



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Local Government**



Tasmanian Freight Equalisation Scheme

Ministerial Directions of 2008

Guidelines

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1. Introduction

These Guidelines are designed to assist with the application of the *Ministerial Directions for the operation of the Tasmanian Freight Equalisation Scheme 2008* (MDs) and as such are for information and assistance only. They are not and do not purport to be legal advice on a claimant's or agent's duties, rights and responsibilities. These Guidelines may be changed from time to time to reflect changes in policy or to clarify various matters. Claimants and agents should contact Centrelink if they have further queries.

These Guidelines are to be read in conjunction with:

- the Tasmanian Freight Equalisation Scheme (TFES) MDs;
- the media release of 8 September 2008 issued jointly by the Minister for Infrastructure, Transport, Regional Development and Local Government, and Ms Jodie Campbell MP (attached at Appendix A); and
- the media release of 16 November 2008 issued by Ms Jodie Campbell MP (attached at Appendix B).

2. Aim of the Scheme

The aim of the Scheme is to assist in alleviating the sea freight cost disadvantage incurred by shippers of eligible non-bulk goods moved by sea between:

- (a) mainland Australia and Tasmania; and
- (b) King Island and the main island of Tasmania; and
- (c) (between 1 July 2008 and 15 November 2008 inclusive) Flinders Island and the main island of Tasmania; and
- (d) (from 16 November 2008 onwards) any island in the Furneaux Group and the main island of Tasmania.

(MDs sub-clause 3.1; 16 November 2008 media release)

Assistance under the Scheme is intended to benefit those engaged in the manufacturing, mining, agriculture, forestry and fishing industries in Tasmania.

3. Roles and responsibilities

All parties involved with the Scheme, including the Department of Infrastructure, Transport, Regional Development and Local Government (the Department), Centrelink and claimants, have roles and responsibilities for the efficient and effective administration of the TFES.

The Department

- To manage the TFES in a manner consistent with good governance and the requirements and expectations of the Commonwealth Government.
- To administer the MDs (except for those roles delegated to Centrelink and any other third party organisation empowered in accordance with sub-clause 6.3 of the MDs).
- To respond to enquiries in a timely and professional manner.

Centrelink

- To assess completed claim forms (which are accompanied by the required supporting documentation) in a timely manner.
- To return or reject claims where they are incomplete, incorrect and/or cannot be assessed in a timely manner. (A claim includes the claim form and supporting documentation.)
- To respond to enquiries from claimants in a timely and professional manner.
- To ensure that the correct amount of assistance is paid to claimants and the recovery of any overpayments progressed in accordance with relevant guidelines.
- To conduct compliance reviews as required.

Claimants

- To submit claims which are complete and accompanied by the required supporting documentation (including complete claim forms).
- Ensure the information in the claim (both on the claim form and supporting documentation) is true and accurate.
- To provide any information requested by Centrelink or the Department in a timely manner.
- To advise Centrelink in a timely manner of any changes in amounts claimed previously because of returns, exports, or subsidies, rebates and discounts on the transport of the freight concerned.
- To comply with audit requirements relevant to claimants which are specified in the MDs.
- To comply with any other requirements relevant to claimants which are specified in the MDs.

4. Who can claim under the TFES

4.1. OVERVIEW OF ELIGIBILITY RULES

The TFES has different eligibility rules, depending on whether the goods are being shipped:

- north from Tasmania to mainland Australia; or
- south from mainland Australia to Tasmania; or
- between the main island of Tasmania and either King Island or any island in the Furneaux Group.

Only persons (individuals or companies) who actually incur and pay the costs of shipping eligible, non-bulk goods are eligible to claim assistance under the Scheme (MDs sub-clause 3.2, 22.1 and 22.5).

The person must have shipped the goods by sea to be eligible for assistance except in the case of special circumstances approved by the Minister or Secretary of the Department (MDs sub-clause 4.2).

If assistance has previously been paid for a shipment under the Scheme, such a shipment is ineligible for further assistance.

4.2. NORTHBOUND ASSISTANCE

To be eligible as a claimant under the northbound component of the Scheme, a person must:

- meet the general eligibility requirements stated in section 4.1; and
- have incurred and paid the cost of shipping eligible northbound goods (see section 5.1 for eligible northbound goods).

4.3. SOUTHBOUND ASSISTANCE

To be eligible as a claimant under the southbound component of the Scheme, a person must:

- meet the general eligibility requirements stated in section 4.1;
- have incurred and paid the cost of shipping eligible southbound goods (see section 5.4 for eligible southbound goods); and
- be engaged in one or more of the following industries (MDs clause 9):
 - manufacturing,
 - mining,
 - agriculture,
 - forestry,
 - fishing.

Depending on the industry a person is engaged in, different eligibility criteria apply. These criteria are outlined in the following sub-sections.

4.3.1. PRIMARY PRODUCERS

Persons engaged in the agriculture, forestry or fishing industries in Tasmania, may be eligible to claim assistance under the southbound – primary production component of the TFES if:

- their business is defined in Division A of the Australian and New Zealand Standard Industrial Classification (ANZSIC), published by the Australian Bureau of Statistics (MDs clause 9).

4.3.2. MANUFACTURING AND MINING INDUSTRIES

Persons engaged in the manufacturing or mining industries in Tasmania may be eligible to claim assistance under the southbound – manufacturing and mining component of the TFES if:

- their business is defined in Division B or C of the Australian and New Zealand Standard Industrial Classification (ANZSIC), published by the Australian Bureau of Statistics (MDs clause 9).

To be able to claim under the southbound manufacturing and mining component of the Scheme, applicants must be registered with Centrelink (MDs sub-clauses 11.1 and 11.2).

Where an applicant is involved in activities covered in more than one division within ANZSIC, Centrelink is to make a decision as to which ANZSIC division the business belongs, taking into consideration:

- whether the applicant's activities operate as separate legal entities;
- the number of staff involved in each operation;
- the value added by mining or manufacturing process; and
- sales or gross receipts.

Example: *If the activities of the business include both:*

- *manufacturing wooden structural fittings and components such as shop fronts (and joinery) for businesses (ANZSIC Class 1492, Division C – Manufacturing); and*
- *on-site fabrication of built-in furniture or other joinery (ANZSIC Class 3242, Division E – Construction);*

Centrelink is to make a decision as to which ANZSIC division the business belongs and therefore whether it is eligible for TFES assistance.

For clarity: *A business that is involved in both manufacturing and selling its products to the general public may be eligible as a manufacturer (subject to the*

other conditions of eligibility set out above). This will be determined on a case by case basis.

Persons wishing to apply to be registered as an eligible claimant under this component must complete the *Tasmanian Freight Equalisation Scheme – Manufacturers’ and Miners’ Business Registration Application (TAS006)* form and submit it to Centrelink along with the supporting documentation specified on the form. The form covers both the application for registration of a business under the Southbound Manufacturing and Mining component of the Scheme and the application for registration of goods shipped.

4.4. SPORTSPERSONS AND PROFESSIONAL ENTERTAINERS

As per MDs sub-clause 13.1, sportspersons and professional entertainers may be eligible for assistance for the transport of equipment used in the competition of that sport or in that entertainment event. These provisions apply for both the interstate and KIFG components of the TFES. The requirements specified in section 4.1 of these Guidelines also apply for persons claiming under the sportspersons and professional entertainer provisions.

In addition, to be eligible under the sportsperson provisions: persons must be competing in a sporting event where prize money or other financial reward is paid.

To be eligible under the professional entertainer provisions: persons must receive an income, fee or financial reward from performing in a show or event. In determining claimant eligibility under the professional entertainer provisions, consideration will be given to whether entertainment is their occupation or main source of income, and whether entertainment is the primary purpose of the trip. Individual claimants will be required to provide evidence supporting their professional status.

The assistance for sportspersons and professional entertainers is limited to the return leg of a round trip, where that round trip consists of the outward and return sea transport of the same cargo within a six-month period (MDs sub-clause 13.2).

Extension of six-month round trip period:

A written application may be made to the Secretary of the Department, through Centrelink, for an extension of the six-month time limit (MDs sub-clause 22.8).

In support of a request for an extension, any extenuating or special circumstances should be cited.

4.5. KING ISLAND AND FURNEAUX GROUP INTRASTATE ASSISTANCE (KIFG)

A person may be eligible as a claimant under the King Island and Furneaux Group intrastate component (KIFG) if the person:

- is eligible under the general TFES eligibility criteria specified in section 4.1 of these Guidelines;
- has incurred and paid the cost of shipping goods specified as eligible under MDs clause 7A (outlined in section 5.5 of these Guidelines).

In addition, if the person is seeking assistance for shipping goods eligible under MDs clause 7A.1 (c) or (d), that person must also be engaged in the manufacturing, mining, agriculture, forestry or fishing industry in Tasmania (either the main island of Tasmania, King Island, or one of the islands of the Furneaux Group), mirroring the southbound interstate component of TFES.

This is not required if the person is seeking assistance for shipping goods eligible under MDs clause 7A.1 (a) or (b), mirroring the northbound interstate component of TFES.

More detail on the goods that are eligible under MDs clause 7A.1 is provided in section 5.5 of these Guidelines.

Eligibility under KIFG varies depending on the date of shipment:

- Between 1 July 2008 and 15 November 2008 – only shipments between the main island of Tasmania and either King Island or Flinders Island may be eligible for assistance (MDs clause 7A);
- From 16 November 2008 onwards – shipments between the main island of Tasmania and either King Island or any island in the Furneaux Group may be eligible for assistance (MDs clause 7A and 16 November 2008 media release).

As with the southbound manufacturing and mining component of the TFES, a person wishing to claim under KIFG who is shipping goods specified under MDs sub-clause 7A.1 (c) or (d) (outlined in section 5.5 (c) or (d) of these Guidelines) and is engaged in the manufacturing or mining industry is required to be registered with Centrelink before claiming (MDs sub-clauses 11.1 and 11.2).

To be eligible for registration, the business activity of the applicant needs to be covered under one of the following divisions of the Australian and New Zealand Standard Industrial Classification (ANZSIC) published by the Australian Bureau of Statistics (MDs clause 9):

- Division B - Mining; or,
- Division C - Manufacturing.

As in section 4.3.2, where an applicant is involved in activities covered in more than one division within ANZSIC, Centrelink is to make a decision as to which

ANZSIC division the business belongs and therefore whether it is eligible for TFES assistance.

Persons wishing to apply to be registered as an eligible claimant under this component must complete the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component – Manufacturers’ and Miners’ Business Registration Application (TAS019)* form and submit it to Centrelink, along with the supporting documentation specified on the form. The form covers both the application for registration of a business under KIFG and the application for registration of goods shipped.

4.6. FURNEAUX GROUP ADDITIONAL ASSISTANCE (FGAA)

A person may be eligible as a claimant under the Furneaux Group Additional Assistance (FGAA) initiative of the TFES if:

- (a) the person ships eligible goods which are produced or manufactured on any island in the Furneaux Group for permanent use or sale on mainland Australia (see section 5.2 of these Guidelines for goods eligible for this assistance);
- (b) the shipment of such goods requires a land transport component or “break of journey” on the main island of Tasmania, with more than one type of transport mode being required to complete the interstate journey from the Furneaux Group to mainland Australia; and
- (c) the goods from the Furneaux Group do not undergo further production or manufacture on the main island of Tasmania prior to being shipped to mainland Australia.

(Media releases of 8 September and 16 November 2008)

FGAA provides assistance for the intrastate sea leg of the interstate shipments (i.e. for the sea leg between any island in the Furneaux Group and the main island of Tasmania). It is intended to assist persons shipping goods from the Furneaux Group to mainland Australia who incur additional costs as a result of needing to ship goods via the main island of Tasmania. As such, it is supplementary to assistance payable under the KIFG component of the Scheme.

FGAA is effective from:

- **16 November 2008 onwards** for eligible shipments from any island in the Furneaux Group to mainland Australia; and
- **from 8 September 2008 until 15 November 2008 inclusive** for eligible shipments from Flinders Island to mainland Australia.

5. Eligible goods – what can be claimed under the TFES

As with claimants, there are different eligibility rules for goods, depending on whether the goods are being shipped:

- north from Tasmania to mainland Australia;
- south from mainland Australia to Tasmania; or
- intrastate (between the main island of Tasmania and either King Island or the Furneaux Group).

5.1. NORTHBOUND ASSISTANCE

To be eligible for northbound assistance under the TFES the goods must be shipped from Tasmania to mainland Australia by sea, and be:

- listed in Schedule 1 of the MDs – see Appendix D of these Guidelines;
- produced or manufactured in Tasmania – e.g. goods originally produced or manufactured on mainland Australia or overseas are not eligible for assistance unless they have undergone a manufacturing process in Tasmania before their shipment to mainland Australia; and
- shipped for permanent use or sale on mainland Australia – i.e. the goods are not:
 - intended for export overseas unless they undergo a manufacturing process on mainland Australia prior to export, and
 - going to be returned to Tasmania unless they have undergone a manufacturing process on mainland Australia.

(MDs sub-clauses 4.2, 4.4, 4.5 and 7.1)

Example: Sheep being transported to the mainland for an agricultural show are not eligible for assistance. However, goods which are shipped to the mainland for sale at auction are eligible for assistance, as they are sold on the mainland.

For clarity: Waste products created in Tasmania are eligible for assistance.

5.2. FURNEAUX GROUP ADDITIONAL ASSISTANCE (FGAA)

Goods eligible for Furneaux Group Additional Assistance (FGAA) must:

- be eligible goods (goods listed in Schedule 1 of the MDs);
- be produced or manufactured on any island in the Furneaux Group;
- be shipped from the Furneaux Group to mainland Australia for permanent use or sale;
- require a land transport component or “break of journey” on the main island of Tasmania, with more than one type of transport mode being

required to complete the interstate journey from the Furneaux Group to mainland Australia; and

- **not** undergo further production or manufacture on the main island of Tasmania prior to being shipped to mainland Australia.

(MDs sub-clause 7.1; media releases of 8 September and 16 November 2008)

The time frame for the trans-loading of a shipment claimed under FGAA is as soon as practicable. The assessment of this is to be made by Centrelink with each such claim submitted.

For shipments which occurred between 8 September 2008 and 15 November 2008 inclusive, only eligible goods produced or manufactured on Flinders Island may be eligible for assistance. From 16 November 2008 onwards, shipments of eligible goods produced on any island in the Furneaux Group may also be eligible for assistance.

(Media releases of 8 September and 16 November 2008)

5.3. APPROVAL OF NEW GOODS IN SCHEDULE 1 OF THE MDS

As per clause 8 of the MDs, where a good is produced in Tasmania and is not listed in Schedule 1 of the MDs, the shipper of the good may apply to have the good included in the Schedule. This applies to goods for both the northbound and KIFG components of the TFES.

