

Senate Select Committee on COVID-19

20 August 2020

Written Question on Notice from **Senator Brown** to Austrade and the Department of Infrastructure, Transport, Regional Development and Communications

Question 4

International Freight Assistance Mechanism (IFAM)?

Who is responsible for the implementation and monitoring of the International Freight Assistance Mechanism (IFAM)?

Answer

On 1 April 2020, the International Freight Assistant Mechanism (IFAM) was jointly announced by the Hon Michael McCormack MP, Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development; Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment; The Hon David Littleproud MP, Minister for Agriculture, Drought and Emergency Management; and Senator the Hon Jonathon Duniam, Assistant Minister for Forestry, Fisheries and Regional Tourism.

On 1 April 2020, the Australian Government announced Mr Michael Byrne as the International Freight Coordinator General. Mr Byrne has significant international logistics experience as Managing Director of Australia's two largest logistics companies, Toll Holdings and Linfox, plus as a former non-executive director of Australia Post.

On 29 April 2020, the Australian Government announced Air Vice-Marshal Margaret Staib AM CSC (Retired) as the Australian Government Freight Controller. With over 30 years' experience in the Australian Defence Force and past experience as Chief Executive Officer of Airservices Australia, Air Vice-Marshal Staib has significant experience in domestic and international aviation and logistics.

Air Vice-Marshal Staib and Mr Byrne facilitate 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.

They lead a cross-departmental team located in the Australian Trade and Investment Commission (Austrade), which includes officers from Austrade; the Australian Defence Force; Department of Infrastructure, Transport and Regional Development; Department of Agriculture and Water and the Environment; and Department of Industry, Science, Energy and Resources.

Is there a timeline for when the IFAM will be reviewed and/or ended? If so, what is that timeframe?

Answer

On 1 April 2020, the \$110 million IFAM was initiated as an emergency measure to help keep global air links open. On 3 July 2020, the Australian Government committed an additional \$241.9 million to give businesses time to adjust and re-engineer their operational models to a new and tougher trading environment created by COVID-19.

The IFAM funding is expected to be fully allocated by the end of December 2020. That allocated funding will support some flights continuing into early 2021.

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Is the Government considering extending the IFAM program? If yes, under what circumstances? If not, why not?

Answer

The Government is closely monitoring the expenditure and ongoing demand for funds under the program. This includes monitoring changes in air freight prices as supply and demand adjust to post-COVID markets, and as projected seasonal demand for outbound and inbound products impact prices and air freight capacity over the coming months.

What is the Australian dollar value of the goods that have been exported utilising IFAM as at 31 July 2020?

Answer

As at 26 August 2020, IFAM has committed to support an estimated \$1.3 billion of high value perishable exports, scheduled for export between April and October 2020.

Does IFAM have a capped budget?

Answer

The IFAM has total allocated funds of \$351.9 million.

How much is IFAM expected to cost in total?

Answer

Austrade expects to expend the total allocated funds fully.