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Media Release

Supply chains hold key to manufacturing success

As Australian manufacturers battle some of the toughest conditions on record, one industry association is helping its member companies to better leverage their supply chains for greater efficiency and benefits to the bottom line.

The Plastics and Chemicals Industries Association (PACIA), which represents Australia's third largest manufacturing sector, has developed a resource to help the industry identify and take advantage of business opportunities through its supply chains.

The practical and interactive online tool and resource, known as the 8 Step Guide to Supply Chain Sustainability, is to be launched in Melbourne this week.

The guide is designed to help member companies create business value and reduce costs by collaborating on specific projects with suppliers, service providers and customers.

PACIA Chief Executive Margaret Donnan said: "The guide encourages innovation and resource efficiency, and positions member companies to meet customers' evolving demands.

"It is a significant and forward-looking document because it recognises that the strength of inextricably linked supply chains is crucial to the strength of Australian manufacturing – and all this at a time when manufacturing is under severe pressure from the high Australian dollar, high labour costs and increasing energy prices."

She said it was important that manufacturers looked beyond the often adversarial world of procurement, contracts and margins towards cooperative projects that would create opportunities to share value with supply chain partners in today's highly competitive and carbon-constrained business environment.

Ms. Donnan said the guide also encouraged PACIA members to turn strong relationships in the supply chain into flourishing business partnerships, and realise the potential of greater collaboration.

For example, she said the Melbourne-based polyethylene and polymer manufacturer Qenos had collaborated closely with its logistics provider, Toll Holdings, to deliver product more efficiently and safely direct to customer silos.

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The companies had also worked together on alternative supply arrangements that had removed millions of kilometres of truck transport off the road, delivering large fuel savings and greenhouse gas reductions.

The guide builds on PACIA's Sustainability Leadership Framework, which was launched four years ago. The framework focuses on member companies' own operations, and is designed to help companies respond, adapt and transform to remain successful, competitive and profitable.

The guide was developed by PACIA with the support of Sustainability Victoria and the assistance of Qenos.

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The Plastics and Chemicals Industries Association is the pre-eminent national body representing Australia's chemistry industry. The chemistry industry is the third largest manufacturing industry in Australia with a turnover of approximately \$33.6 billion. The sector directly employs approximately 83,000 people with wages and salaries of \$4.9 billion. The sector represents between 9 and 10 per cent of total Australian manufacturing activity and provides industry value add of \$11.5 billion. PACIA members include chemicals manufacturers, importers and distributors, logistics and supply chain partners raw material suppliers, plastics fabricators and compounders, plastics and chemicals recyclers and service providers to the sector. For more information visit: www.pacia.org.au.