An application may arise for goods such as:

- goods not previously produced in Tasmania;
- goods produced in Tasmania but not previously shipped to mainland Australia or on KIFG routes; and
- goods produced in Tasmania and shipped to mainland Australia or KIFG routes but not included in the Scheme because:
 - i. they were previously rejected for inclusion in the Scheme (e.g. poppy straw) and the reason for previous exclusion is no longer relevant; or
 - ii. they previously were eligible for transport assistance through some national commercial or governmental marketing arrangement.

An application for approval of new goods is to be made to the Secretary of the Department, through Centrelink. It should include the following information:

- a description of the goods;
- details of the origin and destination of the goods;
- details of volumes of goods moved;
- average quantity and size of each shipment;
- types of transport units normally used e.g. container type/s (where applicable); and

- wharf to wharf freight charges for the goods.

(MDs sub-clause 8.1)

To assist the assessment of the request, applicants should also include a projection of the quantity of goods involved for the next three years and the method(s) of shipment.

Applicants will need to demonstrate that a case exists for the inclusion of goods in the list of eligible Schedule 1 goods.

The matters to be addressed in determining that a case exists are that:

- the goods are not classified as ineligible under the following sub-clauses of the MDs:
 - sub-clause 4.2 – air cargo, unless special circumstances exist (see section 6.2 of these Guidelines),
 - sub-clause 4.3 – bulk cargo (see section 6.1 of these Guidelines), and
 - sub-clause 4.4 – exports (see section 6.3 of these Guidelines);
- the goods have a comparative sea freight cost disadvantage;
- if the goods have previously been rejected for inclusion in the Scheme, the reason for previous exclusion is no longer relevant;
- the goods are not the subject of assistance under national marketing arrangements (either commercial or governmental) or uniform pricing arrangements (i.e. no sea freight disadvantage); and
- if the goods have previously been included in national marketing arrangements, the goods' ineligibility for continued assistance under such marketing arrangements is due to cessation of such arrangements on a national basis.

On receipt of an application for the inclusion of additional goods in Schedule 1, Centrelink will acknowledge the application and forward it to the Secretary.

The Secretary will make a decision to either:

- (a) refuse the application; or
- (b) approve the application and specify a date of effect of the decision.

(MDs clause 8)

5.4. SOUTHBOUND ASSISTANCE

5.4.1. PRIMARY INDUSTRIES

The classes of goods listed below are eligible for assistance provided they will be primarily and substantially used in the production process of the agriculture, forestry or fishing industries:

- material inputs to the agriculture, forestry or fishing industries;
- machinery, implements and equipment for use in the agriculture, forestry or fishing industries.

(MDs sub-clause 12.1)

To be eligible these goods must:

- be manufactured or produced on mainland Australia or, if imported from overseas, have undergone a manufacturing process on the mainland (i.e. a process that is, or would be, performed by a manufacturer who carries out activities defined in Division C of ANZSIC);
- experience sea freight cost disadvantage; and
- not be classed as ineligible goods under clause 10 of the MDs, as outlined in section 6.8 of these Guidelines.

Price equalised goods, (i.e. where the vendor averages transport costs for mainland and Tasmanian consignments and charges the same free-into-store price in Tasmania and on the mainland) are not eligible for assistance.

Horses must be shipped to be specifically used for breeding or stock work in Tasmania. Horses to be raced and then bred from are ineligible.

Australian mainland based brood mares shipped to Tasmania for servicing are eligible for southbound assistance only.

Note: *Second-hand machinery sourced from mainland Australia which has undergone substantial alteration, renovation or reconstruction on mainland Australia may be eligible for assistance provided all other TFES eligibility requirements are met.*

5.4.2. MANUFACTURING & MINING INDUSTRIES

As per MDs clause 11, to be eligible under the manufacturing and mining component of the TFES goods must:

- be raw materials or equipment used in a manufacturing or production process within the manufacturing or mining industries;
- experience sea freight cost disadvantage; and
- not be classed as ineligible goods under clause 10 of the MDs, as outlined in section 6.8 of these Guidelines.

Price equalised goods (i.e. where the vendor averages transport costs for mainland and Tasmanian consignments and charges the same free-into-store price in Tasmania and on the mainland) are not eligible for assistance.

TFES assistance can only be paid on items registered as eligible goods (MDs clause 11).

Persons wishing to apply for the registration of goods shipped must complete the *Tasmanian Freight Equalisation Scheme – Manufacturers’ and Miners’ Business Registration Application (TAS006)* form and submit it to Centrelink, along with the supporting documentation specified in the form. This includes a letter from the manufacturer or supplier of the goods stating where the goods were made. If the goods were imported from overseas, the letter must detail any mainland Australian processing.

Upon approval, the applicant will be advised by Centrelink of the goods for which they may claim assistance.

Note: *Second-hand machinery sourced from mainland Australia which has undergone substantial alteration, renovation or reconstruction on mainland Australia may be eligible for assistance provided all other relevant TFES eligibility requirements are met.*

5.5. KING ISLAND AND FURNEAUX GROUP INTRASTATE ASSISTANCE (KIFG)

Consistent with the interstate component outlined in the MDs, the following categories of goods are eligible under KIFG:

For shipments from 1 July 2008, eligible goods under the Tasmanian Freight Equalisation Scheme (TFES) King Island and Furneaux Group intrastate component are goods that are not covered by clause 10A of the MDs (see section 6.9 of these Guidelines) and are either:

- (a) listed in Schedule 1 of the MDs and produced or manufactured on the main island of Tasmania for permanent use or sale on King Island or the Furneaux Group;
- (b) listed in Schedule 1 of the MDs and produced or manufactured on King Island or the Furneaux Group for permanent use or sale on the main island of Tasmania;
- (c) eligible non-consumer raw materials, machinery or equipment produced or manufactured on the main island of Tasmania for use in the manufacturing, mining, agriculture, forestry or fishing industries on King Island or the Furneaux Group; or
- (d) eligible non-consumer raw materials, machinery or equipment produced or manufactured on King Island or the Furneaux Group for use in the

manufacturing, mining, agriculture, forestry or fishing industries on the main island of Tasmania.

(MDs clause 7A and 16 November 2008 media release)

Note: *In the period between 1 July 2008 and 15 November 2008 inclusive, only shipments between the main island of Tasmania and either, King Island or, Flinders Island may be eligible under KIFG.*

Regardless of the date of shipment, goods deemed ineligible under the general interstate TFES provisions are also ineligible under KIFG. See section 6 of these Guidelines for ineligible goods under the TFES.

As for goods claimed under the southbound manufacturing and mining component of the Scheme, goods specified under MDs sub-clause 74.1 (c) or (d) (outlined in section 5.5 (c) or (d) of these Guidelines), must also be approved as eligible goods before assistance can be paid for their shipment.

Persons wishing to apply for the registration of intrastate manufacturing and/or mining goods must complete the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component – Manufacturers' and Miners' Business Registration Application (TAS019)* form and submit it to Centrelink, along with the supporting documentation specified in the form. This includes a letter from the manufacturer or supplier of the goods stating where the goods were made. If the goods were not manufactured/produced on either the main island of Tasmania, King Island or the Furneaux Group, the letter must detail any Tasmanian processing.

Upon approval of the application, the applicant will be advised by Centrelink of the goods for which they may claim assistance.

5.6. SPORTSPERSONS AND PROFESSIONAL ENTERTAINERS

Goods eligible under this category consist of equipment used by the sportspersons or professional entertainers for the event they are performing (MDs sub-clause 13.1). This includes all things used directly in entertainment or sporting events (e.g. racehorses competing for prize money, circus animals, sideshow equipment, sound equipment etc). It does not cover accommodation, vehicles or other items for personal use.

The requirement that goods eligible for northbound assistance must be produced or manufactured in Tasmania (for interstate claims) and on King Island, the Furneaux Group or the main island of Tasmania (for KIFG claims) does not apply to equipment which is the subject of claims by sportspersons and professional entertainers.

As per MDs sub-clause 13.2, assistance for the shipment of eligible goods under this category is limited to that applicable to the return leg of a round trip. The round trip must consist of the outward and return sea transport of the same cargo within a six-month period.

Extension of six-month round trip period:

A written application may be made to the Secretary of the Department, through Centrelink, for an extension of the six-month time limit (MDs sub-clause 22.8).

In support of a request for an extension, any extenuating or special circumstances should be cited.

5.7. BROOD MARES

In relation to Tasmanian-based brood mares shipped interstate between Tasmania and mainland Australia, MDs sub-clause 14.1 states:

... Tasmanian-based brood mares, moved to or from Tasmania for stud purposes are eligible for assistance under the northbound and southbound components of the Scheme.

Assistance may be claimed on both legs of the round trip. Both legs of the trip must be completed before a claim is lodged.

Assistance is only available on the southbound leg for brood mares based on mainland Australia and shipped to Tasmania for servicing. Southbound eligibility is based on the premise that the servicing fee is an input to Tasmanian primary production.

From 1 July 2008 onwards, assistance is available under KIFG for brood mares based on King Island and shipped intrastate between King Island and the main island of Tasmania for stud purposes. Assistance may be claimed on both legs of the round trip. Both legs of the trip must be completed before a claim is lodged. (MDs sub-clause 14.3)

From 1 July 2008 onwards, assistance is also available under KIFG for brood mares based on Flinders Island and shipped intrastate between that island and the main island of Tasmania for stud purposes. Assistance may be claimed on both legs of the round trip. Both legs of the trip must be completed before a claim is lodged. (MDs sub-clause 14.3)

From 16 November onwards, the assistance is extended to brood mares based on any island in the Furneaux Group and shipped intrastate between that island and the main island of Tasmania for stud purposes. Assistance may be claimed on both legs of the round trip. Both legs of the trip must be completed before a claim is lodged. (16 November 2008 media release)

5.7.1. FOALS

In relation to foals shipped from mainland Australia to Tasmania, MDs sub-clause 14.2 states:

Foals, the progeny of Tasmanian based brood mares shipped to the mainland for stud purposes, are eligible for assistance under the southbound component of the Scheme, provided they are less than six months old at the time of shipment to Tasmania.

The foal need not accompany the mare on the southbound journey to be eligible for assistance.

Note: *As per MDs sub-clause 22.8, a written application may be made to the Secretary of the Department for an extension of the six-month age requirement which applies to foals.*

A request for an extension should be sent to Centrelink. In support of a request for an extension, any extenuating or special circumstances should be cited.

From 1 July 2008, foals that are the progeny of King Island or Furneaux Group based brood mares shipped to the main island of Tasmania for stud purposes are eligible for assistance under KIFG, provided they are less than six months old at the time of shipment to King Island or the Furneaux Group (as the case requires). (MDs sub-clause 14.4; 16 November 2008 media release)

For shipments made between 1 July 2008 and 15 November 2008 inclusive, only shipments of foals that are the progeny of either King Island or Flinders Island based brood mares may be eligible for assistance under KIFG.

6. Ineligible goods – what cannot be claimed under the TFES

6.1. BULK GOODS

Goods carried in bulk are not eligible for assistance under the TFES (MDs sub-clause 4.3).

Bulk goods are goods which are carried loose in ships' holds or tanks without any form of unitising or packaging. Goods carried loose in containers are regarded as non-bulk goods.

6.2. GOODS TRANSPORTED VIA AIR

Goods transported by air are ineligible for assistance, except in special circumstances, as approved by the Minister or the Secretary. Such circumstances may include the unavailability of a shipping service due to industrial dispute, mechanical failure or vessel maintenance (MDs sub-clause 4.2).

Assistance is calculated as if the goods had been moved by sea. The cost of air freight (excluding ineligible charges such as those specified in the topic titled *Total freight paid excluding GST* in section 8.5.1 of these Guidelines) is used in place of the sea freight charge incurred.

In order to receive assistance in these circumstances, the goods must meet all the general eligibility requirements of the Scheme except those of movement by sea. To be eligible for assistance the applicant must satisfy the Department that:

- the goods would normally have been moved by sea by the unavailable shipping service;
- before consigning the goods by air, every effort was made to use a reasonable alternative shipping service which was operating at that time; and
- the goods were required to be air freighted during the period of disruption of the shipping service in order to:
 - avoid contract penalties, or
 - ensure mainland markets were not jeopardised.

Persons wishing to claim assistance on this basis must complete the appropriate declaration form available from Centrelink.

6.3. GOODS EXPORTED

Goods intended for export from Australia are ineligible for assistance, unless they undergo a manufacturing process on mainland Australia prior to export (MDs sub-clauses 4.4 and 4.5).

Under sub-clause 4.4 of the MDs, assistance is not payable in respect of goods which at the time of shipment from Tasmania, or at the time of first sale of the goods on the mainland, are – to the knowledge of the claimant – intended for export. (In these circumstances, the goods are ineligible, regardless of whether the sale takes place before or after the goods are shipped to the mainland.)

Clause 4.5 of the MDs recognises goods are eligible if they undergo a manufacturing process on the mainland prior to export. For this purpose, a

manufacturing process is regarded as a process which is, or would be, carried out by a manufacturer who performs activities defined in Division C of ANZSIC.

6.4. GOODS IMPORTED

Southbound component:

As per MDs sub-clause 10.1 (a), goods imported into mainland Australia from overseas are ineligible goods under the southbound component of the Scheme unless the goods underwent a manufacturing process on mainland Australia prior to their shipment to Tasmania.

KIFG component:

Goods brought into the main island of Tasmania from mainland Australia or from overseas are ineligible goods under the KIFG component of the Scheme unless they have undergone a manufacturing process on the main island of Tasmania prior to their shipment to King Island or the Furneaux Group. (MDs sub-clause 10A.1 (a); 16 November 2008 media release)

Goods brought into King Island or the Furneaux Group from mainland Australia or from overseas are ineligible goods under the KIFG component of the Scheme unless they have undergone a manufacturing process on that island prior to their shipment to the main island of Tasmania. (MDs sub-clause 10A.1 (b); 16 November 2008 media release)

6.5. GOODS RETURNED TO TASMANIA FROM MAINLAND AUSTRALIA

As stated in MDs sub-clause 4.1(a), the northbound component of the Scheme covers “eligible goods produced or manufactured in Tasmania for permanent use or for sale on the mainland of Australia”. Goods that are shipped to mainland Australia from Tasmania, and then subsequently returned to Tasmania, are not eligible for assistance on the northbound component of the trip. If the goods are returned to Tasmania after having undergone a manufacturing process on mainland Australia, they must qualify under the southbound component of the Scheme in order to be eligible goods.

