



# Gava Australia Glossary

## Shipping & Freight Terminology

### Numerical

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**20'GP**– General Purpose Twenty-Foot-Long Shipping Container.

**40'GP** – General Purpose Forty-Foot-Long Shipping Container.

**20'HC** – Twenty-Foot-High Cube Container.

**40'HC** – Forty-Foot-High Cube Container.

**20'GOH** – Twenty-Foot Goods on Hanger Container.

**40'GOH** – Forty-Foot Goods on Hanger Container.

**20'RF** – Twenty-Foot Reefer Container.

**40'RF** – Forty-Foot Reefer Container.

**20'NOR** – Twenty-Foot Non-Operating Reefer Container.



## A

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**Accessorial charge / accessorial** – An amount charged to shipping invoices for extra services provided (often a flat fee).

**Adjustments** – An added cost after a shipment has been delivered. Can be added to the bill for any discrepancies.

**Agent** – An individual who does business on behalf of another company or person. They may do work like provide insurance or supervise customs.

**Airwaybill (AWB)** – A Bill of Lading covering international and domestic flights.

**All-in Line Haul** – The transport of freight for long distances or between distant cities. Typically, by truck from terminal to terminal. Also known as Line Haul.

**Allotment** – Term used to describe blocked space by airlines.

**All Risks Coverage** – A broad type of marine insurance (excluding damage caused by strikes, riots, and war).

**AQIS** – Australian Quarantine and Inspection Service.

## B

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**Backhaul (head haul):** Returning a transport vehicle from its delivery point to its origin. (A return trip over the same route).

**BAF (Bunker Adjustment Factor)** – An adjustment in shipping charges to consider the fluctuations in fuel costs.

**Bill of Lading** – A document issued by the carrier to acknowledge receipt of cargo for shipment. The contract also states the terms and conditions of carriage.



**Bill of Sale** – A legal document that transfers ownership of goods from one individual to another.

**Blank Sailing** – When an Ocean Line Service Operator cancels or skips a particular port or region on the scheduled route. This is done to reduce capacity and increase freight rates.

**Block and bracing** – Where wooden and metal beams are used to keep cargo in its place whilst in its shipping containers.

**Blind shipment** – A freight shipment where the identity and address of the shipper or receiver (or both) are hidden from the other party.

**Bonded Warehouse** – A warehouse used for the storage and processing of goods imported into new markets. This is authorised by Customs authorities on which payment of duties is deferred until the goods are removed.

**Broker** – An individual or firm serving as a liaison between a person/company that needs shipping services and a motor carrier.

**Brokerage licence** – A licence a Broker requires. This allows brokers to represent a client who is selling or buying goods.

**Bulk freight** – Commodity cargo that is not packed but loaded directly into a vessel. Also known as Bulk Cargo.

**Bunkers** – A supply of fuel loaded aboard a vessel used for consumption by that vessel.

## C

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**CAF (Currency Adjustment Factor)** – An additional fee placed on top of freight charges for carrier companies. This is due to the constantly changing exchange rates between the dollar and other countries.



**Carrier** – An individual or commercial company legally authorised to transport cargo from one place to another.

**Carnet** – An international customs and temporary export-import document allowing the holder of goods to send/carry merchandise temporarily into certain countries for display without paying import taxes.

**Cartage** – Transportation of cargo to and from a CFS via truck within local areas.

**Cash Against Documents (CAD)** – Method in which an importer pays for the goods before receiving them. A third party will accept the shipping and title documents for the exported goods to ensure satisfaction of the transaction.

**C&F / CFR (Cost and Freight)** – See Incoterms 2020 Rule Book and Wallchart.

**CFR (Container freight station)** – This is where LCL cargo is taken for consolidation at its origin and then deconsolidation at the destination. Based on the volume of the cargo, the CFS charges a fee for this service.

**CIF (Cost, Insurance and Freight)** – See Incoterms 2020 Rule Book and Wallchart.

**CIP (Carriage and Insurance Paid to)** – See Incoterms 2020 Rule Book and Wallchart.

**CPT (Carriage Paid to)** – See Incoterms 2020 Rule Book and Wallchart.

**Certificate of Origin** – A document to certify the production or manufacture of your goods.

**Chassis** – A special undercarriage or trailer used to transport ocean containers over the road.



**Classification** – Freight classifications are assigned to a shipment to determine how much they are charged.

**Clean Bill of Lading** – A receipt/ document for goods issued by a carrier that declares there was no damage to or loss of goods during shipment.

