



COVID-19 RELIEF AND RECOVERY FUND

AIRFREIGHT SUPPORT FOR ESSENTIAL AGRICULTURE, FISHERIES AND FORESTRY INDUSTRIES

The Australian Government has set aside \$1 billion through the COVID-19 Relief and Recovery Fund to support communities, regions and industries most significantly affected by the economic impacts of coronavirus, including those heavily reliant on sectors such as aviation, agriculture, tourism, arts and education.

Summary

The Australian Government is backing Australia's agriculture and seafood export sectors through a new \$110 million initiative to help exporters get their high-quality produce into key overseas markets, with return flights bringing back vital medical supplies, medicines and equipment critical to the ongoing health response.

Key facts

What produce is eligible?

The target is high-value agricultural and fisheries exports, predominantly for perishable products where Australian exporters have important established customers in markets.

The sort of products that may be eligible include seafood (including lobsters), premium red meat (including beef and pork), dairy (such as fresh milk and yoghurt) and horticulture (such as premium fruits and packaged salad or vegetables). Food products will be exported subject to adequate domestic supply.

Given the economics of airfreight, low value products are not likely to be eligible. This will include those that are heavy and/or bulky, are conventionally (or could be) shipped by sea, where the market is not open to airfreight of the commodity, and export via airfreight is not likely to be economically viable on an ongoing basis.

This temporary action will help Australian producers to protect the jobs of those who rely upon Australia's export of safe, quality and premium food to the world.

What are the destination countries?

Target countries will be determined by demand and freight optimisation criteria as advised by the International Freight Coordinator General.

The International Freight Assistance Mechanism will initially focus on the key markets of China, Japan, Hong Kong, Singapore and the UAE. This list may be expanded in future based on demand, operating method and commercial opportunities.



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Where are the departure points from Australia?

Departure points will be determined by demand and freight optimisation criteria as advised by the International Freight Coordinator General.

The initial departure points for freight will be Melbourne, Sydney, Brisbane and Perth.

Noting that many exporters are outside of these hubs, the Mechanism will provide for other departure points where possible, including departures from regional airports servicing international markets, depending on demand and aircraft dynamics. This will include connectivity from South Australia, Tasmania, the Northern Territory and Far North Queensland.

How do I apply to send my premium goods to these initial markets?

The Department of Agriculture, Water and the Environment is setting up an information line and a process to capture from exporters information on the products outlined above.

The contact details to express interest are:

Website and dedicated enquiry form:

<https://haveyoursay.agriculture.gov.au/>

Telephone: (02) 6272 2444

What information will be required for me to apply?

Businesses will be requested to supply the following details:

- Business name, ABN and contact details
- When the business could start exporting
- Routes: Preferred departure airport and destination airport
- Information on product type, type of freight (i.e. wet or dry), frequency of despatch per week (and specific day), volume (cubic meters) and weight (tonnes).

Who will decide which products are eligible and when they will be leaving?

The Government has appointed one of Australia's most experienced logistics professionals, Mr Michael Byrne, as International Freight Coordinator General.

Mr Byrne will advise the Government on operational aspects such as departure points, arrival points, freight mix, product eligibility and other factors.



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What is the scope of Government financial assistance?

The Government is mindful that airfreight has been constrained in both capacity and cost. This Mechanism intends to address both. The Government also recognises end-market prices are currently showing variability.

The Government expects exporters to make a financial contribution to the cost of their freight, recognising the historical cost-base for this activity, likely at a premium to conventional transport rates.

Where possible, the Mechanism will coordinate with airfreight support being provided by State and Territory Governments to achieve economies of scale and the most cost effective outcome possible for exporters.

When will the first flight leave?

The Government is working hard to stand-up this initiative quickly, including determining demand by location and freight types, negotiations with aircraft providers, settlement of quarantine and global landing rights and other issues.

Based on current progress, the first flight is likely to leave within two weeks.

How frequently will flights leave?

The Mechanism is not limited by a flight schedule. Flight schedules by departure point and arrival point will be determined by demand and market access.

Flights will be expedited as soon as they are full of valuable exports.

Can I organise my own flight and still be assisted by Government?

Once the Mechanism is established, financial assistance will generally only be available to freight travelling as part of the Mechanism.

In the very near-term, industries organising their own flights with advanced arrangements for early departure may be eligible for assistance where excessive costs are threatening the viability of such flights.

What aircraft will service the routes?

Aircraft types will be determined by demand, end market, and freight optimisation criteria as advised by the International Freight Coordinator General.

The Government is mindful that some freight has specialist needs and will seek to accommodate these where full loads can be arranged.

For how long will the scheme operate?

The Government appreciates that exporters need certainty over the medium-term.

The Mechanism is intended to operate until ordinary commercial markets return, or for six months, whichever is the earlier. If demand, value and need are clear, the Mechanism may be extended.



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I have items for return to Australia, whom do I contact to facilitate this?

Backhaul items will be focussed on vital medical supplies, medicines and equipment as determined by the Department of Health.

Other nationally important items may be designated by the Department of Home Affairs.

General freight is not eligible for the Mechanism.

Who do I contact for further information, or to register interest?

The Department of Agriculture, Water and the Environment is setting up an information line and a process to capture from exporters information on the products outlined above. For further information and to register your interest, visit the dedicated page at <https://haveyoursay.agriculture.gov.au/>

The Government is considering appointing a single freight forwarder to consolidate freight under the Mechanism. The Government will announce final arrangements in due course.

For more information

For further information and to register your interest, visit the dedicated page at <https://haveyoursay.agriculture.gov.au/>