



Tasmania Container Refund Scheme

Scheme Payments and Contribution Methodology

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1.	Introduction.....	3
1.1	Meanings	3
1.2	Interpretation	3
1.3	Definitions	4
2.	Scheme Payments Account	10
3.	Administration Fee and other Scheme Coordinator payments.....	11
4.	Facility Agreement	12
5.	Supplier Contributions.....	12
5.1	Scheme Costs Estimates and Proposed Scheme Contribution by Material Type	12
5.2	Scheme Contribution by Material Type	13
5.3	Interest on Scheme Contribution by Material Types.....	17
5.4	Cost Free Threshold	17
6.	Exporter Supplies	18
7.	Network Payments Account.....	20
8.	Network Payments	22
9.	Payments to Material Recovery Facility Operators.....	27
10.	Scheme Compliance Fee and Performance Failure Payments	29
10.1	Scheme Compliance Fee.....	29
10.2	SCPPFs	29
10.3	NOPFPs.....	30

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 unless otherwise stated.

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 standard, code or guideline (including any State policies, guidelines or requirements) includes that standard, code or guideline as amended from time to time;
- (f) 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;
- (g) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (h) 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;
- (i) 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;

- (j) 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;
- (k) 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;
- (l) other than as set out in clause 1.2(k) or where the drafting otherwise indicates, 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;
- (m) a reference to any information, material, document or thing includes that information, material, document or thing in all media, including written, oral or electronic;
- (n) the words "including" and "includes", and any variants of those words, will be read as if followed by the words "without limitation";
- (o) the meaning of "or" will be that of the inclusive, being one, some or all of a number of possibilities;
- (p) the word "subcontractor" will include all suppliers, contractors and consultants;
- (q) a reference to "\$" or "dollar" is to Australian currency;
- (r) a reference to time is a reference to the then current time in Hobart, Australia;
- (s) a reference to a right includes any benefit, remedy, discretion, authority or power;
- (t) 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
- (u) 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

Account Bank Deed has, in respect of the Network Operator, the meaning given in the Network Operator Agreement.

Act means the *Container Refund Scheme Act 2022* (Tas).

Administration Fee has the meaning given in the Scheme Coordinator Agreement.

Annual Period means each 12 month period commencing on 1 July save that the first such period will be the period from the Scheme Commencement Date until the 30 June that next follows the Scheme Commencement Date.

Approved Container has the meaning given to that term in the Act.

Average Scheme Contribution Amount means, for a financial year:

- (a) in respect of a single Supplier, the total amount payable by a Supplier for that financial year, calculated by aggregating the amount payable for each month in that financial year in accordance with clause 5.2(f), divided by the number of Approved Containers first Supplied by that Supplier in the State of Tasmania in that financial year; and
- (b) in respect of a Supplier and all of its related Bodies Corporate, the total amount payable by that Supplier and all of its Related Bodies Corporate for that financial year, calculated by aggregating the amount payable for each month in that financial year in accordance with clause 5.2(f), divided by the number of Approved Containers first Supplied by that Supplier and all of its Related Bodies Corporate in the State of Tasmania in that financial year.

Bad Debt means an amount due and payable by a Supplier to the Scheme Coordinator under a Supply Agreement:

- (a) that is unpaid as at the date of termination of the relevant Supply Agreement; or
- (b) that is written off by the Scheme Coordinator as a bad debt.

Beneficiary means Australia and New Zealand Banking Group Limited, ACN 005 357 522.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Hobart.

Collections Costs means the reasonable third party costs paid by the Scheme Coordinator to recover amounts payable to the Scheme Coordinator by a Supplier under its Supply Agreement.

Container Refund Point has the meaning given in the Act.

Cost Free Threshold Rebate means:

- (a) for a Supplier and all of its Related Bodies Corporate who first Supply the Threshold Number or more Approved Containers in the State of Tasmania in any financial year, the Threshold Number multiplied by the Average Scheme Contribution Amount in that financial year for the Supplier and all of its Related Bodies Corporate; and
- (b) for a Supplier and its Related Bodies Corporate who in a financial year first Supply a lower number of Approved Containers than the Threshold Number, the amount that is payable for that financial year, calculated by aggregating the amount payable for each month in that financial year in accordance with clause 5.2(f), in respect of that lower number of Approved Containers.

