

Scheme Payments and Contribution Methodology

1 Introduction

1.1 Meanings

In this Scheme Payments and Contribution Methodology unless the context indicates to the contrary:

- (a) all capitalised terms that are defined in clause 1.3 will have the meaning given to them in that clause;
- (b) capitalised terms used in this Scheme Payments and Contribution Methodology and not defined in it have the meaning given to those terms in the Act; and
- (c) references to clauses are references to clauses in this Scheme Payments and Contribution Methodology.

1.2 Interpretation

In this Scheme Payments and Contribution Methodology headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:

- (a) an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;
- (b) "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a party includes that party's executors, administrators, successors, permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (d) a reference to a document (including this Scheme Payments and Contribution Methodology) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause, section, schedule, exhibit, attachment or annexure is a reference to a party, clause, section, schedule, exhibit, attachment or annexure to or of this Scheme Payments and Contribution Methodology, and a reference to this Scheme Payments and Contribution Methodology includes all schedules, exhibits, attachments and annexures to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) no rule of construction applies to the disadvantage of a party on the basis that the party put forward this Scheme Payments and Contribution Methodology or any part thereof;

- (j) if the day on or by which anything is to be done in accordance with this Scheme Payments and Contribution Methodology is not a Business Day, that thing must be done no later than the next Business Day;
- (k) other than as set out in clause 1.2(k) a reference to "day" is a reference to a calendar day, a reference to "week" is a reference to a calendar week, a reference to "month" is a reference to a calendar month and a reference to "quarterly" is a reference to 3 monthly;
- (l) the words "including" and "includes", and any variants of those words, will be read as if followed by the words "without limitation";
- (m) the meaning of "or" will be that of the inclusive, being one, some or all of a number of possibilities;
- (n) the word "subcontractor" will include all suppliers, contractors and consultants;
- (o) a reference to "\$" or "dollar" is to Australian currency;
- (p) a reference to time is a reference to the then current time in Sydney, Australia;
- (q) a reference to a right includes any benefit, remedy, discretion, authority or power;
- (r) a reference to an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;
- (s) the term "may", when used in the context of a power, right or remedy exercisable by a party, means that the party can exercise that power, right or remedy in its absolute and unfettered discretion, and the party has no obligation to the other party to do so; and
- (t) where there is a reference to an authority, institute or association or other body referred to in this Scheme Payments and Contribution Methodology which:
 - (i) is reconstituted, renamed or replaced or if its powers or functions are transferred to, or assumed by, another entity, this Scheme Payments and Contribution Methodology is deemed to refer to that other entity; or
 - (ii) ceases to exist, this Scheme Payments and Contribution Methodology is deemed to refer to that new entity which serves substantially the same purpose or object as the former entity.

1.3 Definitions

Term	Meaning
Act	The <i>Waste Avoidance and Resource Recovery Act 2001</i> (NSW)
Actual Container Volumes	means, as the context requires, either the volume of Containers: <ul style="list-style-type: none"> a) determined by the Network Operator and reported to the Scheme Coordinator pursuant to clause 6.7(d)(iv); b) actually supplied by the Supplier in the relevant period as reported by the Supplier, in the Supplier Statements provided under clause 9.4 of the Supply Arrangement;

- c) actually agreed to have been recovered through the MRFs in a quarter in accordance with the Processing Refund Protocol.

Administration Fee	means the fee calculated in accordance with clause 3.1.
Arrears Period	has the meaning given in clause 4.14(a).
Assumed Container Recovery Rates	means the percentage of Containers expected to be collected by the Scheme (whether through Collections Points, the Material Recovery Facility Operators or the Network Operator) in a Billing Period relative to the volume of Containers supplied by all Suppliers during the same Billing Period.
Audit Adjustment	means the adjustment to the Supplier Contribution, Network Fee or Refund Amounts calculated by the Scheme Coordinator in accordance with clauses 4.5(g) or 6.5(d).
Bad Debt Amounts	has the meaning given in clause 4.3(h).
BBSW	means the 3-month bank bill swap reference rate (Mid) as published by the Australian Stock Exchange (ASX) on the first Business Day of the month in which an amount payable is due. For example, if an amount is due in November 2017, the BBSW is as published on the first Business Day of November 2017.
Billing Period	means the time period covered by an invoice issued in accordance with the terms of this Scheme Payments and Contribution Methodology and the Scheme Coordination Agreement, the Network Arrangement, Network Operator Agreement or, the Supply Agreement or the Processing Refund Protocol as the case may be.
Business Day	means a day that is not: <ul style="list-style-type: none">a) a Saturday, Sunday; orb) public holiday for Sydney under the <i>Public Holidays Act 2010</i> (NSW).
Collection Point	has the meaning given in the Network Operator Agreement.
Collection Point Operator	has the meaning given in the Network Operator Agreement.
Container	has the meaning given in section 22 of the Act.
Container Export Protocol	means the protocol of that or a similar name which is made available by the Scheme Coordinator.
Estimated Container Volumes	means the amount calculated in accordance with clause 6.2(a).

Estimated Monthly Container Volumes (by Material Type)	means the estimated volume of Containers by Material Type to be collected across Zones 1 to 7 by each Network Operator calculated in accordance with clause 4.6(a).
Export Payments	means amounts payable from the Scheme Coordinator to Exporters.
Export Supply Deed Poll	means the deed poll of that or similar name made available by the Scheme Coordinator.
Exporters	means the parties that have executed an Export Supply Deed Poll.
Export Supply Statement	has the meaning given in the Container Export Protocol.
Forecast Container Volume by Supplier	means for the relevant period, the amount calculated in accordance with clause 4.6(c).
Forecast Container Volume for all Suppliers	means for the relevant period, the amount calculated in accordance with clause 4.6(c).
Forecast Monthly Network Fee (by Material Type)	means the fee payable to the Network Operator calculated in accordance with clause 4.3(d).
Forecast Network Fee	means or the relevant Billing Period, the amount calculated in accordance with clause 6.2.
Forecast Processing Refund Amount	means for the relevant Billing Period, the amount calculated in accordance with clause 4.3(e).
Forecast Refund Amount	means the amount determined in accordance with clause 6.3.
Interim Supplier Contribution	means amounts payable by Suppliers calculated in accordance with clause 4.10.
Interim Supplier Contribution Invoice	means an invoice for an Interim Supplier Contribution issued pursuant to clause 4.10.
Liquidity Buffer	has the meaning given in the Scheme Coordinator Services Specification.
Market Share	means the volume of Containers (by Material Type, or in aggregate) supplied by a Supplier in a relevant period as a percentage of the total volume of Containers (by the same Material Type or in aggregate as relevant) supplied by all Suppliers in the same period.

Market Share Adjustment	means the adjustment to the monthly Supplier Advance Contribution calculated by the Scheme Coordinator in accordance with clause 4.5(e).
Material Type	<p>means a material type of a Container, limited to the following types, as enumerated in Schedule 10 of the Network Operator Agreement:</p> <ul style="list-style-type: none"> • Glass; • PET; • HDPE; • Aluminium; • Liquid Paper Board; • Steel; • Other Plastics (incorporating plastics not PET or HDPE); or • Other Materials (incorporating non-plastics not glass, aluminium, liquid paper board or steel), <p>where this Scheme Payments and Contribution Methodology requires calculations for or by each Material Type, the calculation should be made for each of the material type categories included in this definition.</p>
MRFO	Material Recovery Facility Operators.
MRF Protocol	means Container Deposit Scheme Material Recovery Facility Processing Refund Protocol.
Network Fee Adjustment	means for the relevant month, the amount calculated in accordance with clause 4.3(d).
Network Fee	has the meaning given in the Network Operator Agreement.
Network Operator	means Tomra Cleanaway Pty Limited (ACN 620 427 116).
Network Operator Agreement	means the Agreement between the State and the Network Operator.
Network Operator Financial Penalty	Any financial penalty incurred by the Network Operator in accordance with clause 20.1 of the Network Operator Agreement.
Network Payments	Payments made by the Scheme Coordinator to the Network Operator pursuant to clause 6.

