

19 March 2022

The Hon Dan Tehan -Minister for Trade, Tourism and Investment
Parliament House, CANBERRA ACT 2600 *Via Email*

CC: The Hon Josh Frydenberg – Treasurer
The Hon David Littleproud - Minister for Agriculture, Drought and Emergency Management
Productivity Commissioners Julie Abramson & Stephen King

Extension of support for the international air cargo sector

Dear Minister

Further to our communication exchanges on [7 January](#) and [23 February](#) 2022, Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) again commends the Federal Government for the creation, highly successful administration and extension to mid-2022 of the International Freight Assistance Mechanism (IFAM).

The timing of the extension announcement on 27 August 2021 was prior to the arrival and rapid global spread of the Omicron variant of COVID-19, war in Eastern Europe and soaring fuel prices that has again generated significant uncertainty for the airfreight market for the foreseeable future.

We also note the recent announcement by the New Zealand Federal Government in response to these challenging times in extending the Maintaining International Air Connectivity (MIAC) through to 31 March 2023 (previously scheduled to be terminate on 31 March 2022).

Whilst there are distinct differences between the respective air cargo markets, there is a perceived threat that Australian exporters may be at a commercial disadvantage from July 2022 in competing with New Zealand producers who will have ongoing financial support in reaching key markets.

FTA/APSA welcomed your 23 February 2022 response to our recommendation for contingency planning and budget allocation *'we will continue to closely monitor the situation, including whether there is any need to further extend IFAM beyond its current end date'*.

FTA / APSA recommends a thorough analysis to assess the impact of MIAC and other emerging threats to the Australian air cargo sector with a budget allocation made to extend IFAM for a parallel period to that in New Zealand, to at least 31 March 2023.

We look forward to an opportunity to further engage with the Federal Government in addressing strategies to maintain global air connections and to retain Australia's reputation as a reliable global trading partner.

Your sincerely



Paul Zalai

Director, Freight & Trade Alliance (FTA)
Secretariat, Australian Peak Shippers Association (APSA)
Director, Global Shippers Forum (GSF)