Expired Voucher means a Voucher in respect of which the whole or part of the value to which the holder is entitled has not been claimed during its stated validity period.

Export Payment means a payment in respect of an Export Supply.

Export Supply means the subsequent Supply outside Tasmania of an Approved Container that was previously first Supplied in Tasmania by a First Supplier which the subsequent Supplier reasonably believes will not be further Supplied to a person within Tasmania.

Export Supply Agreement means an agreement or deed poll of that name in a form approved by the State and as published by the Scheme Coordinator on the Scheme Participant Website and updated from time to time.

Export Supply Statement means the statement of Export Supplies provided by an Exporter under clause 6(b).

Export Supply Statement Due Date has the meaning given in clause 6(b).

Exporter means a person who makes an Export Supply.

Exporter Adjustment Period has the meaning given in clause 6(g).

Facility Agreement means the agreement entitled "ANZ Letter of Offer – TasRecycle Limited ACN 643 014 868" which incorporates the ANZ Key General Terms and ANZ Common Terms (each as defined in the Scheme Coordinator Agreement) dated 23 August between the Scheme Coordinator and the Beneficiary.

First Pricing Period means the Pricing Period which commences on the Scheme Commencement Date.

Goodwill Payment means a provision of value to a natural person other than an employee or agent of, or contractor or subcontractor to, the Network Operator of the value of a Voucher where, after a reasonable investigation, the Network Operator or its employee, agent or contractor has reasonably determined that the Voucher has been lost or damaged, which value may either be in the form of cash or the issue of a gift card and evidence of such investigation and determination must be provided to the Scheme Coordinator upon the Scheme Coordinator's request.

Independent Scheme Auditor has the meaning given to that term in the Scheme Coordinator Agreement.

Integrated Retailer means a retailer at which a Voucher may be redeemed for value and whose point of sale system (**Retailer System**) is integrated with a relevant information technology system used by the Network Operator in a way which, as a result of the interface between the Retailer System and this relevant information technology system, enables the Network Operator to determine when and to the extent a Voucher is redeemed through the retailer.

Interface means in respect of the information technology (IT) systems utilised by the Scheme Coordinator, any of the following to be utilised by a party interacting with the Scheme Coordinator as reasonably determined by the Scheme Coordinator:

- (a) a secure web portal or an online webform;
- (b) a method to provide or receive data (e.g. upload, or download);
- (c) an application programming interface or "API"; and/or
- (d) a reporting tool or another format or method to transfer information.

IR Voucher means a Voucher issued which may only be redeemed through an Integrated Retailer.

Maintenance Amount has, in respect of the Network Operator, the meaning given to that term in the Network Operator Agreement.

Material Recovery Facility has the meaning given to that term in the Act.

Material Recovery Facility Agreement means an agreement between the Scheme Coordinator and a Material Recovery Facility Operator in accordance with section 21(c) of the Act.

Material Recovery Facility Operator has the meaning given to that term in the Act.

Material Type means any of the following material types of an Approved Container:

- (a) glass;
- (b) aluminium;
- (c) PET;
- (d) liquid paper board;
- (e) steel;
- (f) HDPE;
- (g) other plastics;
- (h) other materials; and
- (i) any additional material type as prescribed in the Act or the Regulation.

MRF Adjustment Period has the meaning given in clause 9(h).

MRF Certificate means a certificate which is a Recipient Created Tax Invoice issued under clause 9(f).

MRF Payments means Refund Amounts payable by the Scheme Coordinator to Material Recovery Facility Operators.

MRF Protocol means the document entitled "Material Recovery Facility Protocol" issued by the Department of Natural Resources and Environment Tasmania and published on its website as varied from time to time.

MRF Quarterly Statement Due Date has the meaning given in clause 9(c).

Network Agreement means an agreement between the Scheme Coordinator and the Network Operator referred to in section 21(b) of the Act.

Network Fee has, in respect of the Network Operator, the meaning given to that term in the Network Operator Agreement.

Network Operator means the person appointed to be the network operator under the Act.

Network Operator Agreement has the meaning given to that term in the Act.

Network Operator Adjustment Period has the meaning given in clause 8(f).