For example:

Livestock shipped northbound (from Tasmania to mainland Australia) for an agricultural show and then returned to Tasmania are ineligible for TFES assistance. However, goods sent northbound (from Tasmania to mainland Australia) for manufacturing purposes, such as galvanising, may be eligible for assistance under the northbound component of the Scheme. Similarly, if goods

of Tasmanian origin undergo a manufacturing process on mainland Australia and then are shipped as eligible inputs into one of the following industries:

- *agriculture;*
- *forestry;*
- *fishing;*
- *manufacturing; or*
- *mining;*

the goods may be eligible for southbound assistance under the Scheme.

Where assistance has been paid for goods identified as “returns”, an overpayment has occurred (MDs sub-clauses 10.1(c) and 15.5). For information on overpayments under the Scheme, please see section 13 of these Guidelines.

6.6. SHIPMENTS BETWEEN KING ISLAND AND THE FURNEAUX GROUP

As the KIFG component exist only for shipments between King Island and the main island of Tasmania, and between the Furneaux Group and the main island of Tasmania, goods shipped directly between King Island and any island in the Furneaux Group are ineligible under the Scheme.

If, however, eligible goods are shipped from King Island to the main island of Tasmania where they undergo a manufacturing process before being shipped to the Furneaux Group, and all other eligibility requirements of KIFG are met, this shipment may be eligible for KIFG assistance.

Similarly, if eligible goods are shipped from the Furneaux Group to the main island of Tasmania where they undergo a manufacturing process before being shipped to King Island, and all other eligibility requirements of KIFG are met, this shipment may be eligible for KIFG assistance.

(MDs sub-clause 10A.1 (c); 16 November 2008 media release)

6.7. GOODS THAT HAVE ALREADY RECEIVED ASSISTANCE

If a claim is lodged for the King Island and the Furneaux Group intrastate component of the TFES and it has already been paid under the interstate component of the TFES, or vice versa, it is not eligible for assistance.

The only exception to this is if the shipment falls under the category of FGAA. In such cases, both the intrastate sea leg from the Furneaux Group to the main island of Tasmania and the interstate sea leg from the main island of Tasmania to mainland Australia are eligible for assistance under the TFES, with no more than \$855 paid in assistance for each of the two sea legs (i.e. no more than \$1,710 in total).

6.8. INELIGIBLE GOODS UNDER THE SOUTHBOUND COMPONENT

As specified in clause 10 of the MDs, the following goods are ineligible for southbound assistance:

- goods imported into mainland Australia from overseas which have not undergone a manufacturing process on the mainland prior to their shipment to Tasmania;
- building and construction materials and equipment;
- fuels and lubricants;
- goods of Tasmanian origin i.e. produced or manufactured in Tasmania; and
- motor vehicles for manufacturing and mining industries to be registered for use on public roads.

Note: *Goods of Tasmanian origin that undergo a manufacturing process on mainland Australia are considered to be manufactured on mainland Australia. For a definition of 'manufacturing process' see the definitions section (section 21) of these Guidelines.*

6.9. INELIGIBLE GOODS UNDER KIFG

Similarly, as with ineligible goods under the southbound component, the following goods are ineligible for assistance under KIFG:

- goods brought into the main island of Tasmania from the mainland of Australia or from overseas which have not undergone a manufacturing process on the main island of Tasmania prior to their shipment to King Island or the Furneaux Group;
- goods brought into King Island or the Furneaux Group from the mainland of Australia or from overseas which have not undergone a manufacturing process on that island prior to their shipment to the main island of Tasmania;
- goods shipped from King Island to the Furneaux Group which have not undergone a manufacturing process on the main island of Tasmania prior to their shipment to the Furneaux Group, and vice versa;
- fuels and lubricants;
- building and construction materials and equipment; and
- motor vehicles for manufacturing and mining industries to be registered for use on public roads.

(MDs clause 10A; 16 November 2008 media release)

Note: *For a definition of 'manufacturing process' see the definitions section (section 21) of these Guidelines.*

7. Who can apply to be an agent under the TFES

7.1. AGENTS

Sub-clause 12.2 of the MDs enables companies engaged in supplying goods to eligible claimants under the southbound or KIFG components of the Scheme who are engaged in the agriculture, forestry or fishing industry to apply for appointment as agents on their behalf.

Companies primarily involved in freight forwarding and freight logistics may not apply to act as an agent (MDS sub-clause 12.2).

Sub-clause 12.3 of the MDs allows the Minister or the Secretary of the Department to establish criteria for the appointment and termination of agents. The following sections (sections 7.2 to 7.7) set out these criteria.

7.2. APPROVAL OF AGENTS

Approval to act as an agent will only be granted to applicants who meet the following criteria:

- agency arrangements must result in efficiency gains for both individual claimants and Centrelink;
- the applicant should be able to demonstrate a good business track record¹;
- applicants must demonstrate that they have clerical and accounting systems capable of handling the administrative processes associated with claim lodgement and the disbursement of TFES assistance to their claimants;
- the applicant cannot be primarily involved in freight forwarding or freight logistics; and
- the applicant must be engaged in supplying goods to the agriculture, forestry and/or fishing industries.

7.3. AGREEMENT BETWEEN THE AGENT AND CENTRELINK

Prior to being approved as an agent, applicants will be required to enter into an agreement with Centrelink which outlines their obligations. The agreement will

¹ A good business track record is determined via the agent application process.

be in writing and signed by representatives of both parties. It will contain the following undertakings by the agent:

- claims will be made on behalf of eligible claimants;
- *End User Declaration of Eligibility to Claim via an Approved Southbound Agent* forms will be completed and signed by the respective claimants and a sample submitted to Centrelink on request and during the compliance review;
- claims will be made only in respect of eligible goods;
- the full amount of TFES assistance received will be passed on to eligible claimants;
- each claimant's invoice will be annotated with the amount of TFES assistance included and acknowledged that it is provided by the Commonwealth Government;
- all supporting documentation, claimant and third party records will be retained by the agent in a logical and readily accessible way for a period of five years;
- all supporting documentation, claimant and third party records will be made available for compliance checks, when given notice in writing by Centrelink;
- any subsidies, rebates or discounts received by the agent (or claimants the agent is acting on behalf of) in respect of shipping costs, which have been the subject of the payment of assistance under the Scheme, will be notified to Centrelink as soon as practicable after the end of each financial year.

7.4. CLAIM FORMAT

Claims submitted by agents will be in the same format as a claim lodged directly by a claimant (see sections 8, 9, and 10 of these Guidelines), with the addition of:

- details of all the claimants on whose behalf the claim is made.

The same supporting documentation as required with claims lodged by claimants is to accompany claims submitted by agents (see section 10 of these Guidelines) with the addition of:

- details of individual transactions for the agent's clients who will receive disbursement of the TFES assistance paid and on whose behalf the claim is made.

7.5. TRIAL PERIOD

Approval to operate as an agent is subject to satisfactory completion of a six-month trial period. At the end of this period, a compliance review of claims submitted will be conducted by Centrelink. Providing the review shows a good record of compliance, the agency arrangements may continue.

7.6. ANNUAL COMPLIANCE REVIEW

After the trial period, annual compliance reviews of each agent will be conducted to ensure that claims are being made in respect of eligible claimants and eligible goods, and that the full amount of TFES assistance is being passed on to the individual claimants.

The compliance review consists of a series of checks of selected "claim lines" from submitted claims. The agent will be advised of which claim lines will be checked at the time of the review.

7.7. ASSESSING PROCEDURES - AGENT CLAIMS

Claims lodged by agents are subject to the same assessing procedures as for other claims.

Details of individual claimants for whom an agent's claim relates are to accompany the claim.

7.8. BGSF COMPANIES

As per MDs sub-clause 12.2A, a BGSF company may apply to be appointed to act as an agent.

8. Claims for assistance under the TFES

8.1. CLAIMANT RESPONSIBILITY REGARDING SUBMISSION OF CLAIMS FOR ASSISTANCE

When submitting a claim for TFES assistance, responsibility rests with the claimant or their agent to ensure the claim is complete, correct and supported by the required documentation.

Incomplete and/or unsupported claims may be returned to the claimant or their agent, or the claim may be rejected.

Complete, correct and supported claims are required to enable an accurate assessment of the claim.

To assist the timely assessment of a claim, where a medium to large claim is submitted, the claimant is encouraged to attach the supporting documentation in a logical manner. Omitting to do so may result in assessment delays.

8.2. CENTRELINK RESPONSIBILITY REGARDING ASSESSMENT OF A CLAIM FOR ASSISTANCE

When assessing a claim for assistance, Centrelink is to ensure an accurate assessment of the eligibility of the claimant, the shipment (including eligibility of the goods shipped), as well as correct calculation of the TFES assistance payable.

If doubt exists in relation to any aspect of the claim (including the eligibility of the claimant, the shipment, or any aspect affecting the calculation of any TFES assistance payable), Centrelink may:

- request further information and/or supporting documentation from the claimant or agent acting on the claimant's behalf;
- return the claim; and/or
- reject the claim.

8.3. TIMEFRAME FOR CLAIM LODGEMENT

The timeframe available to lodge a claim for TFES assistance is up to two years from the date of shipment. As per MDs sub-clause 22.3, if a claim is received outside the two-year time period, the claim is to be rejected.

Extension of the two-year time limit

MDs sub-clause 22.8 provides for written applications to be made to the Secretary of the Department for an extension of the two-year time limit.

A request for an extension should be sent to Centrelink. In support of a request for an extension, any extenuating or special circumstances should be cited. These may include, among others:

- loss of records by fire, flood or similar events; or
- serious illness or incapacity during the relevant period rendering the claimant unable to prepare and submit the relevant paperwork. (Evidence of the illness/incapacity will be required.)

8.4. CLAIMANT INFORMATION REQUIRED WHEN MAKING A CLAIM

The following claimant details are required when making a claim for TFES assistance. These details are required for the assessment of claimant eligibility under TFES and/or for claimant verification purposes. Sufficient information is required to enable an accurate assessment of eligibility.

8.4.1. INFORMATION REQUIRED WITH THE FIRST CLAIM AND WHENEVER DETAILS CHANGE

The following information is required with the first claim and whenever details change.

Registered trading name of the claimant

(If different from the claimant's name) the registered trading name of the claimant is required, supported by documentary evidence.

ABN or ACN

If the claimant is an organisation, an Australian Business Number (ABN) and/or Australian Company Number (ACN) is required. If the claimant has both an ABN and an ACN, both are to be provided.

Principal business activities of the claimant

A brief statement is needed regarding the main business activities in which the claimant is engaged. This information is required as part of the assessment of claimant eligibility.

Details of claims signatories

MDs sub-clause 22.4 specifies that if the claimant is a company, the claim is required to be signed "*by a senior officer of the Company authorised for that purpose by the Company*". To advise of the officer authorised by the company, the 'Details of claims signatories' section on the *Tasmanian Freight Equalisation Scheme Claim for Assistance (TAS002)* form is to be completed.

8.4.2. INFORMATION REQUIRED WITH EVERY CLAIM

The following information is required with every claim.

Name of the claimant

The name of the claimant must be stated on the claim form.

Address of the claimant

The postal address of the claimant is required for the purpose of sending correspondence to the claimant in relation to their claim for assistance.

Contact details for the claimant

The claim is to also include the name and relevant phone number of a person to contact in the event of a query regarding the claim.

Financial institution details

MDs sub-clause 22.7 specifies that claimants must provide details of their bank or other financial institution account in order for TFES assistance to be paid.

This includes the following account details:

- account number;
- BSB number; and
- the account name.

Payments of TFES assistance are only made by direct credit to the claimant's bank or other financial institution account.

Note: *Where any of the details in this section have changed from the previous claim, the claimant is required to advise with the claim that they are new details.*

If any doubt exists in relation to any of the above, Centrelink may request additional information in support of the claim.

8.5. SHIPMENT DETAILS REQUIRED TO MAKE A CLAIM

The following shipment details are required to make a claim for TFES assistance. These details are required for the calculation of TFES assistance payable and/or for shipment verification purposes. Sufficient information is required to enable an accurate assessment of the claim. All of the following information required (in both section 8.5.1 and 8.5.2) must be substantiated by the supporting documentation accompanying the claim.

8.5.1. DETAILS REQUIRED FOR BOTH FULL CONTAINER LOAD (FCL) AND LESS THAN A CONTAINER LOAD (LCL) SHIPMENTS

Transport company used

This refers to the name of the transport company used in the shipment of the goods.

Consignment note number

The consignment note number identifies the shipment. Where this number is stated on supporting documentation it is also required to be stated on the claim.

Date of shipment

This refers to the date of shipment, not the date of the invoice.

Invoice number

This refers to the invoice number on the freight bill for the shipment of the goods.

If, however, only the invoice number for the purchase of the goods from the supplier is available, then this invoice number can also be stated here.

Evidence of payment of freight costs

Payment of TFES assistance is based on a cost reimbursement principle. MDs sub-clause 22.5 states:

A claim for assistance ... will be accepted for payment only if it is accompanied by evidence of shipment and evidence of payment of the freight charges incurred by the claimant in such form as required by the Department.

Where the freight charge has not been paid prior to claim lodgement, the claim cannot be processed.

Goods shipped

The type of goods shipped (e.g. frozen vegetables) is required on the claim form to enable assessment of TFES eligibility of the good.

High Density indication

The density of the goods shipped (i.e. if high density (heavy) or not) needs to be indicated on the claim form.

This information is used to determine the amount of TFES assistance payable.

Reefer

This information refers to whether the goods were shipped as dry freight or refrigerated (reefer) freight.

This information is used to calculate the amount of TFES assistance payable.

Tonnes

This refers to the number of tonnes shipped. (See the definition of weight in section 21.)

If this information is provided on documentation supporting the claim, it is required on the claim form.

At least either the tonnes or the cubic metres of the shipment are required with the claim to enable calculation of TFES assistance payable. However, if both tonnes and cubic metres are available from the documentation supporting the claim, both are required on the claim form.

If the good shipped was livestock, this information is not required.

Cubic Metres

This refers to the cubic metres shipped. (See the definition of volume in section 21.)

If this information is provided on documentation supporting the claim, it is required on the claim form.

At least either the tonnes or the cubic metres of the shipment are required with the claim to enable calculation of TFES assistance payable. However, if both tonnes and cubic metres are available from the documentation supporting the claim, both are required on the claim form.

If the good shipped was livestock, this information is not required.

Number of head

If the good shipped was livestock, the number of head of the livestock is required. Information identifying which type of livestock was shipped is also required (e.g. adult stud cattle; lambs; etc.) as each have different loading factors.

This information is used to calculate the amount of TFES assistance payable.

For the shipment of horses, the following information is also required on the claim form for eligibility assessment purposes:

- details of the horse (its name, where it was bred and where it is normally based);
- direction and date of shipment; and
- reason for the shipment.

Please see section 9 of these Guidelines for information on which forms to use when claiming assistance for the shipment of horses.

Origin and destination of the shipment

The place where the shipment of the goods commenced (origin) and ended (destination) is required on the claim form. The place of origin and destination needs to be consistent with the transport task for the shipment.

