

29 April 2022

WA Shipping and Supply Chain Taskforce
Parliament House
4 Harvest Terrace
West Perth WA 6005

via email: shippingtaskforce@transport.wa.gov.au

ARA SUBMISSION IN RELATION TO ESTABLISHMENT OF WA SHIPPING AND SUPPLY CHAINS TASKFORCE

The Australian Retailers Association (ARA) welcomes the opportunity to comment on the establishment of the Western Australia Shipping and Supply Chains Taskforce.

The ARA is Australia's oldest, largest, and most diverse peak retail body, representing a \$360 billion sector that employs 1.3 million Australians. We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate more than 100,000 shopfronts nationally, across all categories - from food to fashion, hairdressing to hardware, and cosmetics to computers.

In addition to our smaller members in WA, our large national members have extensive retail operations and distribution networks across the state.

Unprecedented pressure on the retail supply chain over the past two years has been felt more acutely in WA than other parts of the country, particularly in recent months when flooding in central Australia led to extensive delays, higher costs and stock-outs. Despite this, our members demonstrated great agility and ingenuity to minimise the impact on consumers.

Given this experience, the ARA supports the establishment of the taskforce and its terms of reference. On behalf of our members, the ARA would welcome the opportunity to support the co-chairs either as a member of taskforce or as a stakeholder, so that we might share some of our insights that we believe would make a valuable contribution to the taskforce's deliberations.

These insights are informed by the experience of our largest members, who have been required to find new routes into WA following the disruption to established road and rail lines across the Nullarbor. For the first time, domestic shipping played a key route in distributing non-perishable goods from the east coast into distribution centres across WA.

Even with repairs to rail and road infrastructure and new options through domestic shipping, ARA members report ongoing supply chain challenges that are resulting in up to three-month delays, shortages on key goods and materials, and higher costs for freight that are passed onto consumers.

These and other challenges impacting the retail supply chain are well documented and predicted to prevail for another 12-18 months. A shortage of skills and labour is also contributing to supply chain disruption and longstanding concerns about the productivity of Australian ports will continue to be exacerbate challenges that pre-dated the pandemic.

Supply chain resilience is one for the ARA's key policy priorities. We believe collaboration between government and industry is critical in addressing some of challenges confronting our sector, by

- Reducing red tape at Australia's ports and continuing to address landside bottlenecks.
- Expanding support to increase local manufacturing capability where vulnerabilities exist along critical supply chains like food and healthcare.

- Ensuring consistency with the Commonwealth's review of road and rail supply chain resilience; and
- Investigating opportunities to improve supply chain co-ordination and service levels between state ports to reflect a consistent, national approach.

Thank you again for the opportunity to provide a submission to the Taskforce. We look forward to further engagement with the taskforce as discussions progress on this important initiative.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.

Yours sincerely,



Paul Zahra
Chief Executive Officer