Network Operator Performance Failure Payment or **NOPFP** means the total amount payable that is set out in a notice issued by the State to the Scheme Coordinator under clause 21.1(c) of the Scheme Coordinator Agreement in respect of a Performance Failure Payment (as defined in the Network Operator Agreement) incurred by the Network Operator to the State under the Network Operator Agreement.

Network Payments means payments made by the Scheme Coordinator pursuant to clause 8.

Network Payments Account means the "Network Payments Account" as defined in the Network Operator Agreement.

NIR Voucher means a Voucher issued which may only be redeemed through a Non Integrated Retailer.

Non Integrated Retailer means a retailer through which a Voucher may be redeemed for value and who is not an Integrated Retailer.

Notice of Dispute has, in respect of a Supplier, the meaning given in the relevant Supply Agreement.

Overpayment means an amount paid by the Scheme Coordinator that has subsequently been determined not to be properly payable.

Payment Certificate means a certificate which is a Recipient Created Tax Invoice issued under clause 8(c).

Penalty Interest Rate means the RBA Cash Rate plus 200 basis points.

Pricing Period means a period of 6 months or 12 months (or such other period as determined by the Scheme Coordinator (acting reasonably)) in respect of which a Scheme Contribution by Material Type applies.

Quarter means each 3 month period commencing on a Quarterly Date save that:

- (a) the first Quarter will be the period from the Scheme Commencement Date until the day before the first Quarterly Date occurring after the Scheme Commencement Date; and
- (b) for the purposes of the definition of Scheme Coordinator Performance Failure Payment or SCPFP only, the last Quarter of the Term will be the period from the last Quarterly Date during the Term to the last day of the Term.

Quarterly Date means every 1 January, 1 April, 1 July and 1 October.

RBA Cash Rate means the “cash rate target” set by the Reserve Bank of Australia and published at <https://www.rba.gov.au/statistics/cash-rate/> or such other landing page on the website of the Reserve Bank of Australia on the day on which an amount payable is due.

Recipient Created Tax Invoice has the meaning given by subsection 29-70(3) of *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Refund Amount has the meaning given to that term in the Act.

Refund Point Operator has the meaning given in the Act.

Regulation means any regulation made under the Act.

Related Body Corporate has the meaning given to that term in the *Corporations Act 2001* (Cth).

Relevant Voucher Period has the meaning given in clause 8(i).

Scheme means the container refund scheme established under the Act.

Scheme Agreement means “Scheme Agreement” as defined in the Scheme Coordinator Agreement.

Scheme Commencement Date has the meaning given to that term in the Scheme Coordinator Agreement.

Scheme Compliance Fee means, in respect of a month, the amount referred to using that term that is payable to the State under clause 21.1(a) of the Scheme Coordinator Agreement.

Scheme Contribution by Material Type means, in respect of a Material Type, the amount per Approved Container determined by the Scheme Coordinator under clause 5.

Scheme Coordinator has the meaning given to that term in the Act.

Scheme Coordinator Agreement has the meaning given to that term in the Act.

Scheme Coordinator Performance Failure Payment or **SCPFP** means, in respect of a Quarter, the amount payable that is set out in a Tax Invoice issued by the State to the Scheme Coordinator under clause 21.1(b) of the Scheme Coordinator Agreement in respect of a Performance Failure Payment (as defined in the Scheme Coordinator Agreement) incurred by the Scheme Coordinator to the State under the Scheme Coordinator Agreement.

Scheme Coordinator Statement has the meaning given in clause 3(a).

Scheme Costs means the payments referred to in clause 2(b)(ix).

Scheme Participant Website has the meaning given to that term in the Scheme Coordinator Agreement.

Scheme Payments Account has the meaning given to that term in the Scheme Coordinator Agreement.

Significant General Change in Law has, in respect of the Network Operator, the meaning given to that term in the Network Operator Agreement.

Small Supplier means a Supplier that has Supplied less than 300,000 Approved Containers in the State of Tasmania in the preceding financial year or who can demonstrate that they are likely to Supply less than 300,000 Approved Containers in the State of Tasmania in the current financial year.

State means the Crown in right of the State of Tasmania.

Supplier has the meaning given to the term "first responsible supplier" in the Act.

Supplier Adjustment Period has the meaning given in clause 5.2(l).

Supply has the meaning given to that term in the Act.

Supply Agreement means an agreement between the Scheme Coordinator and a Supplier with respect to an Approved Container referred to in section 23 of the Act.