This information is required to calculate the amount of TFES assistance payable as well as for assessment of shipment eligibility.

Example: *If the shipment was a door to door transport task commencing in Launceston, Tasmania and ending in Melbourne, Victoria, the origin would be Launceston, TAS, and the destination would be Melbourne, VIC.*

Claims submitted under the KIFG component also require the following information on the claim form:

- *the place of production or manufacture of the goods shipped.*

This is required as the place of production/manufacture of the goods may be different to the place of origin of the shipment. This information is required for part of the eligibility assessment of the goods.

Transport Task

One of the following transport tasks is required to be stated on the claim form for each shipment:

- door to door (dd); or
- door to wharf (dw); or
- wharf to door (wd); or
- wharf to wharf (ww).

The transport task which is relevant to the shipment is to be stated.

This information is used in calculating TFES assistance payable.

Note: "Wharf" for the purposes of TFES means the wharf gate. Any land beyond the wharf gate is not considered as "wharf" and is considered as "door" instead.

Total freight paid excluding GST

The amount of the freight charge paid for the shipment is required to calculate the amount of TFES assistance payable.

Charges related to the provision of transport services are considered to be part of the freight charge. This includes the fuel surcharge and wharfage fees for the transport of the goods.

GST and service fees are not considered part of the freight charge. Examples of other types of charges not considered part of the freight charge include:

- storage fees;
- agistment charges;
- insurance;
- accounting fees or any other charges relating to issuing of documents, administration of accounts or payment;
- weighbridge dockets; and
- quarantine charges.

8.5.2. DETAILS ALSO REQUIRED WHEN THE SHIPMENT IS A FCL

Container or trailer size

This refers to the size (length) of the transport unit, e.g. 40ft (12.2m), 20ft (6.1m), etc.

This information is used to calculate TFES assistance payable.

Note: *The length of the transport unit should only be indicated if the transport unit was utilised to its maximum capacity when efficiently packed for the transportation of the goods of that type.*

Transport unit means a TEU, trailer, tanker or any other container in which goods are placed for shipment. It does not include types of packaging such as cartons or bins.

Number of containers or trailers

This refers to the number of fully utilised transport units (transport units utilised to their maximum capacity) used to ship the goods.

This information is used to calculate TFES assistance payable.

8.5.3. DETAILS ALSO REQUIRED WHEN THE SHIPMENT IS A LCL

Number of pallets

If pallets are used in the shipment of the goods, the number used is required to be advised on the claim form. This does not apply to skids, slip sheets or other types of packaging.

This information is used to calculate TFES assistance payable. This is done by means of the following deduction applied to the tonnes and cubic metres of the shipment:

- 0.02 tonnes is deducted per pallet used from the tonnes; and
- 0.2 cubic metres is deducted per pallet used from the cubic metres.

Note: *For a definition of the tonnes and cubic metres required to be stated on the claim form and to be supported by the required documentation, please see the definition of weight and volume in section 21.*

8.6. THE CLAIM FORM MUST BE SIGNED

In order for the submitted claim to be assessed, the completed claim form must be signed by the claimant or a claims signatory authorised by the claimant.

If the claim form is not signed, the claim is taken to be unauthorised by the claimant and cannot be assessed by Centrelink.

8.7. VERIFICATION REQUIREMENTS

Claims will be processed and paid on the basis of the information provided on the claim form, supporting documentation and the claimant declaration.

Under clause 23 of the MDs, the payment of assistance is made on the understanding that the records of the claimant are subject to inspection by an authorised officer.

Where any feature of the claim gives rise to doubt about compliance with the MDs or where the documents submitted in support of a claim do not appear fully truthful or genuine, the claim is not to be paid until the matter is fully investigated (MDs sub-clause 22.9).

Where misconduct is confirmed as a result of an investigation of this nature, the circumstances are to be reported to Centrelink management and to the Secretary of the Department for further action.

9. Which forms are to be used when claiming assistance under the TFES

MDs sub-clause 22.2 states:

The Claim for Assistance, and other forms used in the administration of the Scheme, shall be in a form approved by the Secretary.

Depending on the component of the Scheme being claimed under, one or more of the forms detailed in this section must be completed and submitted to Centrelink, accompanied by the required supporting documentation. The latest version of the form is to be used.

Supporting documentation for a claim may not be submitted electronically.

9.1. NORTHBOUND SHIPMENTS

To claim for northbound assistance, the *Tasmanian Freight Equalisation Scheme Claim for Assistance (TAS002)* form must be used.

If the claimant wishes to submit claim data electronically via TBUS², the *Tasmanian Freight Equalisation Scheme Payments system – Processing Authority* (**TAS004**) form must also be used.

9.2. SOUTHBOUND SHIPMENTS

9.2.1. PRIMARY INDUSTRIES

To claim for assistance under the southbound primary industry component of the Scheme, the *Tasmanian Freight Equalisation Scheme Claim for Assistance* (**TAS002**) form must be used.

If the claimant wishes to submit claim data electronically via TBUS, the *Tasmanian Freight Equalisation Scheme Payments system – Processing Authority* (**TAS004**) form must be used.

If the goods were purchased from a supplier, and all the information required to make a claim under the TFES in relation to the shipment of the goods is not stated on the invoice from the supplier, the *Tasmanian Freight Equalisation Scheme Supplier's Certificate* (**TAS005**) form needs to be completed by the supplier and also submitted with the claim.

9.2.2. MANUFACTURING AND MINING INDUSTRIES

To claim assistance under the southbound manufacturing and mining industry component of the Scheme, the *Tasmanian Freight Equalisation Scheme Claim for Assistance* (**TAS002**) form must be used.

If the claimant wishes to submit claim data electronically via TBUS, the *Tasmanian Freight Equalisation Scheme Payments system – Processing Authority* (**TAS004**) form must be used.

If the business is applying to be registered under this component or is applying for the eligibility of particular goods (either for the first time or in addition to

² TBUS stands for: Tasmanian Freight Equalisation Scheme Bulk Upload System. It is an online tool available for use by persons who have valid login IDs and passwords to facilitate lodgement of claim details. Supporting documentation is still required to be posted to Centrelink if the TBUS claim detail lodgement method is used. For further information on TBUS, including applying for a login ID and password, please contact Centrelink.

those already listed as eligible on their claimant record), the *Tasmanian Freight Equalisation Scheme – Manufacturers’ and Miners’ Business Registration Application (TAS006)* form must be completed and submitted to Centrelink, accompanied by the relevant supporting documentation specified on this form.

9.3. KIFG SHIPMENTS

To claim assistance under the TFES King Island and the Furneaux Group intrastate component (KIFG), the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component Claim for Assistance (TAS017)* form must be used.

If the claimant wishes to submit claim data electronically via TBUS, the *Tasmanian Freight Equalisation Scheme Payments system – Processing Authority (TAS004)* form must be used.

If the goods were purchased from a supplier, and all the information required to make a claim under the TFES in relation to the shipment of the goods is not stated in the invoice from the supplier, the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component Supplier’s Certificate (TAS018)* form must be completed by the supplier and also submitted with the claim.

If a claim is in relation to goods which are specified in section 5.5 (c) or (d) of these Guidelines, the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component – Manufacturers’ and Miners’ Business Registration Application (TAS019)* form must be completed and submitted to Centrelink, accompanied by the relevant supporting documentation specified on this form.

9.4. FURNEAUX GROUP ADDITIONAL ASSISTANCE

To claim assistance under Furneaux Group Additional Assistance (FGAA), the TFES interstate claim form must be used (*Tasmanian Freight Equalisation Scheme Claim for Assistance – TAS002*). All legs of the FGAA transport task are to be itemised on the claim form (one claim line per sea leg).

A declaration will need to be signed by the claimant identifying that the claim is being submitted under the FGAA.

Depending on the date of shipment, one of the following two declarations must be completed by the claimant and submitted with their claim:

For shipments between 8 September 2008 and 15 November 2008 inclusive, the *Tasmanian Freight Equalisation Scheme Furneaux Group Additional Assistance Declaration (TAS010)* must be used.

For shipments on or after 16 November 2008, the *Tasmanian Freight Equalisation Scheme Furneaux Group Additional Assistance Declaration (TAS011)* must be used.

9.5. BROOD MARES AND FOALS

9.5.1. INTERSTATE SHIPMENTS

To claim assistance for the shipment of brood mares, foals or other horses eligible under the TFES between Tasmania and mainland Australia, the *Tasmanian Freight Equalisation Scheme Claim for Assistance – Horses (TAS003)* form must be used.

9.5.2. KIFG SHIPMENTS

To claim assistance for the shipment of brood mares, foals or other horses eligible under the TFES between the main island of Tasmania and either King Island or the Furneaux Group, the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component Claim for Assistance (TAS017)* form must be used.

9.6. SPORTSPERSONS AND PROFESSIONAL ENTERTAINERS

9.6.1. INTERSTATE SHIPMENTS

To claim assistance for the shipment of eligible equipment used by sportspersons or professional entertainers, shipped between Tasmania and mainland Australia, the *Tasmanian Freight Equalisation Scheme Claim for Assistance (TAS002)* form must be used.

In addition, the *Tasmanian Freight Equalisation Scheme Sportsperson's and Professional Entertainer's Declaration (TAS008)* form must be completed and submitted to Centrelink with the claim for assistance form each time assistance is claimed.

9.6.2. KIFG SHIPMENTS

To claim assistance for the shipment of eligible equipment used by sportspersons or professional entertainers, shipped between the main island of Tasmania and either King Island or the Furneaux Group, the *Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component Claim for Assistance (TAS017)* form must be used.

In addition, the *Tasmanian Freight Equalisation Scheme Sportsperson's and Professional Entertainer's Declaration (TAS008)* form must be completed and submitted to Centrelink with the claim for assistance form each time assistance is claimed.

9.7. ANY TFES COMPONENT: CARGO AND TRAILER DIMENSIONS FORM

The form, titled: *Tasmanian Freight Equalisation Scheme – Cargo and Trailer Dimensions* form (**TAS016**), must be used when the claimant is required to provide measurement details of the vehicle used to transport the goods. This form can be used for shipments under any component of the Scheme.

An example of situations where this form is to be completed is when the freight invoice and consignment note for the shipment of eligible goods do not itemise the cargo space of the goods shipped, instead providing only the gross measurements of the vehicle/transport unit used to transport the goods.

10. **Documentary evidence required with a TFES Claim**

10.1. EVIDENCE OF SHIPMENT

As per MDs sub-clause 22.5, evidence of shipment is required to accompany a claim, in the form required by the Department.

The form of evidence of shipment required by the Department to accompany a claim varies depending on whether the claimant has arranged the shipment directly or whether a supplier of the goods – such as a stock and station agent – arranged this for the claimant.

For shipments where the claimant arranged the shipment directly, the following supporting documentation is required:

- the original invoice issued by a shipping company, freight forwarder, or freight broker for the transport of the goods; and
- (if all the shipping details are not itemised on the invoice)
- a copy of the consignment note for the transport of the goods.

For shipments where a supplier of the goods arranged this for the claimant, the following supporting documentation is required:

- the original invoice issued by the supplier of the goods for the purchase of the goods; and
- (if the invoice does not have all the shipping details itemised) a Supplier's Certificate form completed by the supplier (see section 9 of these Guidelines for details of this form).

With claims for FGAA, one of the following forms of supporting documentation is required – either:

- two freight invoices from the shipping carriers used for the two sea legs of the transport task (the Furneaux Group to the main island of Tasmania and the main island of Tasmania to mainland Australia) and invoices detailing the trans-loading component of the transport task; or
- one freight invoice from the freight forwarder or freight broker used to transport the goods for the entire transport task which would need to identify each sea leg separately (the Furneaux Group to the main island of Tasmania and the main island of Tasmania to mainland Australia) as well as details of the trans-loading component of the transport task.

Note: *Where a shipment of eligible goods occurred between 1 July 2008 and 15 November 2009 inclusive, only eligible shipments from Flinders Island may be eligible for FGAA assistance.*

If any doubt exists in relation to evidence of any aspect of the shipment, Centrelink may request additional documentation in support of the claim.

For claims submitted for TFES assistance, evidence (in the form of accompanying documentation specified above) is required, verifying the:

- transport company used for the shipment of the goods;
- consignment note number (if the consignment note has been required due to a lack of shipment details on the freight invoice);
- date of shipment of the goods;
- freight bill invoice number (in cases where only the invoice number for the purchase of the goods is available, the documentary evidence accompanying the claim needs to substantiate the supplier's invoice number);
- type of goods shipped;
- dry or refrigerated transport of the goods;
- tonnes and/or cubic metres of the goods shipped (unless the good shipped was livestock);
- (if the good shipped was livestock) the number of head of each type of livestock shipped;

- origin and destination of the goods;
- transport task of the shipment;
- freight charge for the shipment;
- (if the shipment was a FCL) the **size** of the transport unit used – where more than one size of a FCL transport unit was used, evidence of each size is required;
- (if the shipment was a FCL) the **number** of FCL transport units used – where more than one size of a FCL transport unit was used, evidence of the number of each size of FCL units used is required; and
- (if the shipment was a LCL and if applicable) number of pallets used in the shipment.

If any doubt exists in relation to evidence of any aspect of the shipment, Centrelink may request additional documentation in support of the claim.

Evidence of shipment required with a claim submitted by a BGSF company is detailed in section 10.4.

10.2. EVIDENCE OF PAYMENT OF FREIGHT CHARGES

MDs sub-clause 22.5 also requires that evidence of payment of freight charges accompanies a claim for assistance in the form required by the Department.

This includes evidence confirming that the claimant has both incurred the cost of shipment and paid this cost.

Centrelink may confirm that freight costs have been paid.

The form of evidence required confirming that the claimant has incurred the freight cost for the shipment is the same as that specified for section 10.1 of these Guidelines (Evidence of shipment). This should itemise:

- the name of the claimant;
- the address of the claimant; and
- the amount billed and to whom.

Further information or documentary evidence may be requested with a claim.

10.3. ADDITIONAL EVIDENCE REQUIRED WITH CLAIMS UNDER THE SOUTHBOUND PRIMARY INDUSTRIES COMPONENT OF THE SCHEME FOR GOODS LEASED OR HIRE PURCHASED

Goods leased for four years or more:

- a copy of the lease agreement; and
- proof that the claimant has paid the leasing company an amount at least equal to the amount of TFES assistance payable.

Goods purchased on hire purchase:

- a copy of the hire purchase agreement; and
- proof that the claimant has paid the hire purchase company an amount at least equal to the amount of TFES assistance payable.

