



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

### 1. Introduction

The invoice generated on 3 December 2018 contained two types of true up calculation:

- i. A monthly true up associated with adjustments for the difference between the forecast and actual container collections by the Network Operator in October 2018 and historical changes in market share for previous months; and
- ii. A quarterly true up associated with adjustments to the relative market share of the suppliers during the three months comprising Q3 2018 being (Jul-18, Aug-18 and Sep-18). 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 December invoice.

Please find below a snapshot showing the differences between the key assumptions used to forecast pricing for October 2018 as against the actuals for the same period.

OCTOBER 2018	Initial Assumptions	Actual
Gross Supply Volume	318 million	273 million
Exports	23.85 million (7.5% of gross supply)	Yet to be trued up
Net Supply Volume	294 million	Yet to be trued up
Network Operator Collections	120 million	117.2 million
MRF Collections	74 million	Yet to be trued up

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





## 2. Monthly True Up Adjustments

The tables below highlight the forecast and actual supplier volumes and the associated costs.

### 2.1 The total forecast costs of the scheme for the purposes of October advance contribution were:

ADVANCE CONTRIBUTION INFORMATION FOR OCTOBER 2018			
Container Material Type	Supplier Forecast Volumes Oct 2018	Forecast Price per Container Oct 2018	Cost (\$) Oct 2018
Aluminium	114,713,105	\$ 0.0970000000	\$ 11,127,171
Glass	86,213,295	\$ 0.1013000000	\$ 8,733,407
HDPE	8,049,012	\$ 0.0989000000	\$ 796,047
PET	90,651,188	\$ 0.0989000000	\$ 8,965,403
Liquid Paper Board	19,267,188	\$ 0.1042000000	\$ 2,007,641
Steel	172,697	\$ 0.1013000000	\$ 17,494
Other Plastics	50,326	\$ 0.0989000000	\$ 4,977
Other materials	41,987	\$ 0.0989000000	\$ 4,153
<b>Total</b>	<b>319,158,798</b>		<b>\$ 31,656,293</b>

### 2.2 The total actual costs of the scheme for the purposes of October Network Operator true up were:

ACTUAL CONTRIBUTION INFORMATION FOR OCTOBER 2018			
Container Material Type	*Supplier Actual Volumes Oct 2018	*Actual Price per Container Oct 2018	Cost (\$) Oct 2018
Aluminium	89,379,196	\$ 0.1409902573	\$ 12,601,596
Glass	79,922,022	\$ 0.1217148172	\$ 9,727,694
HDPE	5,811,250	\$ 0.0989237721	\$ 574,871
PET	81,260,998	\$ 0.1093776256	\$ 8,888,135
Liquid Paper Board	15,999,542	\$ 0.0662188039	\$ 1,059,471
Steel	166,059	\$ 0.0875683562	\$ 14,542
Other Plastics	57,676	\$ 0.0448682381	\$ 2,588
Other materials	18,951	\$ 0.2036780537	\$ 3,860
<b>Total</b>	<b>272,615,694</b>		<b>\$ 32,872,756</b>

\*subject to change

For a quick calculation of the respective true ups please replace the forecast and actual supplier volumes with your company's forecast and actual volumes. The difference between the two tables will give you your true up.





For those suppliers that have not provided their actuals for October 2018, their forecast volumes will continue to be used until actuals are reported.

Please note if the volumes reported for October are subsequently adjusted by suppliers, the rates will change, however, the total cost of the scheme will not. You can use the actual price per container to calculate your actual cost at the time the December invoice was run.

Going forward, it is recommended that you multiply your most recently published market share by the most recently published total cost for the relevant period as this will take into consideration multiple true ups.

### 3. Quarterly True Up Market Share Adjustment

The quarterly true up process focuses solely on the difference in the forecast costs associated with the MRF collections and the cost for the actual containers claimed by the MRFs in their quarterly processing claims.

The costs provided in the tables above are driven by the number of containers claimed by the MRFs during the quarter. The forecast volume is an input to the calculation of the advanced contribution prices published each month by the Scheme Coordinator. These forecasts are then entered into the portal to provide a reference point for the true up calculations.

