



Prime Mover Magazine – TIC Article for March 2022 Issue.

Our industry needs facts and calm, not misinformation

Over the past twenty-four months, or so, of COVID, there have been many examples of how various supply chains have been stretched to their limits, some have even failed.

Supply, Demand and Logistics are the three main elements in every supply chain. If any one of these is disrupted, the result is most likely widespread disturbance along the whole supply chain. Over the past two years, Australian's have witnessed these three elements individually, or collectively, impact various supply chains at differing times and to differing degrees.

Almost from the very onset of COVID global supply chain logistics were affected. As countries around the world imposed COVID travel restrictions, this caused an almost overnight shutdown of passenger air travel. Whilst the majority of planes in our skies are used for moving people, the unseen use of these aircraft is for freight. With over forty percent of global air freight being transported in the belly-hold of passenger planes, the impact on global freight was immediate. Couple this with COVID lockdowns reducing access to shipping vessels at major ports around the globe, the availability and reliability of sea freight faltered.

On the supply side, many manufacturing businesses have been operating at less than their maximum capacity due to COVID related closures, lockdowns, employee shortages and supply chain issues effecting the very materials required to produce their finished products. The well published global computer chip shortage is a prime example. The scarcity of micro-processor semi-conductors has slowed the supply of many consumer goods, everything from toasters and gaming consoles to new vehicles, trucks included. The virus itself has stretched the supply of masks and other personal protective equipment and more recently rapid antigen test kits, items that in a pre-COVID world would never have been in critically short supply.

COVID has also led to unimaginable demand surges, in many cases both rational and real, however at times misleading comments and unfounded scuttlebutt, even scare mongering by some, has led to fear that has manifested itself in to irrational behaviour such as panic buying. Such action led to an unprecedented rush on some goods. There was never a supply

chain issue with toilet paper, supply was constant, the logistics network was able to deliver the goods, however panic buying and stock piling led to a demand surge and bare supermarket shelves, all for no rational reason.

Another, more recent, and much closer to home example, was the much misrepresented AdBlue/Diesel Exhaust Fluid (DEF) supply “crisis”. Australian AdBlue suppliers saw a potential long-term tightening of AdBlue supply globally, due primarily to China winding back domestic production of Urea, the key compound in DEF. These suppliers alerted government and industry leaders to this possible scenario, though they highlighted that current supplies were not affected. The federal government convened a task force to review both the immediate and longer term supply of DEF. The task force determined that there was no immediate cause for concern, provided AdBlue usage remained at seasonal levels. Government requested that industry leaders convey a message of calm and adequate supply, to their members. Those responsible industry leaders chose to disseminate this message. However, some chose to inflame the situation by making statements that suggested there was a more immediate AdBlue/DEF supply problem. This led to a degree of panic buying and hoarding of AdBlue, that in turn led to some supply issues. Sadly, this impacted those truck operators who “did the right thing” and chose not to panic buy. Due to the panic buying and hoarding by some, demand outstripped supply and the price of DEF skyrocketed, something that no operator wants. This price spike is expected to ease over time, however could have been largely avoided, if not for the irresponsible comments of a select few.

There have been many unique, unprecedented and unpredictable twists and turns that have played out in our COVID effected world since the end of 2019 and there will sadly no doubt be more to come. Many of these events are beyond any control that you, or myself, can hope to influence, however, there are some issues and actions that are within our sight and responsibility. As members of the road freight logistics supply chain in Australia, we each have an obligation to our industry, as well as all Australians, to act responsibly in times of adversity, we must convey the facts and promote calm, and refrain from spreading misinformation, or an attention seeking media headline.

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