10.4. EVIDENCE REQUIRED WITH A CLAIM BY A BGSF COMPANY

As per MDs sub-clause 22.5A, the following evidence is required to accompany a claim for assistance submitted by a BGSF company:

- evidence of:
 - each shipment of grain shipped to Tasmania by the BGSF company in the period specified by the Department as the relevant period for that claim, and details of the type and quantity of grain in each such shipment,
 - the State or Territory in which each such shipment commenced, and
 - the freight charges incurred by the company in relation to each such shipment;
- evidence that the grain in respect of which the claim is made has been despatched to eligible claimants;
- evidence that the amount of assistance claimed by the BGSF company in respect of the grain so despatched has been passed on to those eligible claimants in the form of a reduction in the purchase price; and
- any other information requested by the Department for the purpose of determining the company's notional entitlement.

The form of the evidence and information required by the Department consists of:

- the original invoice issued by a shipping company, freight forwarder, or freight broker for the transport of the grain;
- (if all the shipping details are not itemised on the invoice) a copy of the consignment note for the transport of the grain;
- a copy of the invoice issued by the BGSF company to each eligible claimant for the purchase of the grain which itemises:
 - the amount of TFES assistance for the shipment of the good,
 - the reduced price of the grain by the amount of TFES assistance; and
- (on request and during compliance reviews) a sample of completed *End User Declaration of Eligibility to Claim via an Approved Southbound Agent* forms.

If any doubt exists in relation to evidence of any aspect of the shipment, including the payment of freight charges incurred, Centrelink may request additional documentation in support of the claim.

10.5. ORIGINAL DOCUMENTATION IN SUPPORT OF CLAIMS

Documentation provided in support of a claim for TFES assistance is required to be original.

Should a claimant not be able to provide original documentation, the claimant is to contact Centrelink. Centrelink will consider such situations on a case by case basis.

11. How assistance is calculated under the TFES

11.1. ASSISTANCE PAYABLE

As per MDs sub-clause 15.1, assistance is payable under the TFES on a per TEU basis, that is, on the basis of a twenty-foot equivalent unit (6.1 metre unit) or its reefer (refrigerated) equivalent.

The amount of assistance payable is the shipper's Notional Entitlement (NE), subject to the class of shipper provisions applied when calculating standard weight assistance (MDs sub-clause 15.2).

As defined in MDs clause 2, Notional Entitlement (NE) is a shipper's notional wharf to wharf freight cost disadvantage. It is a shipper's notional wharf to wharf freight cost (WW), plus the fixed intermodal cost (FC), less the road freight equivalent cost (RFE) per TEU, represented by the following formula:

$$\mathbf{NE = (WW + FC) - RFE}$$

The amount of TFES assistance is not to exceed the wharf to wharf freight bill paid by the shipper, or, if this is not supplied, the notional wharf to wharf freight bill (MDs sub-clause 15.4).

11.1.1. FCL AND LCL SHIPMENTS

Depending on whether the good was shipped as a 'Full Container Load' (FCL) or as a 'Less than a Container Load' (LCL), different steps apply when calculating TFES assistance payable.

A decision as to whether the shipment claimed is a FCL or a LCL is to be based on the following principles.

FCL shipments

Where the predominant good is stowed efficiently and occupies the space of the transport unit to the maximum extent (consistent with the characteristics of that good), then assistance is to be calculated on a FCL basis.

For the purposes of the TFES, average maximum capacity for a TEU is 21 tonnes or 30 cubic metres.

If a TEU is filled to 80% or more of the average capacity, i.e. between 16.8 tonnes to 21 tonnes or between 24 cubic metres to 30 cubic metres, for the purposes of the TFES it is considered to be a FCL.

Where the cargo utilises less than 80% of the capacity (tonnage for dense cargo or cubic metres for low density cargo) of the transport unit, Centrelink is to decide whether or not the claim for FCL rate of assistance is reasonable, taking into consideration:

- (a) shipping characteristics of the goods;
- (b) commercial practices; and
- (c) the freight paid.

An example where assistance is to be calculated on a FCL basis

Where:

- *a customer consigns goods to be shipped which, when originally loaded, comprise a FCL in a single transport unit (and this is verified by the consignment note); and*
- *the load is subsequently de-consolidated and repacked into various containers at the freight company's depot,*

the load to be used for TFES assistance assessment and calculation purposes is the original load which comprised a FCL. As such, it is calculated on a FCL basis.

LCL shipments

Where the transport unit for the shipment is utilised at less than 80% of its maximum capacity for the cargo carried, assistance is to be calculated on a LCL basis.

Examples where assistance is to be calculated on a LCL basis:

- *Where a claimant's cargo comprises a LCL in a transport unit and additional cargo is stowed in that transport unit by the freight company*

to fully utilise the container, the claimant's cargo is calculated on a LCL basis.

- *If a freight forwarder or shipping company loads goods which would normally comprise a FCL if loaded into a single transport unit into more than one transport unit, then the loads are to be treated separately as LCLs.*

The basis on which LCL claims are to be calculated is dependent on the stowage factor of the goods in question:

- Goods which have a stowage factor of 1.1 cubic metres or less per tonne (high density or heavy cargo goods) are to have assistance calculated on a **weight** basis at 60 per cent of the standard weight of assistance.
- Goods which have a stowage factor of between 1.1 cubic metres and 1.428 cubic metres per tonne are to have assistance calculated on a **weight** basis at 100 per cent of the standard weight of assistance.
- Goods which have a stowage factor greater than 1.428 cubic metres per tonne are to have assistance calculated on a **volume** basis at 100 per cent of the standard weight of assistance.
- Where only one measurement (cubic metres or tonnes) is provided on the supporting freight documentation, assistance is to be paid on that measurement.

Note: *Where both measurements are provided on the supporting documentation, both must be stated on the claim form and used in the calculation of assistance.*

The LCL rate of assistance for livestock is applied pro-rata to the TEU rate of assistance based on average livestock loads.

The age of livestock at the time of shipment determines the particular livestock type. The definitions below apply for the purposes of the TFES and are based on the freight rating practices of carriers:

- cattle less than 12 months old are calves;
- deer less than 12 months old are fawns;
- horses less than 6 months old are foals; and
- sheep less than 12 months old are lambs.

11.1.2.HIGH DENSITY (HEAVY) CARGO

As per MDs clause 21, where a shipper's freight bill includes cargo that is considered to be high density or heavy cargo, the assistance payable is to be calculated on the basis of 60% of the standard weight assistance calculated for the consignment, but in respect of only the high density or heavy cargo component of the consignments.

Where high density and low density goods are shipped together in a FCL, the shipment is treated as a FCL and the total volume and weight is used to determine whether the overall shipment is high density or not. Where both measurements are not available, the shipping characteristics of the goods and the proportion of each good in the FCL is taken into account during the assessment process. If any doubt exists regarding the density of the shipment, it is assessed as high density.

High density (heavy) cargo is cargo which, when efficiently packed, has a stowage factor of 1.1 cubic metres or less per tonne. For the purpose of calculating the stowage factor of the goods shipped, the definitions of volume and weight stated in section 21 of these Guidelines are to be used.

11.2. RATE CALCULATION STEPS FOR FULL CONTAINER LOAD (FCL) SHIPMENTS

To calculate Full Container Load (FCL) shipments, perform the following steps (MDs clauses 16 to 21):

1. Obtain wharf to wharf (ww) freight charge

- If the wharf to wharf (ww) freight cost is provided – do not adjust the freight cost.
- If the door to wharf (dw) or wharf to door (wd) freight cost is provided – **deduct** \$230 per transport unit from the freight cost.
- If the door to door (dd) freight cost is provided – **deduct** \$460 per transport unit from the freight cost.

2. Convert to Twenty-foot Equivalent Unit (TEU) freight rate

First, obtain the TEU conversion factor for the transport unit shipped. The TEU conversion factor is obtained by dividing the size of the transport unit by 6.1.

Some examples are:

6.1 metre unit divided by 6.1 = TEU conversion factor of 1

9 metre unit divided by 6.1 = TEU conversion factor of 1.475

12.2 metre unit divided by 6.1 = TEU conversion factor of 2

Then, divide the ww freight charge by the TEU conversion factor.

3. Apply route scaling factor adjustment

If the shipment is other than:

- between King Island and the main island of Tasmania; or

- between any island in the Furneaux Group and the main island of Tasmania,

divide the wharf to wharf freight charge by the appropriate scaling factor below:

Southern Tasmania to/from:	Scaling factor	Northern Tasmania to/from:	Scaling factor
Victoria	1.3	Victoria	1.0
New South Wales	1.9	New South Wales	1.8
South Australia	1.3	South Australia	1.45
Queensland	2.2	Queensland	2.4
Western Australia	2.4	Western Australia	2.5
Northern Territory	4.6	Northern Territory	6.8

The result is the Notional Wharf to Wharf Freight Cost (WW).

4. Deduct the Road Freight Equivalent cost (RFE)

To obtain the Notional Wharf to Wharf Freight Cost Disadvantage (NWW), **deduct** the applicable Road Freight Equivalent cost (RFE) from the Notional Wharf to Wharf Freight Cost (WW).

The RFE to be deducted in the case of goods moved between mainland Australia and Tasmania is:

- \$281 per TEU for dry freight; and
- \$309 per TEU for reefer (refrigerated) freight.

The RFE to be deducted in the case of goods moved between King Island and the main island of Tasmania is:

- \$675 per TEU for dry freight; and
- \$742 per TEU for reefer (refrigerated) freight.

The RFE to be deducted in the case of goods moved between any island in the Furneaux Group and the main island of Tasmania is:

- \$259 per TEU for dry freight; and
- \$285 per TEU for reefer (refrigerated) freight.

5. Calculate the standard weight assistance

Based on what the Notional Wharf to Wharf Freight Cost Disadvantage (NWW) is from step 4, apply the appropriate assistance formula from those listed in the tables below.

Dry Freight		
NWW	Assistance Formula	Class of Shipper
\$0 - \$335.50	FC + NWW = \$100 + NWW	1
\$335.51 - \$671	FC + MWW/2 + 0.75(NWW – MWW/2) = \$100 + \$671/2 + 0.75(NWW – \$671/2)	2
\$671.01 - \$1006.50	FC + MWW/2 + 0.75(MWW/2) + 0.5(NWW – MWW) = \$100 + \$671/2 + 0.75(\$671/2) + 0.5(NWW – \$671)	3
\$1006.51 plus	FC+ MWW/2 + 0.75(MWW/2) + 0.5(MWW/2) = \$100 + \$671/2 + 0.75(\$671/2) + 0.5(\$671/2) Maximum assistance per TEU is \$855	4

Reefer (Refrigerated) Freight		
NWW	Assistance Formula	Class of Shipper
\$0 - \$335.50	FC + NWW = \$100 + NWW	1
\$335.51 - \$671	FC + MWW/2 + 0.75(NWW – MWW/2) = \$100 + \$671/2 + 0.75(NWW – \$671/2)	2
\$671.01 - \$1006.50	FC + MWW/2 + 0.75(MWW/2) + 0.5(NWW – MWW) = \$100 + \$671/2 + 0.75(\$671/2) + 0.5(NWW – \$671)	3
\$1006.51 plus	FC+ MWW/2 + 0.75(MWW/2) + 0.5(MWW/2) = \$100 + \$671/2 + 0.75(\$671/2) + 0.5(\$671/2) Maximum assistance per TEU is \$855	4

FC – means fixed intermodal cost of \$100 per TEU.

MWW – means the median wharf to wharf disadvantage. For the purpose of calculating TFES assistance, this is \$671.

NWW – means a shipper’s notional wharf to wharf freight cost disadvantage (the result of steps 1 to 4 specified above).

Note: Charitable organisations are eligible for the full Notional Entitlement (NE) and therefore this step (the calculation of standard weight assistance) does not apply to them. If the shipper is a charitable organisation, then the Fixed Intermodal Cost (FC) (\$100 per TEU) is to be added to the NWW. The amount of TFES assistance is not to exceed:

- \$1,710 per TEU in the case of shipments eligible for FGAA; and
- \$855 per TEU in every other case.

6. Heavy weight assistance

Where a freight bill includes high density (heavy) cargo, the assistance payable is to be reduced to 60% of the standard weight assistance.

This reduction will only apply to that part of the standard weight assistance that is applicable to the high density cargo component of the consignments (i.e. where a consignment comprises both standard and high density, only the high density cargo component of the shipment is to be adjusted).

Where high density and low density goods are shipped together in a FCL, the shipment is to be treated as a FCL and the total volume and weight is used to determine whether the overall shipment is high density or not. Where both measurements are not available, the shipping characteristics of the goods and the proportion of each good in the FCL is to be taken into account during the assessment process. If any doubt exists regarding the density of the shipment, it is to be assessed as high density.

7. Apply any TEU conversion made

If a conversion to a TEU was made at step 2, multiply the amount calculated at the end of step 6 by the TEU conversion factor to obtain the TFES assistance payable for the shipment.

11.3. RATE CALCULATION STEPS FOR LESS THAN A CONTAINER LOAD (LCL) SHIPMENTS

The rate of assistance for Less than a Container Load (LCL) shipments is calculated at a pro-rata TEU rate of assistance.

To calculate Less than a Container Load (LCL) shipments, the same steps are used as those to calculate assistance payable for FCL shipments (see section 11.2 of these Guidelines) with the following exceptions (MDs clauses 16 to 18):

1. Convert to a (FCL) Twenty-foot Equivalent Unit (TEU) freight rate

Where a freight bill represents less than a container load (LCL), the freight rate is to be adjusted by converting the load to a FCL basis.

As the average capacity for a TEU is 30 cubic metres or 21 tonnes, to convert the freight rate for the LCL into a FCL basis, either:

- divide 30 cubic metres by the LCL cubic metres; and/or
- divide 21 tonnes by the LCL tonnes.

The result is the FCL TEU conversion factor. To obtain the FCL freight rate, multiply the FCL TEU conversion factor by the LCL freight rate.

Note: Where both tonnes and cubic metres are provided, both are to be used in this step to determine whether the transport unit would first reach capacity at 30 cubic metres or 21 tonnes.

Example:

*The weight of the LCL shipment is 7 tonnes, the volume is 15 cubic metres.
21 tonnes divided by 7 tonnes = 3
30 cubic metres divided by 15 cubic metres = 2*

As this LCL container would reach capacity at 30 cubic metres before it reaches capacity at 21 tonnes, the freight charge is multiplied by 2 (i.e. based on cubic metres), to give an equivalent freight rate for a FCL TEU transport unit.

With regard to oversize shipments, an example is as follows:

*The weight of the LCL shipment is 18 tonnes, volume of the LCL shipment is 36 cubic metres.
21 tonnes divided by 18 tonnes = 1.17
30 cubic metres divided by 36 cubic metres = 0.83*

*Noting this calculation aims to **reduce** the oversize shipment into a FCL equivalent, the freight charge is multiplied by 0.83 to give an equivalent freight rate for a FCL TEU transport unit.*

2. Obtain wharf to wharf (ww) freight charge

- If the wharf to wharf (ww) freight cost is provided – do not adjust the freight cost.