As with monthly contributions, unit rates are not used to determine adjustments for suppliers. The true up adjustment is determined by calculating the actual market share of the actual costs for each supplier and deducting the forecast market share of the forecast costs for each supplier.

Please find below and overleaf tables relating to the MRF claim by month.

#### 3.1 July 2018

The following table summarises the volumes and costs by container material type for July 2018:

Container Material Type	Forecast Volumes Jul 2018	Actual Volumes Jul 2018	Forecast Cost (\$) Jul 2018	Actual Cost (\$) Jul 2018	MRF True Up Adjustment (\$) Jul 2018
Aluminium	24,648,012	10,855,003	\$ 2,240,728	\$ 956,515	\$ 1,284,213
Glass	21,451,500	22,259,165	\$ 1,950,136	\$ 1,961,420	-\$ 11,284
HDPE	1,695,456	430,736	\$ 154,132	\$ 37,955	\$ 116,177
PET	20,582,820	11,882,671	\$ 1,871,165	\$ 1,047,070	\$ 824,095
Liquid Paper Board	4,843,692	-	\$ 440,336	\$ -	\$ 440,336
Steel	50,940	-	\$ 4,631	\$ -	\$ 4,631
Other Plastics	23,112	-	\$ 2,101	\$ -	\$ 2,101
Other materials	15,192	-	\$ 1,381	\$ -	\$ 1,381
<b>Total</b>	<b>73,310,724</b>	<b>45,427,575</b>	<b>\$ 6,664,611</b>	<b>\$ 4,002,961</b>	<b>\$ 2,661,651</b>





### 3.2 August 2018

The following table summarises the volumes and costs by container material type for August 2018:

Container Material Type	Forecast Volumes Aug 2018	Actual Volumes Aug 2018	Forecast Cost (\$) Aug 2018	Actual Cost (\$) Aug 2018	MRF True Up Adjustment (\$) Aug 2018
Aluminium	31,923,180	9,112,411	\$ 2,902,107	\$ 802,962	\$ 2,099,145
Glass	25,736,796	23,658,234	\$ 2,339,709	\$ 2,084,703	\$ 255,006
HDPE	1,914,588	619,045	\$ 174,053	\$ 54,549	\$ 119,505
PET	25,470,576	13,698,111	\$ 2,315,507	\$ 1,207,042	\$ 1,108,465
Liquid Paper Board	5,278,356	-	\$ 479,851	\$ -	\$ 479,851
Steel	62,568	-	\$ 5,688	\$ -	\$ 5,688
Other Plastics	13,608	-	\$ 1,237	\$ -	\$ 1,237
Other materials	6,732	-	\$ 612	\$ -	\$ 612
<b>Total</b>	<b>90,406,404</b>	<b>47,087,801</b>	<b>\$ 8,218,764</b>	<b>\$ 4,149,256</b>	<b>\$ 4,069,508</b>

### 3.3 September 2018

The following table summarises the volumes and costs by container material type for September 2018:

Container Material Type	Forecast Volumes Sep 2018	Actual Volumes Sep 2018	Forecast Cost (\$) Sep 2018	Actual Cost (\$) Sep 2018	MRF True Up Adjustment (\$) Sep 2018
Aluminium	29,671,848	13,044,794	\$ 2,697,441	\$ 1,149,474	\$ 1,547,967
Glass	22,550,328	22,803,634	\$ 2,050,030	\$ 2,009,397	\$ 40,632
HDPE	1,927,008	394,222	\$ 175,183	\$ 34,738	\$ 140,445
PET	23,765,904	11,167,744	\$ 2,160,537	\$ 984,073	\$ 1,176,464
Liquid Paper Board	4,858,992	-	\$ 441,727	\$ -	\$ 441,727
Steel	41,364	-	\$ 3,760	\$ -	\$ 3,760
Other Plastics	12,132	-	\$ 1,103	\$ -	\$ 1,103
Other materials	4,644	-	\$ 422	\$ -	\$ 422
<b>Total</b>	<b>82,832,220</b>	<b>47,410,394</b>	<b>\$ 7,530,202</b>	<b>\$ 4,177,682</b>	<b>\$ 3,352,520</b>