Network Payments Account	has the meaning given in the Network Operator Agreement.
Payment Certificate	is the certificate issued in accordance with clause 6.8.
Payment Claim	A claim submitted under clause 6.7.
Penalty Interest Rate	BBSW + 200 basis points.
Processing Refund Amount	The amount paid per Container to the Eligible Material Recovery Facility Operators being the Refund Amount.
Recovery Amount	has the meaning set out in clause 4.3(g).
Refund Amount	means the amount prescribed in section 6 of the Regulation.
Regulation	means the <i>Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulation 2017</i> (NSW) and any other Regulation made under Part 5 of the Act.
Related Body Corporate	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).
Scheme	has the meaning given in the Act.
Scheme Commencement Date	means 1 December 2017 or such other date as is determined by the State.
Scheme Compliance Fee	The amount payable to the State as set out in Part 2 of Schedule 7 to the Scheme Coordinator Agreement.
Scheme Coordinator	Exchange for Change (NSW) Pty Ltd ACN 620 512 469.
Scheme Coordinator Agreement	The agreement of that name between the State and the Scheme Coordinator.
Scheme Coordinator Fee	The amount payable to the Scheme Coordinator as set out in Schedule 7 to the Scheme Coordinator Agreement.
Scheme Coordinator Financial Penalty	Any financial penalty incurred by the Scheme Coordinator in accordance with clause 20.1 of the Scheme Coordinator Agreement.
Scheme Objectives	The State is seeking to implement a container deposit scheme in New South Wales so as to: <ul style="list-style-type: none"> i. recognise the responsibility that the beverage industry shares with the community for reducing and dealing with waste generated by beverage product packaging;

- ii. establish a cost effective State-wide container deposit scheme to assist the beverage industry to discharge that responsibility and to promote the recovery, reuse and recycling of empty Containers;
- iii. provide for the establishment of a Scheme Coordinator and Network Operators with responsibility for the administration of the Scheme;
- iv. provide for the payment of a Refund Amount to persons depositing at Collection Points empty Containers that are subject to the Scheme;
- v. provide for the establishment of a cost recovery scheme administered by the Scheme Coordinator under which Suppliers agree to make contributions towards the cost of paying those Refund Amounts;
- vi. prohibit the supply of beverages in Containers that are subject to the Scheme by Suppliers who have not agreed with the Scheme Coordinator to make those contributions; and
- vii. prohibit the supply of beverages in Containers of a kind that are not approved by the NSW Environment Protection Authority.

Scheme Payments Account	The account referred to in clause 13.2 of the Scheme Coordinator Agreement.
Share of Interest pass-through	has the meaning given in clause 4.3(f).
State	The Crown in right of the State of New South Wales
Supplier	Any entity that has entered into a Supply Arrangement with the Scheme Coordinator.
Supplier Advance Contribution	The amounts calculated in accordance with clause 4.3 or 4.13(b).
Supplier Contribution Adjustment	has the meaning given in clause 4.5.
Supplier Invoice	has the meaning given in the Supply Arrangement.
Supplier Penalty Interest Rate	BBSW + 500 basis points.
Supplier Statements	Statement of the actual Containers provided by a Supplier in accordance with the reporting requirement under clause 9.4 of the Supply Arrangement.

Supplier Actual Reported Market Share	as determined on the basis of the volumes actually supplied by each Supplier (as reported under clause 9.4 of the Supply Arrangement).
Supplier's Estimated Market Share	for the relevant period the amount calculated in accordance with clause 4.6(c)(i).
Tax Invoice	has the meaning given in a <i>New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Trust Assets	has the meaning given in clause 13.2 of the Scheme Coordinator Agreement
Supply Arrangement	has the meaning given in the Act.
Zone	means each of Zone 1, Zone 2, Zone 3, Zone 4, Zone 5, Zone 6 and Zone 7 and "Zones" means all of them as defined in the Scheme Coordinator Agreement.

2 Scheme Payments Account

- 2.1 The Scheme Coordinator must establish and maintain a Scheme Payments Account in accordance with the requirements of clause 5.3(a) of the Scheme Coordinator Services Specification.
- 2.2 The Scheme Coordinator must use the Scheme Payments Account solely for the purpose of:
- a) receiving payments made by Suppliers pursuant to clause 4;
 - b) receiving funds from the Liquidity Buffer pursuant to clause 4.11(a);
 - c) receiving interest on the Scheme Payments Account;
 - d) making payments, to the extent any such payments are due, in the following order:
 - i. Network Payments;
 - ii. Amounts payable to the State pursuant to clause 8.2(c)(i);
 - iii. Amounts payable to the Scheme Coordinator itself pursuant to clause 8.2(c)(ii);
 - iv. Processing Refund Amounts;
 - v. The third-party costs of undertaking the sampling plan prepared under the MRF Protocol conducted by the Scheme Coordinator on a MRFO referred to in clause 7.1(e);
 - vi. Administration Fees;
 - vii. Export Payments;
 - viii. Amounts payable to the State pursuant to clause 8.2(a)(i);
 - ix. Amounts payable to the Network Operator pursuant to clause 8.2(a)(ii);

- x. Scheme Compliance Fees;
- xi. Replenishment of the Scheme Liquidity Buffer pursuant to clause 4.11;
- xii. any amount for which the Scheme Coordinator is entitled to be indemnified from the Trust Assets in its capacity as trustee of the trust referred to in clause 13.2(b) of the Scheme Coordinator Agreement,

and must not use the Scheme Payments account to pay the operating expenses of the Scheme Coordinator or for any other purposes.

3 Administration Fee

3.1 Invoice

- a) The Scheme Coordinator must issue on the first Business Day of each calendar month, a statement for the Administration Fee.
- b) The Administration Fee for a month is calculated as follows:
 - i. the Scheme Coordinator Fee for that month; plus
 - ii. the Recovery Amounts paid in the previous month; plus
 - iii. the non-administration fee for external audit.
- c) A copy of the statement must be sent by email to the State.

3.2 First Statement

- a) The statement for the first Administration Fee will be issued on the Scheme Commencement Date.

3.3 Payment

Subject to clause 8.2, the Scheme Coordinator must pay to itself the amount set out in each statement it issues pursuant to clause 3.1 from the Scheme Payments Account on the first Business Day of each month.

4 Contributions from Suppliers

- 4.1 A Supplier must pay the Scheme Coordinator all amounts that it is required by this clause 4 to pay, which the Scheme Coordinator must ensure are deposited into the Scheme Payments Account.
- 4.2 The Scheme Coordinator must calculate the amounts required by this clause 4 to be paid by Suppliers in accordance with the methodology set out in this clause 4 using reasonable assumptions, in accordance with:
 - a) the Scheme Coordinator's contractual obligations with respect to fair dealing between Scheme Participants;
 - b) the matters set out in section 25(3)(b) of the Act; and
 - c) the Scheme Objectives.

