



Australian Government



# Tasmanian Freight Equalisation Scheme

## Guidelines for customers

### Scheme background

The Tasmanian Freight Equalisation Scheme (TFES) was introduced on 1 July 1976 to address the freight cost disadvantage experienced by Tasmanian businesses because of the State's separation by sea from the Australian mainland. The Scheme provides assistance to shippers of eligible goods that are transported by sea between Tasmania and the Australian mainland.

Centrelink administers the scheme on behalf of the Department of Transport and Regional Services. The legal basis for the Scheme are the Directions by the Minister for Transport and Regional Services for the Operation of the Tasmanian Freight Equalisation Scheme.

#### There are 3 components of the Scheme:

- **Northbound**
- **Southbound**
  - Manufacturers and miners
  - Primary producers
- **Special categories**
  - Sportspersons
  - Professional entertainers
  - Horses

#### Northbound

The Northbound component applies to eligible goods produced in Tasmania for permanent use or for sale on the Australian mainland, which are transported by sea as non-bulk cargoes.

Eligible goods are listed in Schedule 1 to the Ministerial Directions. Applications to have goods included in this Schedule of eligible goods should be addressed to Tasmanian Assistance Services, Centrelink.

#### **Ineligible commodities**

- Goods intended for export from Australia at the time of shipment from Tasmania, or at the time of first sale on the Australian mainland (unless they undergo a manufacturing process on the mainland prior to export), and
- Goods manufactured on the mainland or overseas, (unless they have undergone a manufacturing process in Tasmania).

#### Southbound

The Southbound component applies to persons or businesses engaged in manufacturing, mining and primary production (agriculture, forestry and fishing) in Tasmania.

#### **Manufacturing and mining**

This category applies only to TFES registered manufacturing and mining businesses shipping eligible raw materials, machinery and equipment from the Australian mainland to Tasmania. Suppliers, agents and freight forwarders are not eligible to claim.

#### **Business registration**

Applications for registration with the Scheme should be made on the *Manufacturers' and Miners' Business Registration Application* and *Application for Approval of Items* form. Subsequent applications for approval of additional items are also made on this form.

Applications for approval of items must be accompanied by written confirmation from the manufacturer/supplier that the items are of Australian origin. When the manufacturer/supplier changes, written confirmation from the new manufacturer/supplier should be submitted with the *Claim for Assistance*.

#### **Eligible commodities**

To be eligible for assistance a commodity must:

- be a raw material or equipment used in a production process
- be produced or manufactured on the mainland, and
- incur a freight cost disadvantage.

***Ineligible commodities***

The following commodities are specifically excluded:

- goods of Tasmanian origin
- imported goods (unless these have undergone a manufacturing process on the mainland)
- fuels and lubricants
- bulk cargoes
- building and construction materials and equipment, and
- motor vehicles to be registered for use on public roads.

**Primary production**

This category applies to primary producers engaged in the agriculture, forestry or fishing industries. Claimants must be the end users of commodities shipped. Freight forwarders are not eligible to claim. Suppliers who are approved TFES agents may claim assistance on behalf of their customers.

***Eligible commodities***

Freight assistance will be paid on raw materials, machinery and equipment primarily for use in primary production processes in Tasmania, provided that these commodities:

- were purchased for the claimant's own use
- were manufactured on the Australian mainland
- incur a freight cost disadvantage, and
- are not included on the list of ineligible commodities below.

***Ineligible commodities***

The following commodities are specifically excluded:

- goods of Tasmanian origin
- imported goods (unless they have undergone a manufacturing process on the mainland)
- bulk cargoes
- fuels and lubricants, and
- building and construction materials and equipment.

**Special categories**

This component applies to sportspersons, competing for prize money, and to professional entertainers. Assistance may be paid for the transportation of equipment used in shows and sporting events.