- If the door to wharf (dw) or wharf to door (wd) freight cost is provided – **deduct** \$230 per transport unit from the freight cost.
- If the door to door (dd) freight cost is provided – **deduct** \$460 per transport unit from the freight cost.

Steps 3 through to 6 remain the same as the respective FCL rate calculation steps.

7. Apply the TEU conversion made

As a conversion to a FCL TEU was made at step 1, divide the assistance calculated at step 6 by the average capacity for the measurement used to derive the FCL conversion factor in step 1. Then multiply the result by the number of tonnes or cubic metres shipped, whichever is the relevant measurement.

Example:

If the FCL conversion factor used in step 1 was derived from the cubic metres:

- 1. divide the standard weight assistance by 30; and*
- 2. multiply the result by the number of cubic metres shipped.*

11.4. CALCULATING TFES ASSISTANCE FOR SHIPMENTS ELIGIBLE FOR FURNEAUX GROUP ADDITIONAL ASSISTANCE (FGAA)

TFES assistance payable for shipments meeting the Furneaux Group Additional Assistance (FGAA) eligibility criteria is calculated on the same basis as assistance for shipments eligible under other parts of the TFES.

To calculate TFES assistance payable for shipments eligible for FGAA, the assistance is calculated separately for each sea leg.

The maximum amount of assistance payable for the sea leg between the main island of Tasmania and mainland Australia is \$855 per TEU and the maximum amount of assistance payable for the sea leg between any island in the Furneaux Group and the main island of Tasmania is \$855 per TEU.

The assistance payable for these two legs is then added together, with the maximum assistance payable for FGAA claims being \$1,710 per TEU.

The applicable Road Freight Equivalent cost (RFE) to be deducted during the rate assistance calculation is as follows:

- in the case of goods moved between the main island of Tasmania and mainland Australia - \$281 per TEU for dry freight and \$309 per TEU for reefer (refrigerated) freight; and
- in the case of goods moved between any island in the Furneaux Group and the main island of Tasmania - \$259 per TEU for dry freight and \$285 per TEU for reefer (refrigerated) freight.

11.5. CALCULATING ASSISTANCE FOR SHIPMENTS BY BGSF COMPANIES

As per MDs clause 22A, the Notional Entitlement (NE) for a BGSF company is calculated in accordance with the Department's BGSF Rate Calculator.

The assistance calculated for a BGSF company is applicable for the particular period relating to the claim submitted.

The Department's BGSF rate calculation consists of the following steps:

1. TFES assistance per claim line is calculated in accordance with the steps outlined in either section 11.2 or 11.3 of these Guidelines (whichever is applicable);
2. Total TFES assistance payable is calculated for the claim.
3. Total weight for the claim is calculated in tonnes.
4. The total TFES assistance payable is divided by the total number of tonnes to derive the average assistance per tonne, i.e.:

Total TFES assistance = average assistance per tonne

Total weight

5. The average assistance per tonne is then multiplied by the total eligible weight in tonnes to give a total BGSF assistance amount for the claim, i.e.:

Average assistance per tonne x total eligible weight in tonnes = total BGSF assistance payable for the claim

6. The total BGSF assistance is then paid as the amount paid for that claim.
7. Once the average assistance per tonne is calculated for the first claim period, it is passed onto the BGSF agent to be:
 - a. used by the BGSF agent in passing on TFES assistance to the agent's clients at the time of selling grain to them during the second period; and
 - b. used by Centrelink in assessing BGSF claims for assistance falling within the second period.
8. Once a BGSF claim is received for the second period, the average assistance per tonne is calculated from this data to be then applied for the third period. This average is thus calculated and applied on an ongoing basis for each period. The periods may be monthly, quarterly, half yearly, etc. and are not limited to just three periods.

Note: The above rate calculation process for BGSF claims applies for each grain type, i.e. wheat, barley, etc.

11.6. EXAMPLES OF TFES ASSISTANCE CALCULATIONS

For examples of assistance calculations, see the Department's website: www.infrastructure.gov.au/transport/programs/maritime/tasmanian/examples.aspx

11.7. TFES ASSISTANCE CALCULATION GUIDELINES FOR PARTICULAR VEHICLE AND PACKAGING TYPES

Assistance for **rigid tray trucks** is based on the length of the tray.

Assistance for **prime movers and trailers** is based on the length of the trailer.

Assistance for **pantechnicons** is based on the length of the cargo tray. This includes any portion which overhangs the driver cab.

Assistance for **trailers towed behind cars** is payable on the length of the trailer less the length of the draw bar. One metre is to be deducted where the exact draw bar length is not readily available.

Assistance for **horse floats** where the float has an internal width of less than 2 metres, is paid on a LCL basis. Where the cargo space width is equal to or greater than 2 metres, assistance is paid on a FCL basis.

Cargo moved in vans (less than 2m internal width), utilities or cars is paid on the space occupied and is not to include any unused space.

Vans with cargo space equal to or greater than 2 metres in width are paid as pantechnicons.

Note: Where freight has been charged on the entire vehicle, it is necessary to pro rata the freight applicable to the eligible cargo space.

If the consignment note does not provide sufficient measurement details, the claimant may be requested to complete a *Tasmanian Freight Equalisation Scheme – Cargo and Trailer Dimensions (TAS016)* form. See section 9 of these Guidelines for more details on this form.

Finished product that happens to be self-loading such as vehicles shipped as roll-on roll-off units (e.g. buses manufactured in Tasmania) are paid on the measurements of the entire product (vehicle).

Where the cargo exceeds the length or the width of the transport unit, (e.g. 9m pipes on a 6.1m flat) assistance is payable on a LCL basis as it is an oversize shipment.

Half height transport units are treated as follows for the purpose of the TFES:

- **scrap metal:** where the goods are high density, half height transport units are full to the weight capacity of a standard transport unit and cannot be stacked. Therefore one half height container of scrap metal is to be treated as one FCL;
- **juice apples:** half height containers of juice apples are to be treated as LCL as they are not a standard container. These containers are open and filled above level, preventing other containers from being stacked on top.
- **cullet, carrots and other general cargo:** as for apples, the goods do not fill a standard container space, and should therefore be treated as LCL by both weight and volume if supplied, or either weight or volume if only one of these is supplied; and
- **livestock containers:** units are calculated as follows:
 - 2 half height containers of sheep = 1 x 6.1m FCL (because they can be stacked);
 - 1 half height container of sheep = LCL per head;
 - 1 half height container of cattle = 1 x 6.1m FCL (where containers cannot be stacked).

Cargo flats are treated as 6.1m containers for the purposes of the TFES with the following rates applying:

- 6.1m flats on a 6.1m FCL basis;
- cargo flats not fully utilised are to be paid on a LCL basis.

B Doubles (i.e. 2 transport units towed by a prime mover) are to be assessed on the total length of the two transport units. This means that if the transport task for the shipment was door to wharf (dw) or wharf to door (wd), only \$230 is deducted during the calculation of TFES assistance payable, and if the transport task was door to door (dd), \$460 is deducted.

Double-trailers are to be assessed on the total length of the two trailers. Thus, as for B-Doubles, \$230 (for dw or wd transport tasks) and \$460 for door to door (dd) transport tasks is deducted when calculating TFES assistance payable.

Timber bolsters are treated as 6.1 metre transport units for the purposes of the TFES. Assistance is calculated as follows:

- 1 x 6.1m bolster = 1 TEU; or
- where the timber bolster is not fully utilised (i.e. = < 80% of 30 cubic metres), it is to be calculated on a LCL per cubic metre basis.

11.7.1.CHARITABLE ORGANISATIONS

Under the TFES, charitable organisations are eligible for the full Notional Entitlement (NE). The calculation of standard weight assistance based on class of shipper therefore does not apply to the calculation of TFES assistance for shipments by charitable organisations.

A charitable organisation will be required to produce evidence that is considered a charitable organisation for the purpose of the *Income Tax Assessment Act 1997*.

11.7.2.SPORTSPERSONS AND PROFESSIONAL ENTERTAINERS

For eligible shipments claimed by sportspersons or professional entertainers, TFES assistance may be payable only on the return leg of a round trip in which the goods are shipped outward and then returned within a six-month period. The shipment details of the return leg, including the freight charge, are to be used for assistance calculation purposes (MDs sub-clause 13.2).

Note: *Where a concessional freight rate (e.g. sponsorship) is applied to either leg of the round trip, and the cheaper leg is less than 80% of the other, the freight may be averaged. These cases will be decided by Centrelink.*

Example

Where a sportsperson eligible for TFES assistance has shipped eligible goods from Victoria to northern Tasmania and back to Victoria within a six-month period, being charged \$1,500 on the first leg and \$1,100 on the return leg, the freight charge to be used for calculation of assistance purposes may be taken to be \$1,250 (subject to consideration and approval by Centrelink).

11.7.3.TRANS-SHIPMENT

Where cargoes are subject to a two-stage sea movement during transport to their destination, the scaling route is based on the origin and destination shown on the consignment note. This envisages a through movement without significant delay at an intermediate port.

12. Payment of assistance

Payments of assistance are to be made directly (by direct credit) to the claimant's nominated bank or other financial institution account (MDs sub-clause 22.7).

13. Debt management: overpayments

As per sub-clause 15.5 of the MDs, if an amount has been determined and paid incorrectly, that amount is repayable to the Commonwealth:

- on demand; or
- in accordance with arrangements between Centrelink and recipients of the assistance.

MDs sub-clause 24.3 further states:

"... The amount of any overpayment of assistance under the Scheme shall be paid to the Department or deducted from other amounts of assistance due to the claimant under the Scheme."

Some cases where an overpayment may arise are:

- the inclusion of exports and returns in claims; and
- the inclusion of consignments that have been subject to freight rebates, subsidies, or discounts in claims without declaring such rebates, subsidies, or discounts.

Responsibility rests with the claimant to advise accurate data to Centrelink when submitting a claim. If circumstances occur after claim lodgement which affect the claim data, the claimant is also responsible for advising Centrelink of any such circumstances.

14. Reassessment of claims

Where a claimant seeks reassessment of a paid claim, that request must be made within six months of the date of the original assessment (MDs sub-clause 22.3A). When such a request is made, the reassessment can apply to any claims made during that six-month period.

By operation of sub-clause 22.3 of the MDs, such reassessments may cover shipments which occurred up to two years prior to the date of the claim lodgement if they appear on the paid claim in question. A full reassessment of each claim in question is to be performed.

Applications for reassessment outside of the six-month time frame are to be made in writing to Centrelink, including the reasons supporting the request for an extension of the time limit (MDs sub-clause 22.8).

15. Administrative arrangements

Sub-clause 6.3 of the MDs allows the Minister or Secretary to make arrangements with third party organisations to assist in the administration of the Scheme.

An arrangement is currently in place with Centrelink for this purpose.

16. Retention of supporting documentation

As per MDs sub-clause 22.6, documents supplied in support of a claim are to be retained by the Department and may be disposed of at the Department's discretion, unless the claimant specifically requests their return.

Original documentation relating to consignments claimed which is held by the claimant is to be retained by the claimant for a period of five years.

17. Claimant declaration

Claimant declaration on the interstate claim form - Tasmanian Freight Equalisation Scheme Claim for Assistance (TAS002)

When the claimant or the authorised signatory for the claimant signs this form, the claimant declares that:

- (a) they agree to comply with the MDs;
- (b) to the best of their knowledge and belief the claim is not false or misleading in any material particular and specifically that:
 - i. the freight costs have been paid prior to completing the claim form, and
 - ii. goods shipped to mainland Australia are not intended for export from Australia. If they are, the goods will undergo a manufacturing process on mainland Australia prior to export, or
 - iii. goods shipped to Tasmania from mainland Australia were not imported into Australia from overseas. If they were, the goods have undergone a manufacturing process on mainland Australia after being imported;

- (c) they agree to retain original documentation relating to consignments claimed (other than those retained by Centrelink) for a period of five years;
- (d) they are aware that, in order to process the claim, further information may be requested from transport companies and/or shipping lines; and
- (e) they understand that giving false or misleading information is a serious offence.

Claimant declaration on the KIFG claim form - Tasmanian Freight Equalisation Scheme King Island and Furneaux Group intrastate component Claim for Assistance (TAS017)

When the claimant or the authorised signatory for the claimant signs this form, the claimant declares that:

- (a) they agree to comply with the MDs for the operation of KIFG;
- (b) to the best of their knowledge and belief the claim is not false or misleading in any material particular and specifically that:
 - i. the freight costs have been paid prior to completing the claim form, and
 - ii. the goods have been produced or undergone a manufacturing process on the main island of Tasmania and are for permanent use or sale on either King Island or the Furneaux Group, or
 - iii. the goods have been produced or undergone a manufacturing process on either King Island or the Furneaux Group and are for permanent use or sale on the main island of Tasmania, and
 - iv. no assistance has been paid on the goods under the interstate component of the TFES before being shipped intrastate, unless they have first undergone a manufacturing process within Tasmania, and
 - v. the goods were not brought into the main island of Tasmania, King Island or the Furneaux Group by air;
- (c) they agree to retain documentation relating to consignments claimed (other than those retained by Centrelink) for a period of five years;
- (d) they are aware that, in order to process the claim, further information may be requested from transport companies and/or shipping lines; and
- (e) they understand that giving false or misleading information is a serious offence.

18. Audit

Clause 23 of the MDs provides for the conduct of audits of claims.

MDs sub-clause 23.1 allows authorised officers of the Department and authorised officers from any third party organisation empowered in accordance with MDs sub-clause 6.3 to, with the claimants' consent, at all reasonable times, do the following:

- (a) enter claimants' premises; and

- (b) inspect, make and retain copies of, and extracts from, the accounts, books, documents and other records relating to the transportation of goods for which assistance has been claimed.

Where a TFES recipient fails to allow access to premises or records, the Department (or third party organisation) can refuse to make further payments to the applicant until such time as the applicant permits access.

Further action may also be taken.

As per MDs sub-clause 23.2, a claimant may be required to provide a statement certified by an Auditor³, which states whether, in the Auditor's opinion, certain criteria specified by the Secretary in relation to claims lodged during the audit period are satisfied. Where a TFES recipient fails to conduct an audit, further payments to the applicant can be refused by the Department (or third party organisation) until such time as the applicant arranges for the conduct of an audit.

As per sub-clause 23.4 of the MDs, a BGSF company is subject to the same requirements specified in MDs clause 23 as are TFES claimants.

19. Subsidies, rebates and discounts provided to shippers

A claimant who has received assistance under the TFES shall, when required by the Department, submit a statutory declaration relating to any subsidies, rebates or discounts received in respect of shipping costs which have been the subject of the payment of assistance under the Scheme in the previous financial year (MDs sub-clause 24.1).