**Commercial Invoice** – The primary document used for importation control, which details the price and quantity of the sold goods. It will also contain the incoterm used.

**Common Carrier** – A transporter that carries freight for multiple companies whilst driving on a set route.

**Concealed damage** – When damage is not visible or could not have been determinate at the time of delivery is discovered by the consignee.

**Consignee** – A person or entity that is the shipment receiver and generally the owner of the shipped goods.

**Consignor** – Is the company shipping the product. A consignor could be a distribution centre, factory or drop ship origin location.

**Consolidation / Consolidated shipment** – When combining two or more shipments to reduce costs in the overall supply chain. For example, consolidating two or more LCL shipments into one FCL shipment.

**Contract of Affreightment** – A contract whereby an ocean carrier engages to carry goods in accordance with a determined mode of transport and within a specified time to accommodate an exporter or importer.

**Customs** – Are Government bodies that collect duties, fees, or taxes imposed by a country on imports and exports.

**Customs Clearance** – This is a procedure where cargo is formally reviewed by customs.



## D

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**DAT (Delivered at Terminal)** – See Incoterms 2020 Rule Book and Wallchart

**DAP (Delivered at Place)** – See Incoterms 2020 Rule Book and Wallchart

**DDP (Delivered Duty Paid)** – See Incoterms 2020 Rule Book and Wallchart

**Deadheading** – Any part of the transportation trip where no freight is being carried on a truck.

**Declared value** – A shipment value imported for resale, as declared by the shipper/owner.

**Dedicated Lane** – A single truck driver running from point A to point B with a load of freight and returning full to point A. They are typically used for permanently scheduled deliveries to large customers or distribution centres.

**Detention/Demurrage** – Refers to the charges that a supplier pays for the use of the container within the terminal beyond the free time period.

**Dunnage** – This is the durable padding material used to protect goods during shipping. For instance, bubble wrap, packing peanuts or industrial solid plastics that provide cushioning so items stay secure.

## E

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**EFF** – Environmental Fuel Fee. Is a surcharge imposed by ocean carriers to cargo owners to offset the cost increase of operating vessels.

**Embargo** – An order of a government prohibiting the movement of merchant ships into or out of its ports.

**Escorts** – Vehicles used to move large shipments.



**ETA** – Estimated Time of Arrival.

**ETD** – Estimated Time of Departure.

**Excess Value** – Amount of declared value of a shipment that's above the carrier's liability limit.

**Expedited** – A delivery option that promises faster shipping speeds compared to the standard shipping options.

**Ex Works (EXW)** – See Incoterms 2020 Rule Book and Wallchart

## F

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**FAS (Free Alongside Ship)** – See Incoterms 2020 Rule Book and Wallchart

**FCA (Free Carrier)** – See Incoterms 2020 Rule Book and Wallchart

**FCL (Full Container-Load)** – Goods from a single shipper occupying the entire container.

**FOB (Free on Board)** – See Incoterms 2020 Rule Book and Wallchart

**Freight Broker:** An intermediary between a shipper and a freight service provider. They provide transportation but are not the shipper or the carrier.

**Freight Forwarder** – Someone who facilitates and is responsible for the transportation of goods between one destination and another. Similar to a 'Freight Broker' but freight forwarders handle international goods.

**Freight for all Kinds (FAK)** – A consolidated cargo containing various kinds of goods but it is charged at one unique rate. FAK's are often charged higher than those marked with certain classifications.



**Fuel Surcharge (FSC)** – is a fee by carriers to account for seasonal/ regional variations in fuel costs. Most often seen in trucking, but an air or ocean carrier may also assess a fuel surcharge.

## G

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**Gateway** – A major airport or seaport, at which freight in-transit from one point to another is interchanged between transport providers. Gateway is also used by Customs to refer to the port where Cargo Clearance takes place.

**General Cargo** – Goods that can be transported individually in one piece. This can be a package, pallet, box, or barrel.

**GCR (General Cargo Rate)** – A rate applied for carrying cargo other than a class rate or specific commodity rate (air cargo).

