



Supply Chain Resilience Initiative

Meeting our needs in times of crisis

Government and industry have worked together during COVID-19 to rapidly address critical supply needs.

We have learned from this experience that we need to be on the front foot and position Australia to respond to future disruptions to supply chains.

This \$107.2 million initiative is about building a comprehensive understanding of critical goods and services, and our supply chain vulnerabilities, and then supporting solutions.

It complements the Government's work with industry on secure and resilient infrastructure and technologies.

Building a comprehensive understanding

The Government will:

- work with industry to identify the essential goods and services critical to Australians at times of crisis;
- map industry supply chains and Australia's manufacturing capabilities; and
- evaluate supply chain resilience under normal circumstances and in possible crisis situations.

We will work with industry to develop supply options to address vulnerabilities in domestic and international supply chains for identified critical products.

The outcomes of this work will be published in Sovereign Manufacturing Capability Plans.

Addressing vulnerabilities

Investing in domestic manufacturing capability in these critical areas is one of a number of important ways we can build our resilience, reduce risk, provide agility, and reduce response times and costs.

We will also consider a range of domestic and international supply options to address vulnerabilities, and assess their costs and benefits. This could mean:

- long-term contracting of international supply;
- domestic manufacturing; and
- broader activities to promote better information sharing and collaboration between industry and governments.

We will also encourage market diversification, including by working to increase the reach of our free trade agreements, bolstering economic relationships with regional partners and supporting digital trade.

Our domestic manufacturers can also contribute to international supply chains, helping other countries meet their needs. As a reliable supplier of quality products, Australia can take an enhanced role in helping solve global supply chain issues at this critical time.

Eligibility criteria

From 1 July 2021, support will be available for businesses to establish or scale a capability that addresses a supply chain vulnerability.

To be eligible for funding, projects will need to demonstrate they address a supply chain vulnerability for a critical product or input identified in a Sovereign Manufacturing Capability Plan and result in a measurable strengthening of the supply chain.

We will publish guidelines setting out eligibility and merit criteria in the first half of 2021.