4.3 Supplier Advance Contributions

- a) Each Supplier's Advance Contribution for a calendar month is calculated as the sum of that Supplier's:
- i. Share of Scheme Coordinator Fee, as calculated in clause 4.3(b);
 - ii. Share of Scheme Compliance Fee, as calculated in clause 4.3(c);
 - iii. Share of Forecast Monthly Network Fee and Forecast Monthly Refund Amounts, as calculated in clause 4.3(d);
 - iv. Share of Forecast Processing Refund Amounts, as calculated in clause 4.3(e);
 - v. Share of Interest pass-through costs, as calculated in clause 4.3(f);
 - vi. Share of Recovery Amounts as calculated in clause 4.3(g);
 - vii. Share of Bad Debt Amounts as calculated in clause 4.3(h).
 - viii. Share of Forecast Export Payments as calculated in clause 4.4(i).

b) Share of Scheme Coordinator Fee

Share of Scheme Coordinator Fee = Supplier's Estimated Market Share for the relevant month x Scheme Coordinator Fee for the relevant month

Where:

Supplier's Estimated Market Share is calculated using aggregated Container volumes in accordance with clause 4.6(c)(i).

Scheme Coordinator Fee is the amount calculated under clause 3.1(b)(i) for the relevant month.

c) Share of Scheme Compliance Fee

Share of Scheme Compliance Fee = A x C

Where:

A = Supplier's Estimated Market Share for the relevant month which is calculated using aggregated Container volumes in accordance with clause 4.6(c)(i).

C = Scheme Compliance Fee for the relevant month.

d) Share of Forecast Monthly Network Fee and Forecast Monthly Refund Amounts

- i. **Share of Forecast Monthly Network Fee** is the sum of the Supplier's Share of Forecast Monthly Network Fee for each Material Type in each Zone.

Share of Forecast Monthly Network Fee for a Material Type in a Zone is calculated as $D \times E \times F$

Where:

D = Supplier's Estimated Market Share for the relevant month which is calculated by Material Type in accordance with clause 4.6(c)(i).

E = Estimated Monthly Container Volumes (for the Material Type in the Zone, determined in accordance with clause 4.6(a)).

F = the value payable for each Container of the Material Type in the Zone set out in Schedule 10 to the Network Operator Agreement.

- ii. **Share of Forecast Monthly Refund Amounts** is the sum of the Supplier's Share of Forecast Monthly Refund Amounts for each Material Type.

Share of Forecast Monthly Refund Amounts for a Material Type = $D \times F \times G$

Where:

D = Supplier's Estimated Market Share for the relevant month which is calculated by Material Type in accordance with clause 4.6(c)(i)

F = Estimated Monthly Container Volumes for the relevant month for the Material Type calculated in accordance with clause 4.6(a).

G = Refund Amount.

e) **Share of Forecast Processing Refund Amounts**

- i. The Forecast Processing Refund Amount is an estimate of the amount to be paid to MRFOs quarterly in arrears, in accordance with clause 7 assuming no deduction is made to clause 7.1(e).
- ii. A Supplier's share of Forecast Processing Refund Amounts is the sum of the Supplier's Share of Forecast Processing Refund Amounts for each Material Type.

Share of Forecast Processing Refund Amounts for a Material Type = $D \times H \times J/3$

Where;

D = Supplier's Estimated Market Share (in the relevant quarter by the Material Type, as calculated under clause 4.6(c)).

H = Forecast MRFO Container Volumes (in the relevant quarter of the Material Type, calculated in accordance with 4.6(b)).

J = Processing Refund.

- iii. The Forecast Processing Refund Amount is to be converted to a monthly amount on a straight line pro-rata basis and is to be recovered from Suppliers over the relevant quarter.

f) **Share of Interest pass-through**

Share of Interest pass-through = Supplier's Estimated Market Share x Net Interest

Where:

Supplier's Estimated Market Share for the relevant month is calculated using aggregated Container volumes in accordance with clause 4.6(c)(i).

Net Interest = J - K - L

Where:

J = Interest paid by the Scheme Coordinator in relation to a drawing on the Liquidity Buffer that has not been included in a previous Share of Interest pass-through calculation.

K = Interest paid into the Scheme Payment Account that has not been included in a previous Share of Interest pass-through calculation, including interest that has been paid by a Supplier under clauses 4.5(h), 4.14 and 4.15; and

L = The amount of any deductions under clause 6.8(b) for interest earned on the Network Payments Account that has not been included in a previous Share of Interest pass-through calculation.

g) Share of Recovery Amounts

Share of Recovery Amounts = Supplier's Market Share x Recovery Amounts for the month prior to the relevant month

Recovery Amounts are the reasonable third-party costs paid by the Scheme Coordinator to recover amounts payable to the Scheme by a Supplier under its Supply Arrangement.

Supplier's Market Share is the market share on an aggregated basis calculated, if ascertainable, using the Supplier's Actual Reported Market Share in accordance with clause 4.5(e)(ii) or otherwise using the Supplier's Estimated Market Share in accordance with clause 4.6(c)(i) for the period when the Recovery Amounts were incurred.

h) Share of Bad Debt Amounts

Share of Bad Debt Amounts = Supplier's Market Share x Bad Debt Amounts

where:

Bad Debt Amounts are outstanding amounts due from one or more Suppliers:

- i. when the relevant Supply Arrangement is terminated; or
- ii. that are written off by the Scheme Coordinator as bad debts in the month prior to the relevant month; and

Supplier's Market Share is the market share on an aggregated basis calculated, if ascertainable, using the Supplier's Actual Reported Market Share in accordance with clause 4.5(e)(ii) or otherwise using the Supplier's Estimated Market Share in accordance with clause 4.6(c)(i) for the month in which the amount due from a Supplier that is the subject of a Bad Debt Amount originally fell due.

i) Share of Forecast Export Payments

- i. The Forecast Export Payments for each Material Type is an estimate of the aggregate Export Payments to be paid in respect of Exports made in the operating month, in accordance with the Container Export Protocol, for that Material Type.
- ii. A Supplier's share of Forecast Export Payments is the sum of the Supplier's Share of Forecast Export Payments for each Material Type.

Share of Forecast Export Payments for a Material Type = M x N

Where;

M = Supplier's Estimated Market Share for the relevant month by Material Type, as calculated under clause 4.6(c).

N = Forecast Export Payments for the relevant month for the Material Type, calculated in accordance with 4.6(d).

4.4 Supplier Invoice Amounts

The amount of a Supplier Invoice for a month is to be calculated as the sum of:

- i. the Supplier Advance Contribution for that Supplier calculated in accordance with clause 4.3 for the period to which the Supplier Invoice relates; and
- ii. the adjustments for that Supplier for previous months calculated in accordance with clause 4.5.