**GST (Goods and Services Tax)** – A tax of 10% on most goods, services and other items consumed or sold in Australia. It is payable on the landed cost of goods.

## H

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**HAWB (House Airway Bill)** – Issued by a freight forwarder to a shipper after the receipt of a shipment. It signifies a confirmation that the freight forwarder is to deliver the shipper's goods to an agreed location.

**Harmonised System** – a system used for classifying goods in international trade. It is used by customs authorities worldwide to identify products when assessing taxes and duties and gathering statistics.

**Hazmat** – Hazardous materials such as substances or articles which can pose risks to safety, health, property, or the environment. Government authorities strictly regulate the transport of hazardous material.





## I

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**IATA (International Air Transport Association)** – Is a trade association for the world’s airlines representing 83% of total air traffic. Their aim is to drive a safe, secure, and profitable air transport industry that sustainably connects and enriches the world.

**IATA Designator** – Are two-character codes assigned by IATA to the world’s airlines.

**Import Certificate** – How governments of the ultimate destination country exercise control over the internal channelling of commodities covered by the certificate.

**Incoterms** – Internationally recognised set of rules used in the global transportation of goods, which define the responsibilities of buyers and sellers. They are maintained by the International Chamber of Commerce (ICC).

**Institute Cargo Clauses** – Standard clauses used in insurance policies developed by the International Chamber of Commerce. They specify which cargo items are covered in case of any damage or loss to the shipment.

**Insurance Certificate** – Certificate used to assure the consignee that marine insurance is provided.

**Integrated Carriers** – Carriers that have both air and ground fleets or other combinations.

**Interchange Agreement** – A contract that covers the transfer of goods on the way to their destination when they are being moved by truck drivers working for different companies.

**Intermediate Consignee** – The bank or other intermediary that acts in a foreign country as an agent for the exporter or the purchaser to ensure the delivery is completed.



**Intermodal** – Moving freight by two or more modes of transportation. For instance, sea, air, road, and rail.

**Irrevocable Letter of Credit** – A bank representing an importer agrees to pay the seller (the exporter) for an international transaction if all terms and conditions are met.

## J

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**JIT (Just in Time)** – An inventory management strategy that helps facilitate fast order fulfilment with specific applications in raw material orders and manufacturing.

## L

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**Lane** – Any route that a carrier covers on a regular schedule.

**Layover** – When a driver is delayed by a receiver or shipper for one or more days.

**LCL (Less-than-Container-Load)** –Transportation of small ocean freight shipments not requiring the full capacity of a container. Container loads are filled by multiple orders or goods.

**Letter of Credit** – Financial document issued by a bank that guarantees payment from the buyer to the seller.

**Line Haul** – The rate per kilometre/mile in dollars and cents for transporting items.

**Load Line** – A marking indicating the extent to which the weight of a load may safely submerge a ship by way of a waterline limit.

**Logbooks** – Books carried by truck drives where they record their service hours, required by the Heavy Vehicle National Law in Australia.



**LTL (Less-Than-Truckload)** – The quantity of freight that is less than that required for the application of a full truckload rate. LTL carriers transport cargo that is sized between parcels and full truckloads.

## M

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**Marine Cargo Insurance** – Insurance covering the loss or damage to goods whilst in transit.

**Motor Carrier** – A person providing motor vehicle transportation for money.

## N

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**Nested** – Where materials are stacked so that one item goes inside another. A term used in LTL Freight.

**NVD** – No value declared.

**NVOCC (Non-Vessel Operating Common Carrier)** – An ocean carrier that transports goods and issues its own House Bill of Lading or equivalent document and does not operate ocean transportation vessels.

## O

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**Owner-Operator** – A truck driver who operates and owns their trucks.

**Over-Dimensional (Wide Load)** – Cargo larger than the legally defined limits for width, length, height, and/or weight and cannot be broken down.

## P

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**Packing Declaration** – A letter that informing AQIS of the types of packing material used in your foods. Only required for sea freight shipments.



**Packing List** – A document that provides the exporter, international freight forwarder and consignee with information regarding the shipment. This information includes the dimensions and weight of each package and how the containers are packed.

**Pallet Jack** – Tool for lifting and moving pallets and other heavy objects.

**Partial** – A truck used to compile multiple shipments from several customers in order to use the entire truck. This results in longer transit times.

