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Gas Energy Australia response to Supply Chain Resilience Discussion Paper

Dear Mr Chidgey

On behalf of Gas Energy Australia (GEA), thank you for the opportunity to comment on the Supply Chain Resilience Discussion Paper. GEA is pleased to provide the following responses to the questions it poses.

01 What was the biggest shock to your industry as a result of COVID-19 and why?

The biggest “shock” was the disparate and rapid changes in the business environment as a result of Australian governments responding in different ways to the contagion spread. These responses directly affected business in two ways. First, they disrupted supply lines. Second, but even more significantly, normally peripheral operational equipment that offered protection from the virus, such as hand sanitiser, became a priority must have for business continuity.

In relation to disrupted supply lines, this required businesses to be agile and assess alternate sources of equipment supply.

In relation to protective products, our members had to look outside the square for ways to keep their businesses functioning. With the shortage of disinfecting products, one organisation started to explore inhouse mixing of their own brew. And when product did start to become available, it was often delivered in bulk quantities, so businesses had to undertake their own decanting and distributing which was well outside their normal operational processes and procedures.

In both cases, it became more important than ever for businesses in our industry to have access to standards, both Australian and international, to be able to assess new products so they could compare apples with apples and ensure business continuity.

02 Were digital technologies in the supply chains a factor for your industry?

While digital technologies helped limit face to face contact and maintain social distancing, our industry still had to deliver to homes, businesses, and hospitals given the nature of the service our industry provides – energy in a tank. And with people isolate or working from their place of residence the continuity of energy to their home was even more important than usual. While digital technologies are important the fundamental remains – being able to deliver essential energy when and where it is needed.

03 How do you think your industry will transform to increase supply chain resilience as a result of COVID-19 and why?

Having a better understanding of exactly what has to be accomplished face to face and what can be achieved using digital technologies better will have a transformation impact. As a simple example, important quality and safety management tools such as auditing are being successfully completed online and through platforms such as Teams or Zoom.

04 Are there any critical roadblocks that prevent Australian supply chains from building capability in your industry?

Being classified as the provision of an essential service removed many roadblocks for the supply of gas fuels. Nevertheless, the imposition of state and territory border restrictions and regulations on individuals and businesses in response to the pandemic did impose costs on our industry. This was particularly so in relation to companies transporting gas fuels and needing to comply with a multitude of new transport rules in each geographic region. This added no value but added complexity which increases the costs of red tape. While exacerbated by the pandemic, the costs imposed by differing state regulations is a longstanding issue and one of the reasons GEA prefers Australian states and territories to adopt national standards.

And notwithstanding GEA's strong support for the use of Australian standards, which are generally of a high quality, some standards can become 'silos' so that the relationship between various standards is not clear, and not easily navigated. This is analogous with the observation that the problem with many building materials is not the materials themselves, but how different materials are joined together.

What is required is a simple document with a diagram which show an industry's supply chain, and superimposed on this diagram would be the relevant Australian standards and the keywords included in these standards.

05 Are there additional challenges which could benefit from a standards-based solution?

Australian standards take a long time to develop and with such a dynamic environment, it is difficult to envisage an one size fits all solution. Rather, the most practical way the Australian Government and Standards Australia can support business is to ensure readily accessible information that businesses can make informed decisions on is available. As outlined above, being able to assess alternate equipment, determine the viability of making your own products or changing internal work practices relies on readily accessible information. This is the support businesses need.

GEA has long advocated for affordable and readily accessible Australian standards and the current pandemic has only heightened the need for this to become a reality. GEA welcomes the opportunity to further discuss this submission and looks forward to continuing to work with Standards Australia.

For your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Griffiths', with a long horizontal flourish extending to the right.

John Griffiths
Chief Executive Officer