Tasmanian based brood mares shipped to the mainland for servicing and returned to Tasmania are eligible for assistance on both the northbound and southbound legs of the round trip. The mainland bred foals of Tasmanian based brood mares are eligible for assistance on the return journey to Tasmania, providing that they are less than 6 months old at the time of shipment.

Special conditions may apply to claimants and/or commodities. Please contact our office for information and forms before lodging a claim.

**Assistance payable**

Assistance payments are based on the sea freight cost disadvantage. This means the difference between the wharf to wharf freight cost for a standard 6.1m container (TEU) transported between northern Tasmania and Victoria by sea, and the cost of transporting a TEU over an equivalent distance by road (420km).

To provide an incentive for shippers to seek lower freight rates, the actual level of reimbursement for a shipper's sea freight cost disadvantage is determined in 3 levels, as follows:

- 100% of the first \$335.50 of a shipper's cost disadvantage per TEU, plus
- 75% of the second \$335.50, plus
- 50% of the third \$335.50.

Additionally an inter-modal fixed cost allowance of \$100 per TEU is payable.

In calculating a shipper's sea freight cost disadvantage, adjustments are made to freight costs where goods are:

- transported on routes other than between northern Tasmania and Victoria
- shipped in transport units other than a TEU, and
- are shipped other than on a wharf to wharf basis.

Where freight carried represents less than a full container load (LCL), freight costs will be assessed at an LCL rate of assistance (pro-rata TEU rate of assistance).

The amount of assistance paid will not exceed the wharf to wharf, or adjusted wharf to wharf, freight bill paid by the shipper. **The maximum amount of assistance payable per TEU is \$855.**

Assistance for cargo classified as heavy or high density (i.e. with a stowage factor of 1.1 cubic metres per tonne or less), is calculated at 60% of the standard rate of assistance.

Scaling rates, TEU conversion rates and assistance formulae (including examples of assistance calculations for containers, trailers and LCL consignments) are available from Tasmanian Assistance Services. You can also preview the assistance you are likely to receive by using the TFES Rate Calculator on the Centrelink website (see website address on Page 4).

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## General information

<b>Claiming assistance</b>	<p>New claimants are required to complete the 'Claimant information' section on the reverse of the <i>Claim for Assistance</i> form either before or when making their first claim.</p> <p>Businesses intending to claim assistance for southbound raw materials, machinery and/or equipment must register their businesses and seek approval for commodities shipped by completing the <i>Manufacturers' and Miners' Business Registration</i> Application and <i>Application for Approval of Items</i> form.</p> <p>Freight costs must be paid prior to making a claim.</p>
<b>Forms and guidelines</b>	Forms and guidelines are available from Centrelink's Hobart office and from the Centrelink website (see contact details on Page 4).
<b>Completing your claim</b>	<p>Each claim form contains instructions for completion and details of where to send your claim. Documentary Requirements, on the reverse of the claim form, details the supporting documentation that should accompany your claim. Claims may be mailed or lodged in person at any Centrelink office.</p> <p>Please contact us if you require further assistance in preparing your claim. We can also arrange for a Centrelink staff member to visit your business to provide advice and assistance with claims.</p>
<b>Time limits for claim lodgement</b>	Claims may be submitted as often as required, however, they must be lodged within 2 years of the date of shipment to be eligible for assistance.
<b>Electronic lodgement</b>	Arrangements may be made for claims to be lodged on a floppy disk and accompanied by a <i>Payments System – Processing Authority</i> form. Technical specifications for electronic lodgement are available from Centrelink.
<b>Payment advice</b>	Assistance payments will be made directly into your nominated bank account. You will be notified in writing of the amount of assistance paid.
<b>Overpayments</b>	<p>Overpayments of TFES assistance are repayable to Centrelink on demand. Wherever possible, arrangements will be made to adjust overpayments of assistance from subsequent claims.</p> <p>Claimants are responsible for advising Centrelink of any changes in amounts previously claimed because of the non-shipment of cargoes (e.g. damaged or returned consignments or export cargoes included in claims).</p>
<b>Customer appeal rights</b>	<p>If you are dissatisfied with a decision made by Centrelink relating to your claim, you can write to the Tasmanian Freight Equalisation Scheme Review Authority, requesting a review of this decision. The application can be lodged by, or on behalf of, any person whose interests are affected by the decision.</p> <p>The role of the Review Authority is to review decisions made in accordance with the Ministerial Directions for the operation of the Scheme, and at the request of the Minister or Secretary to the Department, to provide an advisory opinion on matters relating to the administration of the Scheme or interpretation of the Directions.</p> <p>Requests for review of a decision should be addressed to:</p> <hr/> <p><b>Postal address:</b>           The Secretary TFES Review Authority GPO Box 594 CANBERRA ACT 2600</p> <hr/> <p><b>Phone number:</b>           <b>(02) 6274 7117</b></p> <hr/> <p><b>Fax number:</b>               (02) 6274 6566</p> <hr/>

