



NSW CDS Summary of Key Scheme Metrics to Assist with August 2018 True Up Calculations

1. Introduction

The invoice generated on 2nd October 2018 contains a monthly true up associated with adjustments for the difference between the forecast and actual container collections by the Network Operator in August 2018 and historical changes in market share for previous months.

This paper is designed to provide suppliers with an overview of the key inputs used to calculate the true up adjustments that may be present on your October invoice.

Please note: all monetary values provided in this paper are presented excluding GST

2. Monthly True Up Adjustments

2.1 The total costs of the scheme for the purposes of the August monthly True Up were:

Container Material Type	Cost (\$) Aug 2018
Aluminium	\$ 11,273,615
Glass	\$ 8,475,548
HDPE	\$ 544,873
PET	\$ 8,026,406
Liquid Paper Board	\$ 1,069,086
Steel	\$ 15,176
Other Plastics	\$ 2,371
Other materials	\$ 3,061
Total	\$ 29,410,135





2.2 The total containers supplied by all suppliers in August were:

Container Material Type	Volume Aug 2018
Aluminium	86,843,893
Glass	68,389,799
HDPE	6,058,504
PET	76,563,347
Liquid Paper Board	17,503,089
Steel	165,180
Other Plastics	50,428
Other materials	15,871
Total	255,590,111

The volumes shown in this table reflect the volumes reported by all suppliers at the time the invoice was generated. As noted elsewhere in this section, these figures are subject to change whenever suppliers adjust their August volumes via the reporting portal.

2.3 Actual prices per container type for August

As stated earlier, the actual prices per container are not used to calculate the cost of the scheme to each first supplier. They are a by-product of the calculations and are wholly dependent on the total volume of containers of each type supplied into the NSW market during the month.

The table overleaf shows the actual container pricing based on the scheme costs calculated for August which are further based on the actual container volumes reported for August at the time the true up calculation was generated.

Container Material Type	Price per Container Aug 2018
Aluminium	\$ 0.1298147142
Glass	\$ 0.1239300017
HDPE	\$ 0.0899352169
PET	\$ 0.1048335284
Liquid Paper Board	\$ 0.0610798282
Steel	\$ 0.0918779010
Other Plastics	\$ 0.0470127513
Other materials	\$ 0.1928462633





2.4 The total number of containers collected during the month of August by collection stream and in total were as follows:

Container Material Type	Network Operator	MRF Operator	True Up Container
	Actual Volume Aug 2018	Forecast Volume Aug 2018	Volumes Aug 2018
Aluminium	40,906,414	28,960,236	69,866,650
Glass	27,788,900	23,671,300	51,460,200
HDPE	1,553,142	1,767,471	3,320,613
PET	25,518,861	23,100,916	48,619,777
Liquid Paper Board	1,602,498	4,498,789	6,101,287
Steel	37,518	50,255	87,773
Other Plastics	1,721	12,512	14,233
Other materials	12,546	6,042	18,588
Total	97,421,600	82,067,522	179,489,122

Italicised figures contain estimates based on Q1 factors as the eligible container factors (conversion factors) for Q3 have not been published by the Ministerial Advisory Committee.

2.5 August Non-Volume Provisions

Following the first quarterly true up process a system error was identified that resulted in the total true up payment being overstated. As noted in the June 2018 and July 2018 newsletters and the paper entitled “Summary of Key Scheme Metrics to Assist with April 2018 and Q1 2018 True Up Calculations”, the August 2018 and September 2018 MRF volumes were increased to reclaim the over payment. To ensure that these funds are not passed back again via the true up mechanism, a provision has been taken up to hold the funds within the scheme.

As with previous months, Exchange for Change is continuing to maintain a provision for exports at 7.5% until the export claims have been processed in the upcoming months.

As previously described, the true up process is designed to return any unutilised funding collected through advanced contributions once the actual costs for the period are known. As the eligibility period for claiming exports for August 2018 has not yet lapsed, a provision is required to ensure that the funds contributed by suppliers are not returned prematurely making them unavailable to pay to exporters when the claims are processed.

The value of these provisions is summarised in the table overleaf:

Non Volume Costs	Cost (\$) Aug 2018
Provision for Exports	1,995,793
MRF Stockpile Provision	889,648





These provisions are included within the costs shown in the table in section 2.1

2.6 True ups for multiple months

As noted in previous newsletters and true up summaries, the NSW CDS permits suppliers to alter their historic volumes at any point in time, currently without a sunset date.

As a consequence, the total supply volume in a given month may have changed resulting in an adjustment to the market share of all suppliers as each supplier's relative contribution to the total supply volume has changed. The October invoice contained a true up for each scheme month for which changes to actual volumes have been reported by suppliers.

In addition to changes made by existing suppliers, when newly registered suppliers join the scheme and provide their volumes, this may also lead to a change in the total volumes reported in a given month.

2.7 Restated volumes for previously reported periods

As noted in previous true up papers, changes in the volumes reported by suppliers will affect the relative market share of all participants that supply that container material type.

The table overleaf has been provided to show the restated volumes for the previous 3 months that were used to calculate the true up adjustments in the October invoice.

October 2018 Invoice Volumes

Container Material Type	Volume May 2018	Volume June 2018	Volume July 2018
Aluminium	92,909,595	92,984,533	87,088,480
Glass	70,571,647	64,078,808	70,576,177
HDPE	5,569,016	6,965,737	6,747,179
PET	66,084,569	77,866,281	72,809,813
Liquid Paper Board	14,062,466	13,736,962	18,116,356
Steel	219,692	147,187	184,709
Other Plastics	38,456	41,974	47,946
Other materials	62,313	13,264	24,058
Total	249,517,754	255,834,746	255,594,718

These volumes are the volumes that were stored in the reporting portal when the October invoice was generated and remain subject to change at any time in accordance with the current scheme rules.

