



‘Freight’ening future

In a state as isolated as Western Australia it is not surprising that our businesses and indeed many of the necessities of daily life are dependent on the reliability and timeliness of the freight industry.

With air freight severely disrupted during the pandemic, even further pressure has been put on sea freight, with not only time delays causing issues, but costs are rising exponentially.

Many consumers will likely feel the hit over the festive period, especially if little ones think Santa hasn't been able to deliver that extra special gift as it didn't arrive in time.

While potential disappointment on Christmas Day is a worry, the impact of supply disruptions on the housing industry is dire, with market conditions combining to potentially blow out new home build timeframes to in excess of two years and builders margins shrinking as materials and skills costs rise.

Significant supply disruptions can be tracked back to the start of the pandemic when crucial shipping routes were curtailed or cancelled completely as borders across the globe shut up shop. Now, nearly two years on we are in the midst of a shipping container, pallet and driver shortage to add to the challenges of getting the goods to our shores in the first place.

Pilbara Heavy Haulage Girls CEO and Success Transport Director/Owner Heather Jones says the last couple of years has been

particularly tough for those transporting goods along WA's roads.

"It has been a challenging couple of years, it really has," Ms Jones, who has 25 years experience in the transport industry, said. "We've had tyres and parts held up in China, there's been interruptions in buying new trucks because they haven't been able to be built in time, leading to an increase of second-hand trucks, which naturally reduces driver-ride quality and safety without the latest technological advancements being used.

"This adds to the issues we've had in recruiting and training up new drivers as it can act as a deterrent, especially for more inexperienced drivers.

"One of my drivers counted 27 sets of quad road trains parked up in just one parking area, all in need of drivers.

"Due to breaks and rolling shifts, you would normally have two to three drivers to any one road train so just in that one space you're looking at a shortage of at least 60 drivers."

This shortage extrapolates the global supply distribution issues because even if the materials can reach WA's shores, there are no guarantees it will get delivered to the right place at the right time.

This is an issue faced by several builders according to JWH Group General Manager Jay Walter, who says progress on many sites is being delayed due to the hesitation around booking subcontractors too far in advance for fear the materials won't be available.

"A few days here and there and multiply that over the lifetime of a construction site, it adds up," Mr Walter said. "If you multiply the impact of each subcontractor being delayed by three to five days, by the end of the project that could lead to a couple of extra months build time."

Mr Walter said being unable to guarantee build timeframes has led to a lot of additional administration time in follow ups and re-selections and double handling of jobs. This has also impacted on the cost of new builds at a time when heightened construction activity is also pushing prices up.

"The scarcity of labour and the need to keep building sites moving has led to higher costs as everyone is

bidding higher and higher for the workers available," Mr Walter said. "We're seeing a lot of consumers experiencing higher stress levels as anxiety creeps in around when their project will be finished, what changes could potentially occur during the process and also the usual decision fatigue that can set in which can be exacerbated by re-selections."

End in sight?

These supply constraints are combined with last year's stimulus measures, ensuring the construction industry will be kept busy for at least the next few years. That means the question now turns to what, if anything, can be done to alleviate the delays and barriers to materials supply.

Some experts are hopeful that pressure on freight will start to ease as lockdowns end and online shopping decreases, hopefully helping to alleviate some of these issues.

Mr Walter says rather than looking for a quick fix, the best thing to do now is to simply be open, honest and ask consumers for a bit of patience in what is potentially a once in a lifetime event.

"The important thing is for people to be patient, work out a Plan B and C for what impacts, like time delays, could mean for them and trust the process and that the builders and developers are motivated and doing their bit to keep things moving," he said.

"Globalisation and the positives and negatives of it are really being highlighted at the moment along with the need to keep certain types of manufacturing within Australia so we'll be less impacted in future.

"Over the years, the Government has used stimulus to kick start the industry so there's hopefully now a bit of data to look at what different levels of stimulus could do and what's necessary or how it could be done differently in future."

Enter Westport

Westport Managing Director Patrick Seares said changing global conditions and local supply chain constraints have added significant stresses to the movement of freight causing increased cost and delays locally, but Westport is well placed to assist in the future.

"The Westport Program is a unique opportunity to plan a port and trade network that integrates the latest global standards of technology, sustainability and efficiency that is responsive to future supply chain change, innovation and disruption," he said.

"The Westport planning process will consider innovative ways to handle freight at the port and across its supply chain and design a flexible freight system that can adapt to long-term changes to how freight is handled locally, and globally."

Unfortunately, no matter the flexibility of the freight system, if there aren't the competent drivers available we could all be waiting a long time for things to get fully rectified.

Ms Jones said the current truck driver shortage in the UK could be an indicator for what is to come here.

"What normally happens overseas, it's not long before that happens over here in Australia," Ms Jones said. "The UK have a massive shortage of truck drivers so they have shortened their driver training course but that brings in a massive issue around safety and competence.

"It's the same over here, we don't have a shortage of people interested, the shortage is that gap between getting your licence and becoming a safe, competent driver. That's the gap and that needs to be vigorously addressed by government, but this is an issue that has been ongoing for the last 20 years.

"The big problem is there's no votes in transport so the politicians are reluctant to make big policy changes as there's no votes in it for them, but the impact will be seen across the spectrum soon as prices will continue to increase.

"For every delay that we incur, the increased costs for the trucks to get the tyres and parts needed, those 27 quad road trains sat idle or if there's a big safety incident, all of those things add costs to the job and the consumer will be the one eventually paying it. Mums, dads, retirees, the mining industry, everyone, the cost of it all will keep rising until things dramatically change.

"But I don't think I will see a change in my lifetime." ■