Tax Invoice has the meaning given by subsection 29-70(1) of *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Term has the meaning given in the Scheme Coordinator Agreement.

Threshold Number means:

- (a) 20,000, where a Supplier first Supplies Approved Containers in the State of Tasmania for the entire period of a financial year;
- (b) the proportion of 20,000 that is the same as the proportion the number of months in a financial year during which the Supplier first Supplies Approved Containers in the State of Tasmania bears to 12 months, where a Supplier first Supplies Approved Containers in the State of Tasmania for a period within a financial year that is less than the entire period of that financial year (including, for the avoidance of doubt, the financial year within which the Scheme Commencement Date falls, unless that date is 1 July).

Third Party Refund Amount means an amount payable by the Network Operator to a Refund Point Operator (excluding the Network Operator) in respect of a Refund Amount paid by or on behalf of a Refund Point Operator to, or at the direction of, a person who presents an

Approved Container to a Container Refund Point and, for the avoidance of doubt, excludes amounts paid or payable in respect of Vouchers.

Voucher means a token issued, including in an electronic form, by or on behalf of the Network Operator, its agents and contractors to, or at the direction of, a person who has presented an Approved Container to a Container Refund Point that enables its holder during a stated validity period to claim value equal to the Refund Amount payable in respect of that Approved Container.

Voucher Expiration Rate means, in respect of a Relevant Voucher Period (**Current Voucher Period**), the percentage equal to the total value of IR Vouchers issued in the financial year that expired on the day which is 2 years and 1 day prior to the commencement of the Current Voucher Period (**Reference Voucher Period**) that became Expired Vouchers in the Current Voucher Period as a percentage of the total value of IR Vouchers issued in the Reference Voucher Period.

Week means a 7-day period commencing on a Monday.

2. Scheme Payments Account

- (a) The Scheme Coordinator must establish and maintain a Scheme Payments Account and hold all moneys in the Scheme Payments Account on trust for the State to be dealt with in accordance with this Scheme Payments and Contribution Methodology and in accordance with the Scheme Coordinator Agreement.
- (b) The Scheme Coordinator must use the Scheme Payments Account solely for the purpose of:
 - (i) receiving Scheme Contributions by Material Type and other payments made by Suppliers pursuant to clause 5;
 - (ii) receiving advances under the Facility Agreement pursuant to clause 4;
 - (iii) receiving interest on the balance standing to the credit of the Scheme Payments Account;
 - (iv) receiving interest earned on the balance standing to the credit of the Network Payments Account from the Network Operator (less bank fees incurred and amounts payable to the Australian Taxation Office in respect of tax liability on interest earned on the balances standing to the credit of the Network Payments Account) pursuant to clause 7;
 - (v) receiving amounts in respect of Expired Vouchers pursuant to clauses 7(e) and 8(j);
 - (vi) receiving other amounts required to be paid into the Scheme Payments Account pursuant to the Scheme Agreements;
 - (vii) receiving Overpayments;
 - (viii) receiving amounts in respect of GST in respect of transactions referred to in this clause 2; and
 - (ix) making payments, to the extent any such payments are due, in the following order:
 - A. Network Payments in accordance with clause 8;
 - B. payments in respect of Cost Free Threshold Rebates in accordance with clause 5.4(d);
 - C. Export Payments in accordance with clause 6;

- D. MRF Payments in accordance with clause 9;
- E. payments to the Australian Taxation Office in respect of tax liability on interest earned on the balances standing to the credit of the Scheme Payments Account and GST liability in respect of transactions referred to in this clause 2;
- F. payments required under the Facility Agreement in accordance with clause 4;
- G. amounts payable to the Independent Scheme Auditor as reasonably agreed by the State and the Scheme Coordinator;
- H. amounts payable to the State pursuant to clause 10.3;
- I. amounts payable to the Scheme Coordinator itself pursuant to clause 3(c);
- J. amounts payable to the State pursuant to clause 10.2(a)(i);
- K. amounts payable to the Network Operator pursuant to clause 10.2(a)(ii);
- L. Scheme Compliance Fees in accordance with clause 10.1;
- M. other amounts required to be paid from the Scheme Payments Account pursuant to the Scheme Agreements; and
- N. any amount for which the Scheme Coordinator is entitled to be indemnified from the "Trust Assets" (as defined in the Scheme Coordinator Agreement) in its capacity as trustee of the trust referred to in clause 13.2 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.

