

Assisting Australian Exporters get to their Customers

Sal Milici (Head of Border & BioSecurity) at Freight & Trade Alliance (FTA) recently had the opportunity to speak with Michael Byrne, International Freight Coordinator General of IFAM to get some background to this support mechanism for Australian exporters.

“ *We have helped secure additional flight routes from major export hubs across Australia to international destinations across Asia, the Middle East, Europe and the US.* ”

1. SAL MILICI – Michael, can you guide us through the creation and evolution of the International Freight Assistance Mechanism (IFAM)?

The Australian Government announced the \$110 million International Freight Assistance Mechanism (IFAM) in April 2020. This temporary, emergency measure is designed to address a collapse of the commercial air freight sector brought on by the global response to the COVID-19 pandemic.

My role, as International Freight Coordinator General, is to oversee the mechanism, secure additional freight capacity, and ultimately help stitch our two-way supply chains back together. We're aiming to use the mechanism to bring in essential medical supplies and also provide the opportunity to producers across the country to reconnect to their customers in national and international markets. We've already made great progress in this regard.

Joining the team is Air Vice-Marshal Margaret Staib AM CSC, as Australian Government Freight Controller, who will primarily focus on inbound freight of national importance like medical supplies, while teams across Austrade and Department of Agriculture, Water and

the Environment (lead by myself) focus on coordinating freight on the outbound leg such as agricultural and fisheries products.

2. SAL MILICI - What import and export products were selected to be part of the programme, and what was the rationale?

In recent years, Australia's trade volume by air has been relatively low volume, but high value - about 1.1 million metric tonnes of goods a year worth about \$110 billion.

COVID-19 travel restrictions grounded flights all over the world or significantly reduced freight capacity on remaining passenger flights, dramatically impeding imports of critical medical equipment and PPE and frustrating the ability of Australian producers and businesses trading internationally to service their existing contracts.

For these reasons, on inbound flights, we've prioritised critical medical supplies and medicines including Personal Protection Equipment (PPE), pharmaceuticals, medical equipment and supplies for health industries.

And on the outbound legs we've prioritised perishable products where businesses have established international customers, including seafood, premium red meat, dairy such as fresh milk and yoghurt and premium fruits, packaged salad and vegetables.

3. SAL MILICI - What's the response been to this initiative?

Within a few weeks of the IFAM being announced, we received more than 560 enquiries from Australian businesses wanting to be involved to get their goods moving again.

Since then, the federal government has worked with industry and businesses to rebuild supply chains and expand airfreight capacity between Australia and key trading partners.



Michael Byrne, International Freight Coordinator General



Sal Milici, Head of Border and Biosecurity, FTA / APSA

Some of the businesses who have been able to trade again thanks to the additional airfreight include Australia's biggest rock lobster exporter, WA's Geraldton Fisherman's Co-operative, Victorian lamb processor Midfield Meat International and Tasmanian salmon producers.

It's also enabled us to import critical components for our health response to COVID-19.

I think it's fair to say the response has been overwhelmingly positive.

4. SAL MILICI - Can you tell us about the network of 15 freight forwarders and airlines? Can other forwarders and airlines participate in the IFAM?

On 23 April, we announced a new network of 15 air freight service providers and freight forwarders to accelerate delivery of agricultural and fisheries exports into key overseas markets.

This followed a stringent procurement process, conducted by Austrade, to identify the best-fitting suppliers to deliver IFAM – air services providers with established networks, landing rights and expertise with perishable products in particular.

The successful providers are Virgin Australia Airlines, Qantas Airways, Cathay Pacific Airways, Emirates, Etihad Airways, Federal Express Corporation, Japan Airlines, Singapore Airlines, Qatar Airways, CT Freight, Schenker Australia, Kuehne + Nagel Australia, Air Menzies International (Aust), Toll Group and DHL Global Forwarding.

However, the IFAM is just one mechanism to get Australia's international airfreight industry running again. We encourage importers and exporters to continue discussions with their freight forwarders to access a range of other cargo options.

5. SAL MILICI - What are some examples of flight routes operating under the IFAM?

We have helped secure additional flight routes from major export hubs across Australia to international destinations across Asia, the Middle East, Europe and the US.

This includes re-connecting South Australian exporters with markets in Asia through weekly flights running from Adelaide to Singapore, and giving businesses in Far North Queensland a direct link into Asia, with weekly Brisbane-Cairns-Hong Kong flights. As of late May, we have also secured air bridge flights between Hobart and Sydney, to assist smaller exporters in getting their produce to overseas customers.

These additional flights have been a monumental help to Australian businesses. Tonight, someone will eat Australian lamb in Dubai, Tasmanian salmon in Bangkok, and Western Australian rock lobster in Xiamen.

The IFAM team has also helped Australian specialist medical suppliers' secure deliveries to the United States, including helping Fallshaw, of Victoria, fill an urgent order for 100,000 hospital bed caster units; and supported the efforts of several Queensland producers to send bovine tissue to Edwards Lifesciences in the US within a tight 96-hour window to make heart valves.

6. SAL MILICI - Are exporters / importers required to contribute to the cost of IFAM flights?

IFAM is not intended to fully offset the increase in freight costs to pre-COVID-19 levels. Businesses will still need to make a financial contribution towards the cost of their freight and this may still be more than pre-COVID airfreight rates.

We encourage exporters to access flights through standard freight operations channels, including their own freight forwarders. All the latest information is being updated on the Austrade website <https://www.austrade.gov.au/IFAM>

7. SAL MILICI - What is next for IFAM?

As mentioned, this is a temporary, emergency response to the economic impact of COVID-19. So, we are going to continue to monitor prices, monitor markets and re-assess as needed.

Our focus is on effectively using the \$110 million to achieve the goals the government set out when they announced the International Freight Assistance Mechanism, which was to assist in rebuilding international supply chains.

In the past few months, we've seen things I never thought I'd see in my career in logistics – freight forwarders working together, farmers building consolidated freight loads together, airlines on the same calls to discuss what we can do to get airfreight moving again, and Australia's diplomats and Trade Commissioners working to get supplies of critical medical moving. We're doing this together to help stitch our supply chains back together.

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