**POD (Proof of Delivery)** – A signed documents showing a shipment was received. POD includes the time of delivery, full delivery address and the name and signature of the person accepting your shipment.

**PRO number (Progressive Rotating order)**: A 10 digit number assigned to each shipment and is a tracking number. Useful for knowing the location of time-sensitive deliveries.

**Pro Forma Invoice** – Estimated Invoice given by a supplier before shipping merchandise. It is used to request payment from the committed buyer for goods or services before they are supplied.

**Project Cargo** – The transportation of large, complex, or high-value pieces of equipment. This includes break bulk equipment that can be moved by sea, air, or land.

## R

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**Rate Confirmation** – An agreement of pay between the carrier and freight broker that is legally binding. States the agreed-upon amount for the service cost.

**Reefer** – Refers to refrigerated ships and refrigerated shipping containers that transport perishable commodities by sea. Used for transporting perishable goods.



**Roll-On, Roll-Off (RORO)** – Cargo ships designed to carry wheeled cargo, including trucks, cars, buses, trailers. They are driven on and off the ship on their own wheels or using a platform vehicle.

## S

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**Shipper** – Consignor, exporter or seller named in the bill of lading. They transport or receive goods by land, sea and/or air.

**Shipping Mark** – An identifying word, number or symbol used outside cargo to designate the consignee, weight, destination, and related information.

**Shipping Weight** – The total weight in kilograms of shipments, including the weight of containers, boxes, crates.

**Short shipped** – Half of the cargo is sent while the other half is made to wait for the next aircraft or ship. Goods can be short shipped due to container shortages, insufficient vessel space, port issues and missing documentation.

**Standard Carrier Alpha Code (SCAC)**: A unique 2-4 letter code used to identify transportation companies.

## T

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**TACT (The Air Cargo Tariff and Rules)** – Is an IATA publication and provides air cargo professionals with comprehensive information they require to efficiently transport cargo across the globe.

**Tanker** – An aircraft, ship or road vehicle that carries liquids (especially mineral oils) in bulk.

**Tare Weight** – Weight of an empty container or vehicle. When subtracted from the gross weight, it yields the net weight of cargo or shipment upon which charges can be calculated.



**Third Party Logistics** – An individual or company that serves as a liaison between another company or individual that requires shipping services and an authorised motor carrier.

**Through Bill of Lading** – A single bill of lading covering receipt of cargo using 2 or more modes of transportation.

**Through Rate** – Applies to a distance between the point of origin and delivery destination.

**Time-Critical** – Any shipment that requires something other than standard delivery time.

**Time-Definite** – Consistent delivery of requested logistics support at a time and destination specified by the requiring activity.

**Title** – Refers to the legal owner of the goods.

**TTS (Thru Trailer Service)**: When cargo remains on the same trailer during an international shipment. This is the opposite of a trans-load and is considered safer.

**Trans-Load** – Moving product from one trailer to another trailer in order to keep a shipment going.

**Trans-shipment** – When the shipment of cargo or containers are moved from one vessel to another while in transit to its final destination.

**Transit Time** – The amount of time spent when moving cargo/ goods from one point to another.

**TL** – Truckload.

**Twenty-Foot Equivalent Unit (TEU)** – Is a measure of volume in units of twenty-foot-long containers.



**TORD (Truck Order Not Used)** – When a shipper orders a truck to pick up but cancels after the truck has been dispatched. This will usually incur a fee.

## U

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**ULD (Unit Load Device)** – Special device used in air transport to load any type of aircraft pallet, cargo, aircraft containers, or containers with integral pallet.

**Ultimate Consignee** – Intended recipient of the imported merchandise sold by the shipper.

## V

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**Value for Customs Purposes Only** – The value of imported goods for customs purposes should be based on the actual value of the imported.

## W

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**War/Strike Clause** – Insurance provision covering for a loss that occurs due to an act of war, a strike, or other forms of civil strife.

**Wharfage** – A fee charged by ocean carriers to cover the port authorities cost of using a wharf to unload cargo from a vessel.

**Without Reserve** – Where a shipper's representative or agent can make decisions and adjustments abroad without the approval of the person they represent.

**W/M – "Weight or Measurement"** - is the basis for assessing freight charges specifically in LTL or LCL shipments. The rate charged under W/M will be whichever produces the highest revenue between the weight of the shipment and the measure of the shipment.

