INTERNATIONAL AIRFREIGHT – RECONNECTING GLOBAL SUPPLY CHAINS

The International Freight Assistance Mechanism (IFAM) is a targeted, temporary, emergency measure established by the Australian Government in response to COVID-19. The mechanism provides funding to help keep international freight routes and flights operating into and out of Australia.

IFAM has helped reconnect crucial global supply chains and supported the import of critical medical supplies, equipment and other goods of national importance. It also provides the opportunity, on the outbound legs, for high-value and time-sensitive perishable products to be exported to established markets. To date, IFAM-supported flights have enabled over 140,000 tonnes to be exported or committed for export to 65 international destinations between April and early December 2020.

By keeping key airfreight routes open, IFAM is providing Australian businesses disproportionately affected by COVID-19 time to adapt their business models, adjust to a new and tougher trading environment and preserve jobs.

Find out about support available for businesses.

IFAM-supported flight information

For detailed route information, pricing, flight numbers and days of operation, please download the:

› IFAM flight schedule outbound
› IFAM flight schedule inbound
FREQUENTLY ASKED QUESTIONS

What is the International Freight Assistance Mechanism?
› The International Freight Assistance Mechanism (IFAM) is a targeted, temporary, emergency measure put in place by the Australian Government in response to COVID-19.
› The mechanism provides funding to help keep international freight routes and flights operating into and out of Australia.
› IFAM has helped reconnect crucial global supply chains and supported the import of critical medical supplies, equipment and other goods of national importance.
› It also provides the opportunity, on the outbound legs, for high-value and time-sensitive perishable products to be exported to established markets.
› By keeping key airfreight routes open, IFAM is providing Australian businesses disproportionately affected by COVID-19 time to adapt their business models, adjust to a new and tougher trading environment and preserve jobs.

Who is overseeing the IFAM?
› The Australian Government has appointed Mr Michael Byrne as the International Freight Co-ordinator General and Air Vice-Marshal Margaret Staib AM CSC as the Australian Government Freight Controller.
› Mr Byrne has significant international logistics experience as Managing Director of Australia’s two largest logistics companies, plus as a former non-executive director of Australia Post.
› With over 30 years’ experience in the Australian Defence Force and past experience as Chief Executive Officer of Airservices Australia, Air Vice-Marshal Staib brings significant experience in domestic and international aviation and logistics to the role.
› Air Vice-Marshal Staib and Mr Byrne will focus on facilitating the movement of high-value, time sensitive and airfreight reliant (high-perishability) products in to and out of Australia. The two roles are complementary and work flexibly together to optimise the benefits for Australia and the economy.

When was IFAM established?
› IFAM was established in April 2020 with $110 million in funding to help keep supply chains open.
› On 6 October, the Australian Government announced it is committing an additional $317.1 million in funding for the International Freight Assistance Mechanism (IFAM). With $95 million to directly address upcoming seasonal demand and $222.1 million to extend IFAM to the middle of 2021, the funding injection will help keep international supply chains open.
› The additional funding also continues to support the re-building of domestic connections for producers and growers in regional and rural areas that rely on airfreight to get their products to existing markets.

What freight is prioritised on outbound IFAM flights?
› Eligibility for products supported by IFAM are determined by a set of overarching principles rather than a list of commodities. That is products that are:
  • Australian made or produced, high-value, time sensitive, reliant on airfreight (for example, due to perishability) or otherwise deemed to be in the national interest. For example:
– products that could not be sent by an alternative to airfreight without losing their essential product characteristics or value,
– goods that have a limited shelf life or are required to meet a sudden or immediate need.

› IFAM is not limited to agriculture and seafood goods. Any product which meets the above principles may be considered for IFAM support.

› Other products eligible under the principle-based framework may include medicines which have a short shelf-life, are high-value and are reliant on airfreight to meet a sudden or immediate need – for example blood products, or raw material ingredients for pharmaceuticals.

› The eligibility principles apply to all exports seeking IFAM support, including via IFAM grants, charter flights and block bookings.

› The International Freight Coordinator General and Australian Government Freight Controller have authority to make decisions based on the principles outlined above, with guidance from the Airfreight Deputy Secretary Board.

What freight is prioritised on inbound IFAM flights?

On inbound flights, IFAM is prioritising medical supplies, medicines and equipment to support Australia’s health response, as well as items deemed in the national interest.

For example, on inbound flights IFAM has supported:
› Personal Protection Equipment (PPE)
› Pharmaceuticals and consumables
› Medical equipment and consumables
› Inputs to health industries
› Imported components essential to the operation of key infrastructure assets, non-medical personal protective equipment and agricultural chemicals.

How do I access outbound IFAM support?

If you believe your goods align to the description above, please register your interest.

