delivered through a combination of public awareness campaigns, industry workshops, and educational programs. Online platforms, community forums, and collaboration with industry groups like the ALC can ensure that information reaches a broad audience and is tailored to the needs of different stakeholders.

Conclusion

The Australian Logistics Council looks forward to working closely with the NSW Government to ensure that the transition to renewable fuels is smooth, sustainable, and beneficial for the logistics sector and the broader economy. The ALC is committed to contributing to the development of policies that promote environmental stewardship while ensuring the continued efficiency and reliability of Australia's supply chains.