- (c) Notwithstanding clause 2(b), where the Scheme Coordinator completes a single business activity statement in respect to both its operations and the Scheme Payments Account:
 - (i) any credits or debits must be reconciled such that the amounts are reasonably attributed to each of the Scheme Payments Account and the Scheme Coordinator's operating activities;
 - (ii) such reconciliation is to take place within 10 Business Days of a payment being made to the ATO or a payment being received from the ATO; and
 - (iii) as a result of the reconciliation set out in 2(c)(ii), the Scheme Coordinator must make payment to the Scheme Payments Account (or receive payment from the Scheme Payments Account) to ensure GST credits and receipts are appropriately allocated between the Scheme Payments Account and the Scheme Coordinator's bank account within 5 Business Days of the reconciliation being completed.

3. Administration Fee and other Scheme Coordinator payments

- (a) The Scheme Coordinator may issue on the 5th Business Day of each calendar month following the Scheme Coordinator being entitled to receive payment in accordance with the Scheme Coordinator Agreement or this Scheme Payments and Contribution Methodology, a statement for the previous month containing the amounts set out in clause 3(b) in respect of the previous month (**Scheme Coordinator Statement**) as a Recipient Created Tax Invoice. A copy of the Scheme Coordinator Statement must be sent by email to the State.
- (b) The amounts payable to the Scheme Coordinator in respect of a month are:
 - (i) the Administration Fee for that month; and
 - (ii) the Collections Costs paid in that month.
- (c) Subject to clause 10, the Scheme Coordinator must pay to itself the amount set out in each Scheme Coordinator Statement it issues pursuant to clause 3(a) from the Scheme Payments Account on or after the 10th Business Day of each month.

4. Facility Agreement

- (a) The Scheme Coordinator may obtain advances under the Facility Agreement in accordance with its terms solely for the purposes set out in, and as permitted in accordance with, the Scheme Coordinator Agreement.
- (b) The Scheme Coordinator must ensure that all advances made under the Facility Agreement are paid directly by the Beneficiary into the Scheme Payments Account.
- (c) The Scheme Coordinator must make payments under the Facility Agreement in accordance with its terms and as required in accordance with the Scheme Coordinator Agreement.

5. Supplier Contributions

5.1 Scheme Costs Estimates and Proposed Scheme Contribution by Material Type

- (a) The Scheme Coordinator will no later than 120 Business Days prior to the commencement of each Pricing Period provide to the State (other than in relation to the First Pricing Period when this must be provided no later than the date which is 5 months prior to the Scheme Commencement Date):
 - (i) its reasonable estimates of Scheme Costs and unrecovered Bad Debts in respect of each Material Type for that Pricing Period;
 - (ii) its reasonable estimates of the volume of each Material Type to be Supplied by Suppliers during that Pricing Period;
 - (iii) its reasonable estimates of the volume of each Material Type to be recovered through the Scheme during that Pricing Period; and
 - (iv) its proposed Scheme Contribution by Material Type for each Material Type for that Pricing Period,

together with supporting detailed particulars for the basis for these estimates and proposed Scheme Contribution by Material Type.

- (b) For the purposes of clauses 5.1, 5.2(a) and 5.2(c):