No payment of assistance under the Scheme is to be made to a claimant who has not submitted a statutory declaration when required by the Department, unless and until the statutory declaration is submitted by the claimant (MDs sub-clause 24.2).

³ For the purpose of MDs clause 23.2, an Auditor means a person who is registered as an auditor in accordance with section 1280 of the *Corporations Act 2001* and who is not an employee, a member, or employed by a member, or a public officer of, the claimant company.

As per sub-clause 24.3 of the MDs, if a claimant has received a subsidy, rebate or discount in respect of shipping costs which are, or have been, the subject of payment of assistance under the Scheme, the assistance rates will be recalculated by reducing the total wharf to wharf freight paid by the claimant by the amount of the subsidy, rebate or discount. The amount of any overpayment of assistance under the Scheme shall be paid to the Department or deducted from other amounts of assistance due to the claimant under the Scheme.

As per sub-clause 24.4 of the MDs, a BGSF company is subject to the same requirements in relation to any subsidies, rebates and discounts provided as are TFES claimants.

20. Exports & Returns

As per sub-clause 4.4 of the MDs, goods which, at the time of shipment from a Tasmanian port, or at the time of the first sale of the goods on the Australian mainland, are to the knowledge of the claimant, intended to be shipped out of Australia, are ineligible for assistance under the Scheme.

Similarly, as stated in sub-clause 4.1 (a), the northbound component of the TFES covers eligible goods produced or manufactured in Tasmania for permanent use or for sale on the mainland of Australia.

A claimant who either exports (out of Australia) a portion of the goods they ship to mainland Australia or has some of its goods returned to Tasmania from mainland Australia, is required to exclude exports and returns from claims. Where the claimant becomes aware that this is the case after a claim has been made, the claimant is required to identify exports and returns which are included in claims to Centrelink as soon as possible so that adjustments can be made to payments of assistance.

21. Definitions

The definitions listed in this section are those used for the purpose of the Tasmanian Freight Equalisation Scheme.

ANZSIC

ANZSIC stands for: Australian and New Zealand Standard Industrial Classification.

Auditor

For the purposes of MDs sub-clause 23.2, "Auditor" means a person who is registered as an auditor in accordance with section 1280 of the Corporations Act 2001 and who is not an employee, a member, or employed by a member, or a public officer of, the claimant company. (MDs sub-clause 23.3)

BGSF company

BGSF company is an abbreviation for 'bulk grain storage facility company' and means a company that:

- a) ships grain to Tasmania from mainland Australia; and
- b) stores the grain in a storage facility that has a storage capacity of 2,000 tonnes or more.

Bulk cargo

Bulk cargo means any cargo that is shipped loose in a ship's holds or tanks without any form of unitisation or packaging.

Charitable organisation

For the purposes of the TFES, a charitable organisation is defined as a society or association established for charitable or benevolent purposes and not for the purposes of profit or gain to the individual members of the society or organisation.

Definition of "door"

A "door", for the purposes of administration of the TFES, is defined as any point of origin or destination beyond the wharf gate. All freight forwarder terminals or depots are considered to be outside the wharf.

Department

Department means the Department administered by the Minister who has portfolio responsibility for TFES.

FCL

FCL stands for Full Container Load which means a container utilised at 80 per cent or more of its maximum capacity for the cargo carried.

High density or heavy cargo

High density or heavy cargo is cargo which, when efficiently packed, has a stowage factor of 1.1 cubic metres or less per tonne.

LCL

LCL stands for Less than a Container Load which means a container utilised at less than 80 per cent of its maximum capacity for the cargo carried.

Manufacturing process

For the purposes of the Scheme, a manufacturing process is regarded as a process that is, or would be, performed by a manufacturer who carries out activities defined in Division C of the Australian and New Zealand Standard Industrial Classification (ANZSIC), prepared by the Australian Bureau of Statistics.

Minister

Minister means the Commonwealth Minister responsible for the administration of the Tasmanian Freight Equalisation Scheme.

Person

For the purposes of the Scheme, person means an individual or a company.

Secretary

Secretary means the person from time to time occupying the position of Secretary to the Department or their delegate.

TEU

TEU stands for: Twenty-foot Equivalent Unit. It means a standard 6.1 metre container or refrigerated (reefer) equivalent.

Transport unit

Transport unit means a TEU, trailer, tanker or any other container in which goods are placed for shipment.

Volume

For the purpose of the Scheme, volume is defined as the product of the length, width and height of the space occupied by the cargo but does not include any unused space, the volume of pallets, loose packaging material or cargo units.

Note: *Where the cubic metres of the shipment, as stated in the supporting documentation and claim form, include the volume of pallets used in that shipment, the volume of the pallets is deducted from the cubic metres provided. (See section 8.5.3 for details.)*

Weight

For the purpose of the Scheme, weight is taken to include the weight of the commodity plus cartons and other direct packaging but does not include the weight of pallets, loose packaging material or cargo units.

Note: *Where the tonnes of the shipment, as stated in the supporting documentation and claim form, include the weight of pallets used in that shipment, the weight of the pallets is deducted from the tonnes provided. (See section 8.5.3 for details.)*

Wharf to wharf freight bill

The wharf to wharf freight bill is defined as including the relevant parts of those onshore costs incurred at the wharf that are incorporated in the freight rates charged by the shipping company. The wharf to wharf freight bill can include stevedoring, container hire, terminal and cargo related port authority charges (i.e. wharfage), where these items are charged and paid separately by the shipper.

The wharf to wharf freight costs used in the calculation of assistance are not to include other transport services that extend beyond the terminal area.

Examples of types of charges not considered part of the freight charge include:

- storage fees;
- agistment charges;
- insurance;
- accounting fees or any other charges relating to issuing of documents, administration of accounts or payment;
- weighbridge docketts; and
- quarantine charges.

22. Historical information on the Tasmanian Freight Equalisation Scheme

22.1. TASMANIAN FREIGHT EQUALISATION SCHEME (TFES) 1976-2004

The actions which led to the Australian Government's decision to introduce the TFES can be traced back to a decision in 1970 by the then Australian National Line (ANL) to increase non-bulk freight rates on its Tasmanian services.

In response, following a number of studies on the freight disadvantage experienced by Tasmanian producers, the Australian Government announced the introduction of the TFES on 9 June 1976.

The aim of the Scheme was to alleviate the disadvantage suffered by Tasmania by reason of its lack of access to road or rail transport services to mainland Australia. It sought to alleviate the disadvantage experienced by Tasmanian industry due to high transport costs, stimulate Tasmania's economy and promote efficient transport systems within Tasmania and in Bass Strait.

Between 1976 and 1981 the TFES provided assistance to shippers based on the difference between freight rates from Hobart and northern Tasmania and freight rates for interstate routes over similar distances on mainland Australia, and remained largely unchanged.

In 1981 the Bureau of Transport Economics (BTE), in reviewing the rates of assistance paid, proposed a new 'landbridge' methodology for use in calculating the TFES assistance payable. The changes proposed by the BTE, which resulted in decreased levels of assistance, were widely criticised by industry and led to a series of extensive reviews of the Scheme throughout the 1980s and 1990s. These reviews generally debated the means of subsidising Tasmanian freight rather than questioning the rationale.

The objective of the Scheme has been stated as to assist in alleviating the sea freight cost disadvantage incurred by the shippers of eligible non-bulk goods moved between Tasmania and mainland Australia in subsequent reviews, including the *Tasmanian Freight Equalisation Scheme Review Authority – Advisory Opinion, Review of TFES Rates of Assistance* (Nixon Review), released in June 1998, on which the current arrangements are based.

Since the inception of the Scheme, the MDs have been amended a number of times in response to changes in Government policy or the administrative arrangements. Of these, the decision to include the appointment of 'agents' to act on behalf of TFES customers for southbound agriculture, forestry and

fishing industries in May 2002 has been the most substantive change since the 1998 review.

The new “agency” arrangements were introduced to facilitate more efficient service delivery to farmers and other small businesses in the specified sectors, by enabling suppliers of services to these sectors, such as stock and station agents, to claim TFES assistance on behalf of their customers, thereby minimising the claiming, assessment and processing of multiple individual small claims.

22.2. REFORMS TO THE SCHEMES

In 2006, following an announcement by the Treasurer, the Productivity Commission undertook a public inquiry of the current arrangements for containerised and bulk shipping for Tasmania.

The inquiry examined the effectiveness of the Tasmanian freight subsidy arrangements as a mechanism for addressing freight cost disadvantage to Tasmania, taking into account the costs and benefits of the arrangements. The Commission’s report was tabled in Parliament on 24 May 2007.

In response to the Commission’s report, the Australian Government confirmed, through its response to the Commission’s inquiry on 21 June 2007, its commitment to the TFES and the Tasmanian Wheat Freight Scheme (TWFS).

The response announced that the Government will be introducing essential reforms to the Schemes including:

- (a) restructuring the basis for claiming TFES assistance which would involve ensuring that, as far as practicable, assistance is paid on the basis of the demonstrated sea freight cost disadvantage as a result of having to ship goods across Bass Strait;
- (b) enhancing the administration and auditing of the TFES, involving updating and enhancing systems and more comprehensive public reporting of information;
- (c) revising the methodology for setting and updating the parameters used to calculate TFES assistance;
- (d) expanding the TWFS to include all bulk and containerised unprocessed wheat shipments, and for eligible shipments to be paid at the same rate and not be subject to the current cap on TWFS payments; and
- (e) ruling that unprocessed wheat will no longer be eligible under the TFES.

On 6 November 2008, after consideration of both the 2006 Productivity Commission Inquiry Report and the *Tasmanian Freight scheme parameter review draft report* (September 2008) prepared by the Bureau of Infrastructure, Transport and Regional Economics (BITRE) the Government decided the Schemes will be retained in their current forms, including their current overall

assistance levels. The Government announced a range of administrative reforms designed to strengthen the accountability of the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme will continue, including tighter auditing and compliance arrangements and upgraded IT systems. See the media release at Appendix C.

22.3. EXPANSION OF THE TFES

TFES King Island and the Furneaux Group intrastate component

On 1 July 2008, the Tasmanian Freight Equalisation Scheme (TFES) was expanded to include assistance for shipments of eligible goods between King Island and the main island of Tasmania and between Flinders Island and the main island of Tasmania. This component of the TFES was initially referred to as the King Island and Flinders Island intrastate component (KIFI).

Based on a Government announcement later that year, eligible goods shipped on or after 16 November 2008 between the main island of Tasmania and any island in the Furneaux Group may also be eligible for intrastate assistance. (See Appendix B for the media release issued on 16 November 2008.) This component was subsequently renamed the King Island and Furneaux Group intrastate component (KIFG).

TFES – Furneaux Group Additional Assistance (FGAA)

Furneaux Group Additional Assistance (FGAA) (initially referred to as Flinders Island Additional Assistance) came into effect on 8 September 2008, outlined in a joint media release by the Minister for Infrastructure, Transport, Regional Development and Local Government, and Ms Jodie Campbell MP.

FGAA covers the intrastate leg of northbound interstate transport tasks from any island in the Furneaux Group to mainland Australia where there is a land transport component or “break of journey” on the main island of Tasmania, with more than one type of transport mode being required to complete the interstate journey from the Furneaux Group to mainland Australia. Goods from the Furneaux Group which undergo further production or manufacture on the main island of Tasmania prior to being shipped to mainland Australia are not eligible under FGAA. (See Appendix A for the media release issued on 8 September 2008.)

The following eligibility rules regarding date of shipment apply:

From 8 September 2008 until 15 November 2008 inclusive, only eligible goods shipped from Flinders Island to mainland Australia may be eligible for this assistance.

From 16 November 2008 onwards, eligible shipments from any island in the Furneaux Group to mainland Australia may also be eligible.

23. Useful links

The 2008 MDs for the Tasmanian Freight Equalisation Scheme are located at:

www.infrastructure.gov.au/transport/programs/maritime/tasmanian/pdf/Ministerial_Directions_July_2008.pdf

Information about the Tasmanian Freight Equalisation Scheme can be found at:

www.centrelink.gov.au/internet/internet.nsf/businesses/tfes.htm

www.infrastructure.gov.au/tasfreight

Australian and New Zealand Standard Industrial Classification (ANZSIC):

www.abs.gov.au/websitedbs/d3310114.nsf/51c9a3d36edfd0dfca256acb00118404/21eacf784b2252f14a2564e3001e3dc7!OpenDocument

APPENDIX A – MEDIA RELEASE 8 SEPTEMBER 2008

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport,
Regional Development and Local Government



08 September 2008
AA124/2008 Joint

Joint Media Statement

**The Hon Anthony
Albanese MP**

Minister for
Infrastructure, Transport,
Regional Development
and Local Government

Jodie Campbell

Member for Bass

RUDD LABOR GOVERNMENT DELIVERS FURTHER ASSISTANCE FOR FLINDERS ISLAND BUSINESSES

Federal Transport and Infrastructure Minister Anthony Albanese and Member for Bass Jodie Campbell today announced further financial assistance for Flinders Island businesses under the Tasmanian Freight Equalisation Scheme (TFES).

"Under the TFES, Tasmanian businesses can access financial assistance to help cover the relatively high costs of transporting their goods by sea to markets on the Australian mainland," said Mr Albanese.

"While it has provided much needed support for the Tasmanian economy, until now the Scheme hasn't fully recognised the unique situation in which businesses on Flinders Island find themselves - namely the fact that there is no regular direct shipping service between the Island and Port Melbourne.

"To address this situation we will make sure these businesses can access the Scheme's recently introduced intrastate subsidy.

"Up until now the Flinders Island to Bridport leg of the journey to the mainland was not eligible for this intrastate assistance unless the product being shipped underwent further manufacturing while on the main island 'stop-over'."

The additional assistance will be available where:

- Goods are produced or manufactured on Flinders Island for permanent use or sale on mainland Australia; and
- The shipment of goods requires more than one type of transport mode

in order to complete the interstate journey.

Ms Campbell said the Government was now responding to the unique challenges and higher costs confronting businesses on Flinders Island.

"I am very pleased that following my strong representations, Mr Albanese agreed to a further extension of the TFES - assistance that will help to maintain the competitiveness of the businesses located on Flinders Island," said Ms Campbell.

Over the coming year, the Commonwealth will spend more than \$100 million on the TFES and a further \$34 million on the Bass Strait Passenger Vehicle Equalisation Scheme - programs that support the continuing economic development of Tasmania.