**NOTE:** Requests by claimants for reassessment of a paid claim must be made within 6 months of the date of the original assessment.

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**Centrelink's Privacy Guidelines**

The information that you provide to Centrelink in relation to your claim is protected by Centrelink's Privacy Guidelines which are derived from the *Privacy Act 1988*.

Personal information provided to Centrelink will only be used for the purpose for which you have provided it. Unless required by law, Centrelink will not disclose this information without your consent.

You can obtain more information about privacy guidelines from the factsheet *Your Right to Privacy*, which is available from all Centrelink Customer Service Centres and from the Centrelink website: [www.centrelink.gov.au](http://www.centrelink.gov.au)

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**Customer Charter**

Centrelink, in consultation with customers and staff, has developed a Customer Service Charter, which details our commitment to you, and your rights and responsibilities as a customer. A copy of the Customer Charter brochure is available from Centrelink Customer Service Centres and from the Centrelink website.

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**Responsibilities and rights of claimants**

The following section details your rights and responsibilities as a TFES claimant, as outlined in the Ministerial Directions for the operation of the Scheme.

When making a claim, claimants are required to make a declaration that to the best of their knowledge and belief, their claim is not false or misleading in any material particular and that, in the case of northbound shipments, the goods were not intended to be exported from Australia or, in the case of southbound shipments, the goods were not imported from overseas.

Where a declaration is made on behalf of a company, the declarant must be a senior officer thereof and authorised by the company.

No claimant is entitled, as of right, to assistance or to sue the Commonwealth in respect thereof. The Commonwealth reserves the right to withhold further assistance, reject a claim for assistance or reduce any payment of assistance if:

- the claimant has acted unreasonably or unconscionably in making a claim for assistance
- the documents submitted in support of the claim for assistance do not state the true facts in relation to the cargo shipped, or
- the claimant fails to allow an authorised officer to examine records relating to the transportation of goods for which assistance has been claimed.

Giving false or misleading information is a serious offence.

If you have any concerns, or are aware of improper claims, you are urged to report this by calling the Manager, Tasmanian Assistance Services on **(03) 6222 2871** or by writing to the address below.

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**Further information**

This publication is designed to provide a general overview of the Scheme. More detailed information about the administration of the Scheme, including copies of the Ministerial Directions, may be obtained from Tasmanian Assistance Services, Centrelink, Hobart:

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**Location** address: Level 10, Tower Block  
188 Collins Street  
HOBART TAS 7000

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**Postal** address: GPO Box 1269  
HOBART TAS 7001

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**Phone** number: **(03) 6222 2580**  
FreeCALL™ **1800 993 347**

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**Fax** number: (03) 6222 2149

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**Email** address: [tfes.support@centrelink.gov.au](mailto:tfes.support@centrelink.gov.au)

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**Website** address: [www.centrelink.gov.au](http://www.centrelink.gov.au) (go to TFES from the A-Z listing)

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