Once you’ve registered and received an acknowledgement email, you should contact an IFAM Freight Forwarder or your own Freight Forwarder (who will then work with an IFAM Freight Forwarder) to access any of the below options:
› IFAM supported flights - see IFAM flight schedule outbound
› Grant assistance – see more information
› Regional and remote flight connections – see more information

How do I access inbound IFAM support?

› On inbound flights, IFAM is prioritising medical supplies, medicines and equipment to support Australia’s health response, as well as items deemed in the national interest.

› Importers can work with their freight forwarder to access freight capacity – see IFAM flight schedule inbound

› If importers are having difficulty accessing freight space for urgent medical supplies please contact airfreight@austrade.gov.au
**Which airlines and freight forwarders are contracted to deliver IFAM?**

A competitive tender process was undertaken by Austrade to select the network of airfreight service providers and freight forwarders listed in the table below.

The IFAM freight forwarders will work directly with the airfreight service providers to get your produce on these flights.

<table>
<thead>
<tr>
<th>Freight forwarders</th>
<th>Airfreight service providers</th>
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<tbody>
<tr>
<td>CT Freight Pty Ltd</td>
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<td>Air New Zealand Limited</td>
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<td></td>
<td>United Airlines</td>
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For full contact details see Appendix A.

**Do I have to pay anything toward the IFAM flights?**

Yes.

Airfreight costs will be more than pre-COVID airfreight rates and Australian businesses will need to make a financial contribution towards the increased cost of their freight. The pricing in the flight schedules is inclusive of the government support but not inclusive of freight forwarders fees or additional costs.

As a temporary emergency measure, IFAM will – in the short term – assist in reducing the impacts of COVID-19 on key international supply chains. To this end, the government will help businesses get their products on flights and to established international markets quickly.

**How does the pricing work?**

The cost of IFAM supported flights can be found in the IFAM flight schedules (**outbound** and **inbound**). These prices are inclusive of the IFAM government support, however, these prices are not inclusive of freight forwarder fees or additional costs.

The government contribution will decrease over time, according to market dynamics.

**Can I still use my own freight forwarder?**

Yes.

To access outbound flights, once you have registered your interest and received acknowledgement, you can:
use your own freight forwarder, however to access some of the IFAM flights, your freight forwarder must contact one of the contracted freight forwarders – see Appendix A for the IFAM freight forwarders

contact the freight forwarders contracted to deliver IFAM directly – see Appendix A for the IFAM freight forwarders

The IFAM flight schedule outbound outlines which flights can be accessed by any freight forwarder or the IFAM freight forwarders.

To access inbound flights, you can use your own freight forwarder – see the IFAM flight schedule inbound for flight details

I’m not an IFAM Freight Forwarder, what do I do?

Outbound

Freight forwarders have a range options to access outbound IFAM support for their registered clients:

› Freight forwarders can work with one of the IFAM Freight forwarders to access IFAM supported flights – see IFAM flight schedule outbound

› Freight forwarders can directly access some of the IFAM supported fights – IFAM flight schedule outbound

› Freight forwarders may be able to directly access the IFAM support flights within 72 hours of departure depending on capacity

› Freight forwarders can apply for grant assistance if the IFAM supported flights do not meet client needs – see What is grant assistance?

NOTE: Not all businesses will be able to access IFAM flights. If you are contacted by an exporter that has not yet registered their interest in IFAM please do ask them to register their interest. If you have a client that is unable to access IFAM flights, they will still need to work with you to access other freight capacity available – see What other flight options are available?

Inbound

All freight forwarders have access to all inbound IFAM supported flights and the details can be found in the IFAM flight schedule inbound.

What support is available for regional and remote locations?

› IFAM is committed to supporting regional Australia. There are international IFAM supported freight flights departing from regional locations across Australia, as well as IFAM supported domestic flights connecting to international IFAM supported freight flights – see IFAM flight schedule outbound for details.

In addition, a commercial domestic service is operational, including Qantas and Virgin Australia, Australia Post and Toll. They are operating a minimum domestic network, servicing the most critical metropolitan and regional routes in Australia.

What is grant assistance?

If the scheduled IFAM supported flights do not meet an exporter’s needs, the exporter may discuss their options with their freight forwarder and consider applying for grant assistance through IFAM. Freight forwarders can apply for grant assistance on behalf of the exporter.
The IFAM grant application process is managed through SmartyGrants – [submit an application](#). Information on using SmartyGrants can be found in the [How to Guide](#).

Please note:

› Exporters are still required to submit an EOI before being considered for grant support and must be high-value, time-sensitive and reliant on airfreight (highly-perishable) to be considered

› IFAM cannot provide grant assistance on scheduled IFAM flights (see [IFAM flight schedule outbound](#)).

› Exporters and freight forwarders are expected to firstly consider the scheduled IFAM supported flights

› Larger loads of high-value, time-sensitive and perishable freight, or applications for support over multiple flights or weeks, are more likely to be supported

What other flight options are available?