4.5 Supplier Contribution Adjustments

- a) Supplier Advance Contributions for a month are calculated based on estimated Scheme costs and a Supplier's Estimated Market Share. To the extent there are differences between these estimates and the actual Scheme costs or actual Market Shares, there will need to be an adjustment to the Supplier Advance Contribution (**Supplier Contribution Adjustment**) in a subsequent Supplier Invoice calculated in accordance with this clause 4.5.
- b) The value of a Supplier Contribution Adjustment will be equal to the difference between the value of the Supplier Advance Contributions calculated under clause 4.3 based on:
 - i. Estimated Scheme Costs and a Supplier's Estimated Market Shares; and
 - ii. Actual Scheme Costs and a Supplier's Actual Reported Market Share.
- c) A Supplier Contribution Adjustment will be separately itemised on a Supplier Invoice (under clause 4.4) and will include the data upon which the adjustment has been calculated.
- d) Supplier Contribution Adjustments will be calculated on either a monthly, quarterly or six (6) monthly basis, reflecting the billing or Container redemption cycle of the relevant Scheme Cost component as set out in clauses 4.5(e) to 4.5(g).
- e) **Monthly adjustments:** Each Supplier Invoice (under clause 4.4) will include an amount to adjust for:
 - i. **Container Volume Adjustments**, being the difference between:
 - Actual Monthly Container Volumes (for each Material Type in each Zone) recovered by Network Operators during a previous month as reported under clause 6.7(d)(iv); and
 - Estimated Monthly Container Volumes (by Material Type) as calculated under clause 4.6(a) and used to calculate Supplier Advance Contributions for that month.
 - ii. **Market Share Adjustments**, being the difference between:
 - A Supplier's Actual Reported Market Share (in total and by Material Type) calculated using the same methodology as set out in clause 4.6(c)(i) but

using Actual Container Volumes rather than Forecast Container Volumes and based on historical Container volumes (by Material Types) supplied for the three months ending with the operating month (inclusive) based on the data provided by Suppliers under the Supply Arrangement; and

- A Supplier's Estimate Market Share (calculated in accordance with clause 4.6(c)(i)) and used to calculate the Supplier Advance Contributions for that month.
 - The Market Share Adjustment will be used to recalculate all Supplier Advance Contribution cost components under clause 4.3.
- iii. **Recovery Amount Adjustment:** If Recovery Amounts are recovered from a defaulting Supplier in the month prior to the month in which the Supplier Invoice is issued, the recovered funds will be a credit in that Supplier Invoice for those Suppliers who paid any invoice which included an amount on account of those Recovery Amounts. The amount credited will be in the same proportion to the relevant Suppliers' contributions to the Recovery Amounts.
- iv. **Bad Debt Amounts Adjustment:** If amounts are subsequently recovered in respect of a Bad Debt Amount, the recovered funds will be offset against the next Supplier Invoice for those Suppliers who paid any invoice in the month in which the amount due from a Supplier that is the subject of a Bad Debt Amount originally fell due. The amount offset will be in the same proportion to the relevant Supplier's Market Share on an aggregated basis calculated, if ascertainable, using the Supplier's Actual Reported Market Share in accordance with clause 4.5(e)(ii) or otherwise using the Supplier's Estimated Market Share in accordance with clause 4.6(c)(i) for that month.
- v. **Interim Supplier Contribution Adjustment:** If funds are subsequently recovered from a defaulting Supplier in the month prior to the month in which the Supplier Invoice is issued, the recovered funds will be a credit in that Supplier Invoice for those Suppliers who paid an invoice in respect of an Interim Supplier Contribution or any other invoice issued to a Supplier which included an amount in respect of that defaulting Supplier's contribution. The amount credited will be in the same proportion to the relevant Suppliers' contributions in the original invoices.
- vi. **Supplier Contribution in Arrears Adjustment:** Any amounts, other than interest, recovered under clause 4.14 are to be a credit in the next Supplier Invoice under clause 4.4 issued to those Suppliers who had paid Supplier Invoices during the Arrears Period.
- vii. **Trustee Indemnity Adjustment:** Any amount for which the Scheme Coordinator is entitled to be indemnified from the Trust Assets in its capacity as trustee of the trust referred to in clause 13.2(b) of the Scheme Coordinator Agreement will be apportioned in the month after it is paid between Suppliers by aggregate Market Share using the Supplier's Actual Reported Market Share in accordance with clause 4.5(e)(ii) for the relevant period to which the amount the subject of the indemnity relates.
- viii. **Export Payments Adjustment:** being the difference between Forecast Export Payments and actual Export Payments in respect of a previous operating month
- f) **Quarterly Processing Refund Volume Adjustments:** On a quarterly basis, the first Supplier Invoice (under clause 4.4) issued after the Scheme Coordinator has made the quarterly payments to MRFOs pursuant to clause 7.1, will also include an amount to adjust for differences between:

- i. The agreed volume of Containers (by Material Type) under the Processing Refund Protocol agreed to have been collected by MRFOs in the quarter for which they were paid; and
- ii. The Forecast Processing Refund Volumes (calculated under clause 4.6(b)) used to calculate the Forecast Processing Refund Amounts included in the Supplier Advance Contributions calculations for the same quarter.

Quarterly Processing Refund Volume Adjustments will be calculated based on the actual Market Share of Suppliers by Material Type in the quarter over which the Containers were deemed to be collected in accordance with clause 4.5(e) and will be calculated on the assumption that no deductions are made pursuant to clause 7.1(e).

Quarterly Processing Refund Volume Adjustments will be used to recalculate a Supplier's share of Forecast Processing Refund Amounts under clause 4.3(e).

- g) **Half-yearly Audit Adjustments:** Invoices issued on 1 January and 1 June (or as otherwise determined by the Scheme Coordinator acting reasonably in consultation with the State) will include adjustments to reflect the results of findings in respect of audits of Suppliers, Network Operators and Collection Points completed in the prior six (6) month period (**Audit Adjustment Period**). The adjustment will be made to reflect:
 - i. the difference between:
 - Actual Container Volumes recovered through Network Operators and MRFOs in a relevant period, as determined by the audits; and
 - Container volumes assumed for the purpose of the calculation of Supplier Advance Contributions in respect of that same period, including any adjustments previously made to those amounts under clause 4.5(e) and (f);
 - ii. the difference between:
 - a Supplier's Actual Reported Market Share percentage (in total and by Material Type) as recalculated by the Scheme Coordinator (in accordance with the methodology set out in clause 4.6(c)), based on the Actual Container Volumes supplied by each Supplier, as reported under clause 9.3 of the Supply Arrangement, and adjusted to include any audit findings under 4.5(g)(i); and
 - the Supplier's Estimated Market Share (calculated under clause 4.6(c) and used to calculate the Supplier Advance Contributions in respect of that same period, including any adjustments previously made to those amounts under clause 4.5(e).
- h) **Specific audit finding:** Where the results of an audit have identified that the aggregate number of Containers supplied in the State by a Supplier have been understated in a Supplier Statement provided to the Scheme Coordinator under clause 9.4 of its Supply Arrangement, the amount of that understatement will be used to make an adjustment to that Supplier's Market Share in respect of the period to which the understatement relates. This adjusted Market Share will be used to recalculate all Supplier Advance Contribution cost components under clause 4.3 and the amount so determined (**Supplier Adjustment Amount**) will be included in the Supplier's next Supplier Invoice together with interest as though the adjustment amounts are late payments, calculated under clause 4.14.

4.6 Principles for forecasting

a) **Forecasting Network Volumes**

Estimated Monthly Container Volumes (by Material Type) is the estimated volume of Containers (by Material Type) to be collected (during the relevant Billing Period) in each of Zones 1 to 7 and in aggregate by the Network Operator.

