

From: [Merridy Woodroffe](#)
To: [Channing, Darrell](#)
Cc: [Cramond, Tessa](#); [Dayna Field](#); [Susan Schneider](#); [Maybury, Kobi](#)
Subject: RE: Virgin Australia - application for authorisation - further information [SEC=OFFICIAL]
Date: Tuesday, 5 May 2020 7:36:18 AM
Attachments: [Media Release - International Freight Assistance Mechanism 23.4.2020 v.1.pdf](#)

Hi Darrell, thanks for your patience. Answers to your further queries follow.

1. In relation to the need for urgent interim authorisation, the circumstances continue to change daily, and it is not possible to predict how the market will adapt and respond in the future. That said, VA is attempting to future-proof its business as best as possible based on current knowledge and predicted risks into the future. Although VA and the Australian public now has the benefit of the Federal Government-underwritten minimum domestic network, this is a temporary solution. The ability to coordinate on these routes remains a valuable option in terms of being able to directly discuss the best schedule for the general public under the underwritten schedule, and on any services outside the minimum schedule. Each day we are seeing further changes and potential reductions in border controls and closures and we are closely monitoring the demand. Interim authorisation will allow us to discuss these with Qantas and others and to quickly respond to changes in demand.
2. VA has identified a need to engage with the other carriers in respect of overlapping routes and future overlapping routes under the government-underwritten contracts directly. This will be more efficient than via the Department as third party which is the current process.
3. Yes.
4. On 23 April, Virgin Australia was announced by Austrade as a successful provider of air freight services as part of a network of freight operators utilising the new International Freight Assistance Mechanism created by the Federal Government (media release attached). As a result, there is no longer any need for VA to collaborate directly with other cargo operators as the panel will coordinate demand and supply centrally. Therefore I can confirm that VA will withdraw the request for the Proposed Conduct to include freight services.

Kind regards

Merridy



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Minister for Trade, Tourism and Investment

THE HON DAVID LITTLEPROUD MP

Minister for Agriculture, Drought and Emergency Management

SENATOR THE HON JONATHON DUNIAM

Assistant Minister for Forestry and Fisheries

MEDIA RELEASE

23 April 2020

New air freight network to boost agricultural and fisheries exports

A new network of 15 air freight service providers and freight forwarders has been established by the Morrison-McCormack Government to accelerate delivery of agricultural and fisheries exports into key overseas markets.

In the first three weeks of its operation, over 560 Australian businesses have registered their interest in utilising the International Freight Assistance Mechanism and agreements for 55 freight flights have already been secured.

Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development Michael McCormack said the network would allow the International Freight Assistance Mechanism to ramp-up assistance to exporters and re-establish global supply chains.

"The COVID-19 crisis has led to major air freight shortages and disrupted supply chains around the world," Mr McCormack said.

"Appointment of these airlines and freight forwarders will help kick-start regular cost effective services to key export markets and enhance the capacity for full freight flights of agricultural products from regional locations.

"We've already seen lobster from Western Australia, lamb from Victoria and salmon from Tasmania shipped to international ports and markets.

"The quicker we can get our products off the farm and onto airplanes, the more Australian jobs we can save and the quicker our agricultural exporters can bounce back."

Federal Trade Minister Simon Birmingham said this new network of air freight service providers and freight forwarders would be crucial to coordinating international freight out of Australia until commercial passenger flights were restored.

"Around 90 per cent of our air freight, usually goes out in the bellies of passenger aircraft. With very few international passenger flights leaving Australia at present, our exporters are facing major hurdles," Minister Birmingham said.

“Through the better coordination of freight out of Australia, we can restore key freight routes and establish more frequent flights to our key markets so our agricultural and fisheries exporters can deliver their products to customers on time.

“We’ve moved quickly to establish this network and are now getting on with the job of supporting our exporters to get their products flowing again.

“With a network of some of the world’s largest airlines and most reputable freight forwarders in place, we’re injecting more reliability into the system that will also help our smaller exporters to aggregate their freight into volumes so they don’t miss out on export opportunities.”

Federal Agriculture Minister David Littleproud said this was about supporting our agricultural and fisheries exporters who had been hit hard by the COVID-19 crisis.

“We’re backing our farmers and fishers by making sure they can get more of their high-quality product into overseas markets,” Minister Littleproud said.

“This is about reducing the barriers our agricultural and fisheries exporters face, so they can get back to focusing on producing the best and highest-quality product in the world.”

Assistant Minister for Forestry and Fisheries Jonno Duniam said the network would be critical to helping Australia’s seafood industry bounce back, with over 120 seafood exporters already enquiring about the initiative.

“With demand starting to return, this network will be critical to helping our seafood exporters to re-establish themselves in key markets around the world,” Assistant Minister Duniam said.

A competitive tender process was undertaken by Austrade to select the network of air freight service providers and freight forwarders.

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.

The International Freight Assistance Mechanism is part of the Morrison-McCormack Government’s \$1 billion Relief and Recovery Fund to support regions, communities and industry sectors that have been disproportionately affected by COVID-19.

For more information, please see the attached Fact Sheet or go to www.austrade.gov.au/ifam.

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