In addition to IFAM-supported flights, there is increasing commercial freight capacity, accessible through your freight forwarder – see [Commercial flight options](#) for further details.

I have received grant assistance, and now need extended or additional support, what do I do?

You need to reapply for IFAM support. Proposals and support do not continue past the time period approved in the assistance documents. Each proposal will be evaluated and considered based on the current market conditions. We will only accept proposals for a maximum time period of 10 weeks.

You should also review the [IFAM flight schedule outbound](#) to ensure there is not IFAM support readily available. The IFAM grant application process has moved to an online system called SmartyGrants – [submit an application](#). Information on using SmartyGrants can be found in the [How to Guide](#).

How long will the IFAM support continue?

On 1 April, the IFAM was initiated as a temporary and emergency measure to help keep global supply chains open and has already demonstrated its value in re-connecting airfreight links.

The commercial airfreight sector near collapsed as a result of the COVID-19 pandemic; committing additional funds to keep IFAM alive gives Australian businesses more time to re-engineer their business models and adjust to a new and likely tougher trading environment.

On 6 October, the Australian Government announced it is committing an additional $317.1 million to extend the International Freight Assistance Mechanism (IFAM) to the middle of 2021, keeping international supply chains open.

How do I prepare for a new reality?

Australian businesses **need to use the time now** to review their current business models.

The future trading environment will not resemble the pre-COVID trading environment. Businesses must work together, aggregate, and collaborate to use the mechanisms available to them now. These include:
› Re-established IFAM airfreight flights
› Funding assistance through a grant mechanism

Businesses, freight forwarders and industry associations across sectors must work together now to innovate and secure our trading future.

Relevant State and Territory Governments, as well as Federal Departments, are also working together to support you adjust and will continue to share resources as they become available.

**What can I do to ensure flight routes remain?**

One of the key objectives of the IFAM is to temporarily support international airfreight supply chains. This has a particular emphasis on ensuring access to airfreight services from hubs like Adelaide, Darwin, Brisbane and Cairns for high-value, perishable and time-sensitive produce.

Exporters need to ensure they use the IFAM support available to demonstrate demand for ongoing support. The Australian Government cannot continue to support specific flights/routes that are under-utilised.

For example, if flights from A to B are under capacity, IFAM will likely seek to support alternative flights/routes. The choices made by businesses over the next six months will have a significant impact on the options available to them in the longer term.

**What happens next?**

The IFAM is a targeted, temporary and emergency measure to keep Australia’s critical air links with the world open as businesses adjust to a tougher new trading environment. Businesses must work together, aggregate and collaborate to demonstrate demand ensuring the airfreight links re-established by IFAM continue to be operational once funding ends.

Australian businesses must use this time to review their current business models and prepare for a new reality. The future trading environment will not resemble the pre-COVID trading environment and businesses will need to adapt. This is particularly relevant for businesses who rely heavily on airfreight.

Businesses, freight forwarders and industry associations across sectors must work together now to innovate and secure our trading future. Relevant State and Territory Governments, as well as Federal Departments, are also working together to help support you and will continue to share resources as they become available.

› For additional government support, visit [business.gov.au](http://business.gov.au).

**Is the IFAM contrary to our obligations under international trade law?**

No. The IFAM scheme is consistent with Australia’s WTO obligations.
FURTHER INFORMATION AND RESOURCES

› For more information or if you have a question, please email Austrade at airfreight@austrade.gov.au
› Austrade IFAM landing page: austrade.gov.au/ifam
› For detailed route information, pricing, flight numbers and days of operation, please download the:
   • IFAM flight schedule outbound
   • IFAM flight schedule inbound
› For outbound support, register your interest and complete the dedicated enquiry form: haveyoursay.agriculture.gov.au/international-freight-assistance
› For information on applying for IFAM grant assistance see SmartyGrants and how to guide
› For market insights and latest updates visit Austrade’s COVID-19 page
› For additional government support visit business.gov.au
› Ministerial press releases:
   • Securing freight access for Australia agricultural and fisheries exporters
   • First flight takes off under $110 million freight assistance initiative
   • Western rock lobster back on a roll
   • High-quality Victorian lamb takes-off
   • New air freight network to boost agricultural and fisheries exports
   • 1000 tonnes of premium Australian lamb is wheels up
   • Freight controller appointed to manage airfreight in the national interest
   • Lift off for South Australian produce
   • New flights to get seafood exports moving again
   • Bridging the gap for Tasmanian exporters
   • South Australian premium produce flying high
   • Freight flights boost for South East Queensland farmers
   • Freight flights boost for Australian exporters
   • Export boost for South Australian farmers and fishers
## APPENDIX A

### Airfreight Service Providers and Freight Forwarders Contracted to Deliver IFAM

#### Freight Forwarders

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<th>Contact Information</th>
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<td>Air Menzies International (Aust)</td>
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