The Scheme Coordinator for the first three (3) Supplier Invoices is to calculate Estimated Monthly Container Volumes (by Material Type) by reference to:

- Historical Container volumes by Material Type (for the comparable Billing Period in the prior year) based on container volume data provided under the Supply Arrangement;
- Assumed Container Recovery Rates through the Scheme (whether through the Material Recovery Facility Operators or the Network Operator) as reasonably determined by the Scheme Coordinator.

For the fourth and subsequent Supplier Invoices, the Scheme Coordinator is to calculate the Estimated Monthly Container Volumes (by Material Type) by reference to the weekly Actual Container Volumes (by Material Type) data supplied by the Network Operator in accordance with clause 6.7(d)(iv).

The Scheme Coordinator may also (acting reasonably) take into consideration any other historical Container volume data provided to the Scheme Coordinator under the Supply Arrangement or the Network Arrangement.

The Scheme Coordinator will use this data to estimate the volume of Containers (by Material Type) to be collected by Network Operators for the next Billing Period.

b) **Forecast Processing Refund Volumes**

The Scheme Coordinator will estimate the volume of Containers expected to be collected by Material Recovery Facility Operators during a quarter based on:

- Information provided by Material Recovery Facility Operators under the MRF Protocol; or
- Any other information determined by the Scheme Coordinator as providing a reasonable basis to estimate the volume of Containers to be collected by Material Recovery Facility Operators during the relevant Billing Period.

c) **Estimated Market Share**

- i. A Supplier's Estimated Market Share will be calculated by the Scheme Coordinator based on the number of Containers supplied (either by aggregated Container volumes or by aggregated Container volumes by Material Type as required in the formulas in clause 4.3) as follows:

$$\text{Supplier's Estimated Market Share} = M \div N$$

where:

M = Forecast Container Volume supplied by the Supplier (for the three-month period ending with the operating month inclusive); and

N = Forecast Container Volume supplied by all Suppliers (for the same period).

- ii. Each Supplier's Estimated Market Share is to be calculated using historical Container volumes supplied. Subject to 4.6(c)(iii), the calculation should be based on the most recent three months of data provided by Suppliers under the Supply Arrangement.

- iii. In calculating a Supplier's Estimated Market Share under this clause 4.6(c) the Scheme Coordinator may take into consideration seasonal trends by using historical Container volumes data for the corresponding quarter in the previous year (instead of the most recent three months), where the Scheme Coordinator, acting reasonably, believes that doing so will provide better estimates of Suppliers' market shares. Where this is done, the same consideration must be taken into account for all Suppliers and the period used must be three consecutive months.
- iv. In calculating the Supplier's Estimated Market Share the data used must be:
 - for the same period (as determined by the Scheme Coordinator) (except where a Supplier entered the market after the end of the period, in which case the Scheme Coordinator will select the months of data to use for that Supplier, acting reasonably with the aim to produce the best estimate of market share); and
 - taken from the same data source.

d) **Estimated Export Payments**

The Scheme Coordinator will estimate the Export Payments for a particular month based on

- The terms of the Container Export Protocol;
- Previous Export Supply statements submitted by Exporters under the Export Supply Deed Poll; and
- Any other information determined by the Scheme Coordinator as providing a reasonable basis to estimate the volume of Containers to be exported by Exporters during the relevant Billing Period

4.7 Not used

4.8 Supplier non payment

In the event a Supplier fails to pay or is unable to pay a Supplier Invoice, and there is a risk of there being insufficient funds in the Scheme Payment Account to meet the costs of the Scheme during a month, the Scheme Coordinator may issue an Interim Supplier Contribution Invoice in accordance with the requirements of clause 4.10.

4.9 Monthly Supplier Invoice

- a) The Scheme Coordinator must give the Supplier a Supplier Invoice calculated in accordance with clause 4.4 on the first Business Day of the calendar month in accordance with clause 9.3 of the Supply Arrangement.
- b) Month to which a Supplier Invoice relates
- c) The month to which a Supplier Invoice relates is the calendar month immediately after the month in which the Supplier Invoice is issued. For example, an invoice issued on 1 November 2017 relates to December 2017 and will include the Supplier Advance Contribution in respect of December 2017.

4.10 Interim Supplier Contribution

- a) If the Scheme Coordinator subsequently identifies, after the issue of a Supplier Invoice, the invoiced Supplier Contributions for a month will not cover the Scheme costs until the next anticipated receipt of payment from Suppliers, the Scheme Coordinator will be entitled to issue an Interim Supplier Contribution Invoice to ensure each Supplier's total financial contribution for each month reflects such costs.
- b) Interim Supplier Contributions are to be calculated using a methodology consistent with the process and formulae outlined in clause 4.3, on the basis of their Estimated Market Share (adjusted to exclude any Suppliers who have failed to pay a Supplier Invoice generating the need for an Interim Supplier Contribution).
- c) The Scheme Coordinator must notify each Supplier by email and in writing as soon as it becomes aware of the need to issue an Interim Supplier Contribution Invoice. The Scheme Coordinator must provide the Suppliers sufficient information to understand the factors that have contributed to the need for an Interim Supplier Contribution and guidance as to the potential amount of the Interim Supplier Contribution Invoice.
- d) A Supplier must pay an Interim Supplier Contribution Invoice within seven (7) calendar days of receipt.

4.11 Replenishment of Scheme Liquidity Buffer

- a) The Scheme Coordinator must use the Scheme Liquidity Buffer on an interim basis to fund the payment of Scheme costs when there are insufficient funds in the Scheme Payments Account to meet Scheme costs.
- b) The Scheme Coordinator may issue (at any time) an Interim Supplier Contribution Invoice under clause 4.10 to recover the value of any funds drawn from the Scheme Liquidity Buffer to pay Scheme costs.
- c) Suppliers will be invoiced a proportion of the amount to be recovered to replenish the Scheme Liquidity Buffer under this clause 4.11 based on the Supplier's Estimated Market Share as calculated in accordance with clause 4.6(c). The Scheme Liquidity Buffer must be replenished using funds from the Scheme Payments Account as these invoices are paid.

4.12 Existing Supplier

- a) If a Supplier (that is supplying beverages in New South Wales prior to 1 October 2017) enters into a Supply Arrangement after 1 October 2017, but before 1 November 2017 (**Existing Supplier**), the Supplier Advance Contribution for the Existing Supplier for the first month that the Supplier is invoiced will include an extra 2 cents per Container.
- b) The Scheme Coordinator must send a Supplier Invoice to the Existing Supplier within five (5) Business Days of receipt of the number of Containers (by Material Type) reported by the Supplier under clause 9.4 of the Supply Arrangement.
- c) The Supplier Advance Contribution determined and invoiced in accordance with this clause 4.12 will be subject to the adjustments set out in clause 4.5.
- d) The Supplier Invoice calculation for the second month for the Existing Supplier, will be in accordance with clause 4.4.

4.13 New Supplier

- a) If a Supplier commences supplying Containers into or within New South Wales after 1 October 2017 and enters into a Supply Arrangement after 1 October 2017 (**New Supplier**), the New Supplier must, within 5 Business Days of entering into the Supply

Arrangement, advise the Scheme Coordinator of the forecast volume of Containers by Material Type to be supplied by the New Supplier (**New Supplier Forecast Container Volumes**) for the first three calendar months of operation (where the first month is the calendar month in which the Supplier entered the market).