Media Contacts

Jeff Singleton (Mr Albanese's Office)	0410 476 890
Sophie Murphy (Ms Campbell's Office)	0458 363 771

URL:

http://www.minister.infrastructure.gov.au/aa/releases/2008/September/AA124_2008.htm

APPENDIX B – MEDIA RELEASE 16 NOVEMBER 2008



Federal Member for Bass

Jodie **CAMPBELL** MP



RUDD LABOR GOVERNMENT EXTENDS ASSISTANCE TO FURNEAUX GROUP BUSINESSES

Sunday 16th November 2008

Federal Labor Member for Bass Jodie Campbell said today that the Rudd Labor Government will offer assistance to businesses on Tasmania's Furneaux Group under the Tasmanian Freight Equalisation Scheme (TFES) intrastate component.

Since 1 July 2008, King Island and Flinders Island have been included in the TFES intrastate component.

As of today, Cape Barren Island and the other islands in the Furneaux Group will also be included.

"This is due recognition of the unique challenges and the higher costs confronting businesses in the Furneaux Group of Islands," Ms Campbell said.

"I am very pleased that following my strong representations, Mr Albanese agreed to a further extension of the TFES – assistance that will help to maintain the competitiveness of the businesses located on these islands.

"Under the TFES, Tasmanian businesses on these islands can access financial assistance to help cover the relatively high costs of transporting their goods by sea to and from the main island of Tasmania.

"The further assistance for intrastate freight will help businesses on the other islands in the Furneaux Group by reducing transportation costs of eligible cargo and providing business operators with the confidence to further invest and develop their businesses," Ms Campbell said.

Over the coming year the Commonwealth will spend more than \$100 million on the TFES and a further \$34 million on the Bass Strait Passenger Vehicle Equalisation Scheme – programs that support the continuing economic development of Tasmania.

MEDIA CONTACT – Sophie Murphy – 0458 363 771

APPENDIX C – MEDIA RELEASE 6 NOVEMBER 2008

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport,
Regional Development and Local Government



06 November 2008
AA164/2008

FREIGHT SUBSIDY SCHEMES TO CONTINUE: ONGOING FINANCIAL ASSISTANCE FOR TASMANIAN INDUSTRY

The Rudd Labor Government has moved to provide long term certainty to Tasmanian industry by deciding to retain the Tasmanian Freight Scheme and Tasmanian Wheat Freight Scheme in their current forms.

This decision was reached after careful consideration of both the 2006 Productivity Commission Inquiry Report and the *Tasmanian Freight scheme parameter review draft report* (September 2008) prepared by the Bureau of Infrastructure, Transport and Regional Economics (BITRE).

The schemes subsidise Tasmanian industry for the disadvantage caused by having to move cargo across Bass Strait by sea, compared to road transport. The BITRE analysis indicates that road freight costs have increased significantly more than sea freight costs over the past decade.

Adjustments to the parameters would significantly reduce overall assistance levels resulting in a significant negative impact on Tasmanian businesses at a time of global financial uncertainty.

The Tasmanian Freight Scheme is critical to Tasmanian industry. Accordingly the Government has agreed to maintain current levels of assistance and use the parameters which have been in place for the past 10 years.

In 2008/09, the Government has made available more than \$101 million in funding - assistance which is contributing to the continued development of Tasmania.

A range of administrative changes designed to improve and strengthen the accountability of the schemes will continue including better auditing and compliance arrangements and upgraded IT systems.

These changes are important to safeguarding the integrity of the Tasmanian Freight Scheme and Tasmanian Wheat Freight Scheme.

The Schemes will be reviewed again in 2011/2012.

The BITRE report is now available at www.bitre.gov.au and the

Productivity Commission report is available at www.pc.gov.au.

Media Contacts

Jeff Singleton (Mr Albanese's Office)

0410 476 890

URL:

http://www.minister.infrastructure.gov.au/aa/releases/2008/november/AA164_2008.htm

APPENDIX D – SCHEDULE 1 TFES MDS 2008

GOODS ELIGIBLE FOR ASSISTANCE UNDER THE NORTHBOUND AND INTRASTATE COMPONENTS OF THE SCHEME

		Code
A		
	Asbestos fibres and mixtures	
	Asbestos fibres and mixtures	37920
	Animal and vegetable oils and fats	
	Animal fats like tallow; wool grease	21500
	Margarine	21550
B		
	Bakery products	
	Bakery Products like bread, cakes, buns, etc	23400
	Beverages	
	Beer in kegs	24340
	Beer in cartons	24350
	Beer in stubbies or cans	24360
	Beer in other packaging	24370
	Malt	24320
	Malt - Liquid preparations	24330
	Cider and other fermented beverages	24230
	Fruit juices and vegetable juices	21440
	Natural water	18000
	Other non-alcoholic beverages	24490
	Spirits, liqueurs and other spirituous beverages	24100
	Waters (unsweetened/flavoured) except natural water	24410
	Wine in an isotainer	24240
	Wine in a Pallecon	24250
	Wine in cartons	24260
	Wine in bottles	24270
	Wine in other packaging	24280
C		
	Carbon	
	Artificial graphite or other carbon preparations	37950
	Coke and semi-coke of coal, lignite, peat; carbon	33100
	Cement, concrete and articles thereof	
	Concrete products	37500
	Other cement	37440

Chemical products

Calcium carbide	34260
Cleaning and polishing preparations	35300
Colouring matter except Titanium dioxide	34300
Ferric and ferrous sulphate	34230
Other chemical products	35490
Paints, varnishes and removers (<i>shipments from 21 May 2008</i>)	35100
Plastaid	34190
Silica fume	34250
Titanium dioxide	34220
Whiting (carbonate of lime)	34210

Confectionery and chocolate products

Confectionary and chocolate products – other	23690
Liquid chocolate	23680
Sugar confectionery and food preserved by sugar	23670

D

Dairy products

Butter and other derived from milk	22240
Casein	22260
Cheese and curd	22250
Condensed milk in Pallecon	22220
Milk, processed	22210

F

Fertilizers, pesticides

Mineral or chemical fertilizers	34600
Pesticides	34660

Fibreglass and plastic materials and products

Glass fibres, except woven fabrics	37120
Plastic products	36300

Fish

Fish, fresh or chilled	21210
Fish, frozen, preparations or other	21220

Footwear

Footwear	29300
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Fruit and fruit preparations

Apples – Cartons	01330
Apples – Containers	01340
Apples – Bins	01350
Apples - 3/4 Cartons	01360
Fruit, fresh	01310
Prepared and preserved fruit and nuts	02140

Furniture

Furniture	03890
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G**Glass and glass products**

Glassware (cullet)	37130
Other glass articles	37190

Grain Mill Products

Cereals and Cereal preparations	23140
Wheat flour	23110

L**Livestock**

Sheep, adult	02110
Sheep, stud	02120
Lambs	02130
Goats, adult	02140
Kids	02150
Cattle, adult	02160
Cattle, Stud	02170
Calves	02180
Horses	02190
Foals, Alpacas	02200
Deer, adult	02210
Fawns	02220
Pigs	02230
Emus, Ostriches	02240

M**Machine and hand tools**

Machine and hand tools	42900
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Machinery and transport equipment

Machinery, pumps, ovens, lifting equipment	43000
Agricultural, horticultural or forestry machinery	44100
Machine-tools, powered hand tools	44200
Machinery for metallurgy, casting machines	44300
Machinery for mining, quarrying and construction	44400
Machinery for food, beverage and tobacco processing	44500
Machinery for textile, apparel and leather production	44600
Other special-purpose machinery	44900
Medical appliances, optical instruments, clocks	48000
Other precision instruments	48200
Vehicles	49100
Trailers and semi-trailers; containers	49220
Transport equipment (ships, railway locomotive)	49300
Aircraft and parts	49600
Other transport equipment	49700

Meat and meat products

Meat, fresh, chilled, hanging	21110
Meat, frozen, processed, other	21150

Metal and metal products	
Aluminium powder metal, paste and ingot	41500
Ferro silicon	34240
Other metal goods	42990
Other metals, ash and residue containing metallic compounds	41600
Rolled, drawn, folded products of iron and steel, like rods, tubes	41200
Unwrought metals e.g. copper, nickel, lead, zinc	41400

O

Ores and concentrates	
Low density (Limil)	14270
Other metal ores and concentrates	14280
Rutile, zircon	14250
Tin	14260
Other animal products	
Hides, skins, furskins	02950
Insect waxes like bees wax	02960
Natural honey	02910
Eggs, all forms	02920
Wool	02940
Other transportable products	
Polymer tanks for liquids (<i>shipments from 19 August 2009</i>)	36950
Prefabricated buildings (<i>shipments from 22 July 2009</i>)	38700

P

Paper and paper products	
Newsprint	32120
Other paper, paper products and printed matter	32190
Paper	32140
Preparations used in animal feeding	
Preparations used in animal feeding	23310

R

Raw vegetable materials	
Cut flowers (<i>shipments from 19 August 2009</i>)	01930
Hops	01660
Live plants, mushroom spawn	01920
Sedge	01960
Seeds	01900
Turf	01940
Tree ferns	01950
Refractory products (bricks, blocks, tiles)	
Refractory products (bricks, blocks, tiles)	37300
Refractory products (pottery, other) (<i>shipments from 22 July 2009</i>)	37310

S

Showman's equipment	
Showman's equipment	50010

	Soil conditioners	
	Coal, lignite	11000
	Cocoa shells, husks, skins and other cocoa waste	39150
	Peat	11050
	Seaweeds and other algae	04930
	Wood chips or particles	31230
	Sportsperson's equipment	
	Sportsperson's equipment	50020
	Stone and sand	
	Natural sands	15310
	Pebbles, gravel, broken stone	15320
T		
	Textile fabric and articles; yarn	
	Floor covering	27200
	Knitted or crocheted fabrics; apparel; furskins; artificial fur	28000
	Made textile articles (blankets, tarps, cushions)	27100
	Yarn; thread; textile fabrics	26000
V		
	Vegetables and vegetable products	
	Vegetables – fresh	01200
	Vegetables - frozen, processed, prepared or other	21300
W		
	Waste or scraps	
	E-waste (<i>shipments from 4 August 2008</i>)	39960
	Metal waste and scrap	39300
	Miscellaneous textile wastes	39210
	Recycled glass	39290
	Used tyres	39260
	Waste organic solvents like oil	39940
	Waste, scrap paper or paperboard	39240
	Waste, scrap of plastics	39270
	Wood products	
	Hardboard	31400
	Particle board	31430
	Other plywood, veneers, laminates	31420
	Other products of wood, cork, plaiting materials and straw	31900
	Wood, processed	31000
	Wood pulp; other fibrous cellulosic material	32110
Y		
	Yeast	
	Yeast	23990

APPENDIX E – COMMON CONVERSION FACTORS

Standard conversions

Apples

[See ‘Apples – standard conversions’ table below].

Apricots

1 carton = 0.029m³

Cherries

1 carton = 0.013m³

Fish

Bulk fish bins = 0.739m³

General

1 litre = 1kg

20’ container = 6.1 metre container

40’ container / trailer = 12.2 metre container / trailer

42’ trailer = 12.8 metre trailer

45’ trailer = 13.7 metre trailer

48’ trailer = 14.6 metre trailer

Livestock

Yearlings = Cattle (adult)

Steers & heifers = Cattle (adult)

Vealers = Calves

Bulls = Cattle (stud)

Bullocks = Cattle (stud)

Cattle less than 12 months old = Calves

[See ‘Livestock – standard conversions’ table below].

Nectarines

1 carton = 0.022m³

Pallecons

1 pallecon = 1,000 litres

Pallets

1 pallet = 0.020 tonnes

1 pallet = 0.2m³

Stowage factor rates

High density (HD) freight – with a stowage factor of 1.1m³ or less per tonne – assistance is paid on tonnes.

Non-HD freight – with a stowage factor greater than 1.1m³ and less than or equal to 1.428m³ per tonne – assistance is paid on tonnes.

Non-HD freight – with a stowage factor greater than 1.428m³ per tonne – assistance is paid on cubic metres.

Timber

1 bolster = 6.1 metre container

2 bolsters = 12.1 metre container / trailer

Unit Loading Device (ULD)

1 ULD = 1.175m³

Wine

1 standard carton 0.5m x 0.3m x 0.18m = 0.027m³

Wool

1 bale = 0.7m³

This list is not intended to be exhaustive. If you have any queries regarding this list, contact Tasmanian Transport Programs, Centrelink.

Livestock – standard conversions

Description	No. of standard head of livestock per 6.1m (20') transport unit	No. of standard head of livestock per 12.2m (40') transport unit
Sheep (adult) Goats (adult) Fawns	150	415
Sheep (stud)	114	228
Lambs Kids	188	436
Deer (adult)	72	144
Pigs	79	163
Cattle (adult)	28	48
Cattle (stud)	9	37
Calves	36	70
Horses Racehorses	7	14
Foals Alpacas	14	28
Emus Ostriches	34	68

No. of TEUs = total number of livestock shipped divided by number of standard head of livestock per transport unit. For example: 1 horse shipped divided by 7 = 0.1429 of a TEU.

This list is not intended to be exhaustive. If you have any queries regarding this list, contact Tasmanian Transport Programs, Centrelink

Apples – standard conversions

Description of container	Converted to standard cartons	Volume of container in m ³	TEU conversion factor*
Apples - Standard carton	1	0.05	0.00166
Apples - 1 Layer Tray	0.35	0.0175	0.00058
Apples - 2 Layer Tray	0.68	0.034	0.00113
Apples - 3 Layer Tray	0.75	0.0375	0.00125
Apples - 4 Layer Tray	1	0.05	0.00166
Apples - ¾ carton	0.75	0.0375	0.00125
Apples - Bushel	1	0.05	0.00166
Apples - Hat Bin	10	0.5	0.01666
Apples - Bin	20	1	0.03332
Apples - Bushel Bin	20	1	0.03332
Apples - Half-height container**	305	15.25	0.99999

* Where volume of a TEU is taken to be 30 cubic metres.

** Half-height container = 1 TEU only applies to apples and no other commodities. Half-height containers of juice apples are treated as LCL as they are not a “normal” container – that is, the containers are open and filled above level, preventing other containers from being stacked on top.

This list is not intended to be exhaustive. If you have any queries regarding this list, contact Tasmanian Transport Programs, Centrelink

APPENDIX F – DOCUMENT CONTROL

Tasmanian Freight Equalisation Scheme Ministerial Directions of 2008 Guidelines – Change History

Version	Version Date	Details of change
v1.0	25 November 2009	Publication
v1.01	5 February 2010	Change of the text: “the Secretary of the Department” to “Centrelink” (section 14) to clarify the administrative process
V1.02	26 May 2010	Clarification of the claimant eligibility criteria for King Island and Furneaux Group intrastate assistance (KIFG) (Section 4.5) Clarification of the trans-loading requirements for Furneaux Group Additional Assistance (FGAA). (Sections 4.6, 5.2, 10.1 and 22.3) Inclusion of Conversion Factors (Appendix E)

In addition, minor corrections and grammatical changes have been made to improve the clarity of the document.