



**CONSUMERS
FEDERATION
OF AUSTRALIA**

Developing and promoting
the consumer interest

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Standards Australia Supply Chain Resilience Discussion Paper Consumers Federation of Australia (CFA) Comments

These comments are made by the Consumers' Federation of Australia (CFA) in response to Standards Australia's invitation to comment on the discussion paper, *Supply Chain Resilience*. The consultation aims to help Standards Australia form strategies to help build Australia's supply chain resilience, identify major themes and potential areas of focus. Disruption to global supply chains presents opportunity for Australia to become a more independent and self-sufficient economy and trading partner, as opposed to being overly reliant on other countries and the flow of goods.

CFA represents a diverse range of consumer organisations, including most major national consumer organisations. CFA advocates in the interests of Australian consumers with and through its members, supports consumer representatives to industry and government processes, develops policy on important consumer issues and facilitates consumer participation in the development of Australian and international standards for goods and services as part of the [CFA Standards Project](#).

One of the biggest impacts of COVID-19 on consumers was the shortages in supply due to disruption in supply chains which had an adverse impact on consumer well-being. Consumers panic buying for household goods, global shortages of personal protective equipment and health sectors under extreme pressure to cope with the surge in demand, had significant impacts on consumers.

CFA has the following general comments on Australia becoming a more independent and self-sufficient economy and trading partner:

1. Australian made

The discussion paper identifies that post-COVID, there may be stronger demand from consumers to use locally made products. This will require accuracy about Australian-made claims to ensure consumer confidence the products are made in Australia.

We recognise that there may be a push for Australian supply chains to be more resilient so we can supply ourselves, in the wake of the pandemic. Promoting Australian industry and capacity building *may* be in the consumer interest, but we caution about this meaning that Australian-made be preferred in all contexts. We suggest a focus on assisting government and industry procurement processes to work with local suppliers to better meet Australian capacity requirements.

2. Reducing reliance on overseas suppliers

Many Australian sectors rely heavily on overseas suppliers for vital goods such as medical equipment and have struggled with the sudden changes in global trade. Promoting Australian providers may

encourage a more independent and self-sufficient economy and give confidence to other consumers that Australian products are desirable. As noted, however, we do not think that this means that there should be requirements that products be Australian made.

3. Invest more in Research & Development

To ensure that Australian products are best in class and are innovative, the government and industry may need to invest more in R&D e.g. fund university research.

4. Circular economy and sustainable consumption

To maximise the value obtained from resources and reduce waste, standards should promote and facilitate sustainable consumption (e.g. consistent with Sustainable Development Goal 12 endorsed by the Australian government) and circular economy principles. A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. The longer materials and resources are in use, the more value is extracted from them and less dependence on supply chains. To increase circular economy and more sustainable consumption, greater attention should be made to design to avoid waste, maximise product lifespan and ensure appropriate levels of recycled content in the development of products.

Government and industry contracts could stipulate relevant design (including design for recyclability), longevity and/or recycled content. A focus on value for money in a contract rather than least cost product would help with this problem.

5. Recycling

Ensuring that a product can be easily dismantled so that correct recycling can take place rather than sending to waste disposal should be encouraged e.g. electronic items. Australia should also be developing and investing in new efficient recycling technology so that recycling can occur within Australia.

6. Repair

Producing products with the capacity for repair and to renovate, rather than built in obsolescence that occurs when parts cannot be replaced, or the object is not made of parts that can be separated, should enhance supply chain resiliency. A study in NZ identified 98% of respondents think they should be able to get their washing machines and dishwashers fixed.¹ We consider a standard could help make it easier for items to be repaired rather than replaced.

7. Clear information

One of the problems consumers face during COVID-19 is delays in delivery of goods due to broken supply chains. Clear, consistent, and timely information about when goods are to be delivered, and explanation of any delays, will improve consumer understanding and confidence in business supply chains. Some businesses are providing helpful information by email, SMS, online etc, but a standard in this area might contribute to best practice.

Please contact Gerard Brody, chair@consumersfederation.org.au, about this submission.

¹ Consumer NZ <https://www.consumer.org.nz/articles/consumers-struggling-with-hard-to-fix-appliances>