- b) The Supplier Advance Contribution for the New Supplier for the month in which it commences the supply of Containers will be the aggregate of the results of the following formula, calculated for each Material Type:

New Supplier Forecast Container Volumes by Material Type x P cents per Container by Material Type,

where:

P = An amount reasonably determined by the Scheme Coordinator to reflect an appropriate allowance to determine the New Supplier's first contribution to payment of Scheme costs.

- c) The Scheme Coordinator must send a Supplier Invoice to the New Supplier within five (5) Business Days of the New Supplier entering into the Supply Arrangement, which may include recovery of estimated Supplier Contributions for the month in which the Supplier commenced supplying, and the month in which the invoice is issued (as well as the following month if that is in accordance with the normal invoicing process).
- d) Amounts invoiced under this clause 4.13, will be subject to the adjustments set out in clause 4.5.
- e) The second Supplier Invoice for the New Supplier, will be in accordance with clause 4.4.

4.14 Supplier Contributions in Arrears

- a) Any Supplier that is found to have been supplying Containers into or within New South Wales without having a Supply Arrangement in force pursuant to Section 38 of the Act (**Identified Supplier**) after 31 October 2017 is to be invoiced by the Scheme Coordinator for Supplier Advance Contributions in respect of the period from the Scheme Commencement Date or the date from which the Supplier first supplied Containers into or within New South Wales until the first month in respect of which the Identified Supplier commences making Supplier Advance Contributions in advance (**Arrears Period**).
- b) The first Supplier Invoice for the Identified Supplier will be calculated in accordance with clauses 4.3 to 4.6, with Actual Container Volumes (either disclosed by the Supplier or determined by the Scheme Coordinator through an audit process or any other reasonable methodology) to be used in respect of the Arrears Period in place of Forecast Container Volume by Supplier to calculate the Identified Supplier's Market Share.
- c) The first Supplier Invoice for the Identified Supplier will also include:
- interest calculated in accordance with the formula set out in clause 4.15 for the Arrears Period except that the period for the calculation is the Arrears Period and the amount upon which the interest is calculated is the amount of the Supplier Advance Contributions contained in that invoice; and
 - an extra 2 cents per Container in the Supplier Advance Contribution for the first month in respect of which the Identified Supplier commences making Supplier Advance Contributions in advance. The payment for that month will be subject to the adjustments set out in clause 4.5.

4.15 Interest on Late Payment of Supplier Contributions

- a) If a Supplier fails to pay any amount payable by that Supplier within the time required in accordance with its Supply Arrangement, it must pay interest on that amount in accordance with clause 9.6 of the Supply Arrangement and this clause 4.15.
- b) Interest will be charged on any late payment by a Supplier of a Supplier Invoice as follows:

Interest for Late Payment =

overdue amount x Supplier Penalty Interest Rate x Number of days payment is late/365

5 Network Payments Account

- 5.1 The Network Operator must establish and maintain a Network Payments Account in accordance with the requirements of clause 13.2 of the Network Operator Agreement.
- 5.2 The Network Operator must use the Network Payments Account solely for the purpose of:
 - a) Receiving Network Payments;
 - b) Receiving interest on the Network Payments Account;
 - c) Making payments of, to the extent any such payments are due, in the following order:
 - i. Refund Amounts paid to a person who presents a Container to a Collection Point;
 - ii. Network Fee,and must not use the Network Payments Account to pay the operating expenses of the Network Operator and not for any other purposes.
- 5.3 The Network Operator must ensure all Network Payments are deposited into the Network Payments Account.
- 5.4 The Network Operator must not withdraw an amount from the Network Payments Account in respect of a Refund Amount paid to a person who presents a Container to a Collection Point or Network Fee unless:
 - a) the Container to which that amount or that Fee relates has been determined, in accordance with the methodology used by the Network Operator, to have been collected and counted at an automated facility; or
 - b) it is an amount that is paid to the operator of a Collection Point:
 - i. that is not the Network Operator, its shareholders or their Related Bodies Corporate; and
 - ii. which does not produce an automated count used for the determination of the actual number of Containers referred to in clause 6.7(d)(iv),as a float subject to written terms set out in the arrangement between the Network Operator and that Collection Point Operator on account of Refund Amounts anticipated to be made provided that the aggregate of such float amounts withdrawn from the Network Payments Account cannot at any time exceed an amount in aggregate calculated as \$5000 multiplied by the number of such Collection Points.

6 Payments to Network Operators

6.1 Payment Claims

- a) The Network Operator must give the Scheme Coordinator a claim for payment, weekly for the combined value of:
- i. **Forecast Network Fee** for the period to which the Payment Claim relates as calculated in clause 6.2; and
 - ii. **Forecast Refund Amount** for the period to which the Payment Claim relates as calculated in clause 6.3,

less, if applicable, the value of interest earned on the Network Payments Account as described in clause 6.4 as part of the Payment Claim submitted pursuant to clause 6.7(d).

6.2 Forecast Network Fee

- a) Forecast Network Fee will be the aggregate of Forecast Network Fee for each Material Type in each Zone. The Forecast Network Fee for a material type in a Zone will be calculated as follows:

Forecast Network Fee = Estimated Container Volumes x Network Fee Amount

where:

Estimated Container Volumes: The volume of Containers of the Material Type estimated by the Network Operator to be collected by the Network Operator in the Zone for the period to which the Payment Claim relates. Estimated Container Volumes should be prepared on a consistent basis with the Estimated Monthly Container Volumes used in clause 4.6(a) to calculate the Supplier Advance Contribution under clause 4.3.

Network Fee Amount is the value payable for each Container of the Material Type in the Zone set out in Schedule 10 to the Network Operator Agreement.

- b) The Total Forecast Network Fees will be equal to the sum of the amounts calculated for each Material Type, by each Zone based on the above methodology.

6.3 Forecast Refund Amount

- a) The Forecast Refund Amount will be calculated as follows:

Forecast Refund Amount = Estimated Container Volumes x Refund Amount

where:

Estimated Container Volumes are the sum of the estimate of the volume of Containers to be collected by the Network Operator in each Zone for the period to which the Payment Claim relates. This is the same sum of the Container values used in clause 6.2(a).

6.4 Interest on the Network Payments Account

- a) Interest credited to the Network Payments Account during any month (as set out by the Network Operator to the Scheme Coordinator in a Payment Claim under clause 6.7) is to be a deduction in the first Payment Certificate issued by the Scheme Coordinator to the Network Operator after the Payment Claim setting out that amount has been submitted to the Scheme Coordinator.

6.5 Network Operator Adjustments

- a) The amounts calculated under clauses 6.2 and 6.3 are based on estimated Container volumes by Material Type and Zone. To the extent there are differences between these estimates and the actual volume of Containers these will be adjusted by the Scheme Coordinator in subsequent Payment Certificates as set out in the following paragraphs of this clause 6.5.

b) **Network Fee Adjustment**

The Network Fee Adjustment will be equal to the difference between:

- i. The Forecast Network Fee calculated in accordance with clause 6.2 for the relevant period; and
- ii. The actual Network Fee calculated by the Scheme Coordinator using the same methodology as clause 6.2, but substituting the Actual Container Volumes by Material Type that were collected within each Zone and have been determined, in accordance with the actual automated count as recorded by the Network Operator, to have been collected and counted at an automated facility for that period reported to the Scheme Coordinator pursuant to clause 6.7(d)(iv).

c) **Refund Amount Adjustment**

The Refund Amount Adjustment will be equal to the difference between:

- i. The Forecast Refund Amount calculated in accordance with clause 6.3 for the relevant period; and
- ii. The actual sum of Refund Amounts calculated by the Scheme Coordinator using the same methodology as clause 6.3, but substituting the Actual Container Volumes that were collected within each Zone and have been determined, in accordance with the actual automated count as recorded by the Network Operator, to have been collected and counted at an automated facility for that period which the Network Operator reported to the Scheme Coordinator pursuant to clause 6.7(d)(iv).

d) **Audit Adjustment**

- i. The Scheme Coordinator may make an adjustment to Network Fee or Refund Amounts paid, where the results of an audit finalised in accordance with clause 6.7 of the Network Arrangement (undertaken in accordance with clause 6.6 of the Network Arrangement) has identified a difference between:
 - the Container volumes (by zone and Material Type) reported by the Network Operator (**Reported Volumes**) and used to calculate the actual Network Fee Adjustment (under clause 6.5(b)) or the Refund Amount Adjustment (under clause 6.5(c)) for a relevant period; and
 - the Container volumes (by zone and Material Type) that were collected within each Zone and have been counted at an automated facility identified through the audit for that same period (**Adjusted Container Volumes**).
- ii. The Audit Adjustment must be calculated for the period of each individual Payment Claim (by zone and Material Type) the subject of the audit and the total value of the individual calculations will be aggregated for the purposes of calculating the total Audit Adjustment. The amount of the Audit Adjustment will be limited to the identified difference.
- iii. The first Payment Certificate issued in the month after the identification of a difference referred to in clause 6.5(d)(i) will include adjustments to reflect the results of findings in respect of that audit and any other audits of Network Operators and Collection Points completed in the prior month.

- iv. Amounts recovered through an Audit Adjustment under clauses 6.5(d) will be offset against the next Supplier Advance Contribution for each Supplier that made Supplier Advance Contributions during the period to which the Audit Adjustment relates (based on their actual or estimated market shares as appropriate calculated as set out in clause 4 during the period to which the Audit Adjustment relates).

6.6 Estimated Container Volumes

- a) The Network Operator must consult with the Scheme Coordinator on a reasonable basis for determining the Estimated Container Volumes to be used prior to actual Collection volume data becoming available after the Scheme Commencement Date.
- b) Subject to clause 6.6(a), for the purposes of calculating the Forecast Container Fees under clause 6.2(a) and 6.3, the Network Operator must base its Estimated Container Volumes (by Zone and by Material Type) on the volume of Containers actually collected in the previous week (by Zone and by Material Type).
- c) Where the Network Operator determines that the previous week's collection data does not provide an appropriate basis for determining the Estimated Container Volumes, the Network Operator must provide the Scheme Coordinator with appropriate evidence to support the alternate basis for the Estimated Container Volumes.
- d) The Scheme Coordinator may challenge the Estimated Container Volume set out in a Payment Claim and consult with the Network Operator on a revised Estimated Container Volume. Unless the Network Operator submits a revised Estimated Container Volume in writing within two (2) Business Days of the submission of a Payment Claim, the Scheme Coordinator must use the Estimated Container Volume set out in the Payment Claim for the purpose of the Payment Certificate it issues in respect of that Payment Claim.
- e) Where the Network Operator, consistently over or under estimates the value of Estimated Container Volumes by a material amount (relative to Actual Container Volumes reported under clause 11.2 of the Network Arrangement), the Network Operator and Scheme Coordinator must review and agree upon an updated estimating methodology to be used for the purposes of clauses 6.2 and 6.3.

6.7 Payment Claims

- a) The Network Operator must submit Payment Claims to the Scheme Coordinator weekly on Mondays no later than 5.00 PM via the Online Portal unless otherwise directed by the Scheme Coordinator. For the purposes of determining the commencement of the period for issue of a Payment Certificate under clause 6.8(a) and the period for payment under clause 6.9:
 - i. Payment Claims submitted prior to 5.00 PM on Monday will be taken to have been submitted and received on Monday at 5.00 pm; and
 - ii. Payment Claims submitted after 5.00 PM on Monday, or after 5.00 PM on a subsequent day, will be taken to have been submitted and received at 5.00 PM on the next Business Day.
- b) The period to which a Payment Claim relates is the period in full days commencing four (4) weeks after the day the Payment Claim was required to be submitted and ending seven (7) days after, except that where the Scheme Commencement Date does not fall on a Monday, this period commences on the Scheme Commencement Date.
- c) The period to which a Payment Claim relates cannot be any earlier than the Scheme Commencement Date.

- d) Payment Claims must be in a format which the Scheme Coordinator reasonably requires and contain the following information:
- i. The first Payment Claim for each month must set out the interest credited to the Network Payments Account during the previous month;
 - ii. Breakdown of the Estimated Container Volumes by Material Type and Zone for the period to which the Payment Claim relates;
 - iii. Estimate of the Refund Amount payments and Network Fee payable for the period to which the Payment Claim relates based on the Estimated Container Volumes by Material Type and Zone referred to in (ii);
 - iv. Must set out, for the seven (7) day period ending at 11.59 PM on the second Sunday preceding the required time for submission of the Payment Claim, the actual aggregate number of Containers (and a breakdown of that number of Containers by Material Type) that have been determined, in accordance with the automated count recorded by the Network Operator, to have been collected within each Zone and counted at an automated facility; and
 - v. Set out or attach sufficient details, calculations, supporting documentation and other information in respect of all amounts claimed by the Network Operator:
 - To enable the Scheme Coordinator to fully and accurately determine (without needing to refer to any other documentation or information) the amounts then payable by the Scheme Coordinator to the Network Operator under the Scheme Payments and Contribution Methodology; and
 - Including any such documentation or information which the Scheme Coordinator may by written notice from time to time reasonably require the Network Operator to set out or attach, whether in relation to a specific Payment Claim or all Payment Claims generally.

6.8 Payment Certificates

- a) The Scheme Coordinator must issue a Payment Certificate no later than five (5) Business Days after a Payment Claim is submitted.
- b) The Payment Certificate must set out the amount to which the Network Operator is entitled to payment in relation to the Payment Claim as a Recipient Created Tax Invoice as reasonably determined by the Scheme Coordinator, subject to clause 6.6(e), using the Estimated Container Volumes by Material Type and Zone set out in the Payment Claim and calculated as the sum of:
 - i. Forecast Network Fee for the period to which the Payment Claim relates (clause 6.2);
 - ii. Forecast Refund Amount for the period to which the Payment Claim relates (clause 6.3); and
 - iii. Any adjustments made by the Scheme Coordinator under clause 6.5 since the last Payment Certificate was issued, except that adjustments made under clause 6.5(d) can only be made in Payment Certificates issued in the first week of December and May (or as otherwise determined by the Scheme Coordinator in consultation with the State),

less the interest earned on the Network Payments Account set out in a Payment Claim submitted pursuant to clause 6.7(d)(i) if the Payment Certificate is the first Payment Certificate issued by the Scheme Coordinator after that Payment Claim was submitted.
- c) If the Scheme Coordinator does not, in relation to a Payment Claim, issue a Payment Certificate within the time set out in clause 6.8(a), the Payment Claim is deemed to be

a Payment Certificate issued pursuant to clause 6.8(a) with the estimate of the Refund Amount payment and Network Fee payable for the period to which the Payment Claim relates referred to in clause 6.7(d)(iii) being deemed to be the amount to which the Network Operator is entitled to payment in relation to that Payment Claim.

6.9 Payment Timing

Subject to clause 8.2, the Scheme Coordinator must pay the Network Operator from the Scheme Payment Account the amount set out in a Payment Certificate issued, or deemed to be issued, pursuant to clause 6.8(a) within ten (10) Business Days of receipt of the Payment Claim to which it relates.

6.10 Late Payments

- a) If the Scheme Coordinator is late in paying a Payment Claim, the Scheme Coordinator must pay the Network Operator in accordance with the Network Arrangement including, for the avoidance of doubt, interest on any unpaid amounts at the Penalty Interest Rate as prescribed under the Network Arrangement.
- b) The interest paid by the Scheme Coordinator cannot be passed onto Suppliers as a Scheme cost and must be paid by the Scheme Coordinator.

7 Payments to Material Recovery Facility Operators

7.1 Processing Refund Amount

- a) The Scheme Coordinator must pay eligible MRFOs the Processing Refund Amounts quarterly in arrears from the Scheme Payment Account, in accordance with the MRF Protocol, clause 13.8 of the Scheme Coordinator Agreement and this clause 7.
- b) Eligible MRFOs may provide the Scheme Coordinator with a claim for payment for a Processing Refund Amount in accordance with the requirements of clause 13.8(d) of the Scheme Coordinator Agreement.
- c) Upon receipt of a complying claim for payment, the Scheme Coordinator must issue the relevant MRFO with a claim assessment in accordance with requirements of clause 13.8(d) of the Scheme Coordinator Agreement.
- d) The Scheme Coordinator must pay to the MRFO the Processing Refund Amount for each Container obtained (and invoiced) by that MRFO in accordance with clause 13.8(e) of the Scheme Coordinator Agreement.
- e) The cost of undertaking the sampling plan prepared under the MRF Protocol conducted by the Scheme Coordinator on a MRFO in a relevant quarter will be deducted from the Processing Refund Amount payable to the MRFO in accordance with the MRF Protocol.

7.2 Disputes

- a) The Scheme Coordinator may challenge any claim for payment in accordance with clause 13.8(h) of the Scheme Coordinator Agreement.
- b) The Scheme Coordinator must consult with the MRFO in the event that there is any issue or non-compliance in respect of any aspect of a claim for payment.
- c) The Scheme Coordinator must arrange for the MRFO to issue a revised claim for payment, addressing any issue identified and agreed with the MRFO.

7.3 Late Payments

- a) If the Scheme Coordinator fails to pay any amount payable by the Scheme Coordinator to the MRFO within the time required in accordance with the Processing Refund Protocol, then it must pay interest on that amount:
 - i. from the date on which payment was due and payable until the date on which payment is made in full; and
 - ii. calculated at the Penalty Interest Rate.
- b) The interest paid by the Scheme Coordinator cannot be passed onto Suppliers as a Scheme cost and must be paid by the Scheme Coordinator.

8 Payment of the Scheme Compliance Fee and Financial Penalties

8.1 Scheme Compliance Fee

- a) On the first Business Day of each month, the State will issue the Scheme Co-ordinator with a Tax Invoice for the amount of the Scheme Compliance Fee for that month.
- b) The Scheme Coordinator must pay from the Scheme Payments Account the amount set out in the State's Tax Invoice as a debt due and payable within five (5) Business Days of the receipt of the Tax Invoice.

8.2 Financial Penalties

- a) The State may issue the Scheme Coordinator with a Tax Invoice for the amount of any Scheme Coordinator Financial Penalty which the Scheme Coordinator must pay in accordance with the Scheme Coordinator Agreement.
- b) The Scheme Coordinator must deduct from any amount to be paid to itself under clause 3.3 the amount of any Scheme Coordinator Financial Penalty that has not previously been paid and must pay the amount so deducted from the Scheme Payments Account as follows:
 - i. to the State, less any amount referred to in clause 8.2(b)(ii) at the same time it pays itself, or, but for the clause 8.2(b) would have been required to pay itself, under clause 3.3; and
 - ii. to the Network Operator, any amount of the Scheme Coordinator Financial Penalty that is required to be paid to the Network Operator under clause 16.4 of the Network Arrangement or any amount of the Scheme Coordinator Financial Penalty that the State agrees to pay to the Network Operator under clause 14.2 of the Network Operator Agreement to the Network Operator at the same time as the Scheme Coordinator pays, or but for this clause 8.2(b)(ii) would have been required to pay, the State pursuant to 8.2(b)(i),
 - iii. in full or partial satisfaction of its obligation to pay the Scheme Coordinator Financial Penalty to the State.
- c) Any Scheme Coordinator Financial Penalty that has not been paid as at the time of termination or expiry of the Scheme Coordinator Agreement becomes a debt immediately due and payable by the Scheme Coordinator to the State at that time. The Scheme Coordinator must pay the amount of any Tax invoice issued by the State under clause 8.2(a) after termination or expiry of the Scheme Coordinator Agreement as a debt due and payable within twenty (20) Business Days of the receipt of the Tax Invoice.

- d) The State may issue the Network Operator with a Tax Invoice for the amount of any Network Operator Financial Penalty (which the Network Operator must pay to the State in accordance with the Network Operator Agreement). The State will provide the Scheme Coordinator with a copy of all Tax Invoices for the Network Operator Financial Penalties.
- e) The Scheme Coordinator must deduct from any amount to be paid to the Network Operator under clause 6.9 the amount of any Network Operator Financial Penalty that has not previously been paid and must pay the amount so deducted from the Scheme Payments Account as follows:
 - i. to the State at the same time it pays the Network Operator pursuant to clause 6.9 less any amount referred to in clause 8.2(e)(ii); and
 - ii. to itself any amount of the Network Operator Financial Penalty that is required to be paid to the Scheme Coordinator under clause 16.4 of the Network Arrangement, or any amount of the Network Operator Financial Penalty that the State agrees to pay to the Scheme Coordinator in accordance with clause 14.2 of the Scheme Coordinator Agreement at the same time as it pays, or but for clause 8.2(e)(ii) would have been required to pay, the State pursuant to 8.2(e)(i).
 - iii. in full or partial satisfaction of the Network Operator's obligation to pay the Network Operator Financial Penalty to the State.
- f) Any Network Operator Financial Penalty that has not been paid as at the time of termination or expiry of the Network Operator Agreement becomes a debt immediately due and payable by the Network Operator to the State at that time. The Network Operator must pay the amount of any Tax invoice issued by the State under clause 8.2(d) after termination or expiry of the Network Operator Agreement as a debt due and payable within twenty (20) Business Days of the receipt of the Tax Invoice.

9 Payment to Exporters

9.1 Payment Claims and Payment Timing

- (a) Exporters may make a payment claim by submitting an Export Supply Statement, in accordance with the Container Export Protocol.
- (b) The Scheme Coordinator must prepare an invoice on behalf of the Exporter in respect of that Export Supply Statement and must pay the Exporter the amount set out as then payable in the invoice, in accordance with the Container Export Protocol.

9.2 Adjustments and Right of Set Off

- (a) The Scheme Coordinator may, at any time, adjust the amount payable under an invoice in accordance with the Container Export Protocol.
- (b) The Scheme Coordinator may deduct from any amounts which may or are to be paid to the Exporter by the Scheme Coordinator any debt or moneys due or owing from the Exporter to the Scheme Coordinator, in accordance with the Container Export Protocol.