- (i) the total estimated amount of the Scheme Coordinator's proposed or determined Scheme Contribution by Material Type for a Pricing Period must be sufficient to ensure that, in the Scheme Coordinator's reasonable opinion, the Scheme will maintain sufficient liquidity over the duration of that Pricing Period (which must not be less than an amount equivalent to the aggregate of 2 weeks of operational outflows) and subsequent Pricing Periods for the Scheme Coordinator to pay Scheme Costs in accordance with this Scheme Payments and Contributions Methodology as and when they fall due;
- (ii) a Scheme Contribution by Material Type must be a single amount expressed in cents per container exclusive of GST in respect of an Approved Container of each particular Material Type;
- (iii) the Scheme Coordinator must have a reasonable belief that the aggregate of the proposed or determined Scheme Contribution by Material Type for a Pricing Period in respect of a particular Material Type approximately equals any amounts required to ensure that the Scheme Coordinator meets its obligations under clause 5.1(b)(i). The Scheme Contribution by Material Type must be determined taking into account the matters set out in clause 5.1(b)(v) and must reasonably reflect the unitised Scheme Costs by Material Type of returning Approved Containers through the Scheme;
- (iv) any excess Scheme liquidity at the end of a Pricing Period must be carried forward and taken into account in determining the Scheme Contribution by Material Type in relation to the following Pricing Period;
- (v) in determining the amounts, the Scheme Coordinator must take into account actual and forecast data available to it in relation to:
 - A. Approved Containers by Material Type that have been collected by the Network Operator;
 - B. Approved Containers by Material Type that have been delivered from the Material Recovery Facility for recycling as determined in accordance with the MRF Protocol by Material Recovery Facility Operators;
 - C. Approved Containers by Material Type that have been Supplied by Suppliers; and
 - D. the application of the Cost Free Threshold, and

any other information determined by the Scheme Coordinator as providing a reasonable basis to determine the amounts.
- (c) After providing the State with estimates and proposed Scheme Contribution by Material Type for each Material Type under clause 5.1, the Scheme Coordinator must consult with the State and the State may provide comments to the Scheme Coordinator in relation to these estimates and proposed Scheme Contribution by Material Type for each Material Type and, in relation to the First Pricing Period, must approve the proposed Scheme Contribution by Material Type for each Material Type in accordance with the Scheme Coordinator Agreement.

5.2 Scheme Contribution by Material Type

- (a) After having had reasonable regard to any comments made by the State under clause 5.1(c) and, in respect of the First Pricing Period, after approval of the proposed Scheme Contribution by Material Type for each Material Type in accordance with the Scheme Coordinator Agreement, the Scheme Coordinator must determine the Scheme Contribution by Material Type for a Pricing Period. The

Scheme Coordinator's determination must be made no earlier than 20 Business Days after the Scheme Coordinator has provided the State with estimates and the proposed Scheme Contribution by Material Type for each Material Type under clause 5.1 and no later than 100 Business Days prior to the commencement of the Pricing Period (other than in respect of the First Pricing Period when it must be made after approval of the proposed Scheme Contribution by Material Type for each Material Type in accordance with the Scheme Coordinator Agreement and no later than the date which is 4 months prior to the Scheme Commencement Date or such other date as is agreed between the Scheme Coordinator and the State).

Subject to clause 5.2(c), the Scheme Contribution by Material Type so determined will apply in respect of that Pricing Period.

- (b) The Scheme Coordinator must notify the Suppliers in writing of the amounts of each Scheme Contribution by Material Type for a Pricing Period no later than 80 Business Days prior to the commencement of the Pricing Period (other than in respect of a Supplier who has entered into a Supply Agreement in the period that is 90 days prior to the commencement of a Pricing Period when this notification must be made as soon as practicable after the Supply Agreement has been entered into).
- (c) If, during a Pricing Period, the Scheme Coordinator reasonably believes that the Scheme Contribution by Material Type in relation to that Pricing Period will be insufficient to ensure the liquidity of the Scheme, the Scheme Coordinator may determine to increase the Scheme Contribution by Material Type for that Pricing Period by amounts no greater than amounts which the Scheme Coordinator reasonably believes will be sufficient to ensure the liquidity of the Scheme. The increased Scheme Contribution by Material Type so determined will apply from a date specified by the Scheme Coordinator, which must be at least 20 Business Days after the Scheme Coordinator has notified the Suppliers of the amount of the increased Scheme Contribution by Material Type.
- (d) A Supplier must, by the 15th day of each month following the month in which the Scheme Commencement Date falls, give the Scheme Coordinator a statement, in accordance with the reasonable requirements of the Scheme Coordinator (which may be that the submission must be through the Interface, in the form and with the information, required by the Interface) which sets out:
 - (i) details of the aggregate number of Approved Containers first Supplied in the State of Tasmania by that Supplier during the previous month in aggregate and by reference to Material Type;
 - (ii) if that Supplier is aware that any information previously provided by that Supplier under this clause 5.2(d) (or deemed to be provided by that Supplier in accordance with clause 5.2(e)) was incorrect, to the extent the Supplier has not provided updated information in a statement provided under this clause 5.2(d), particulars of such incorrect information, including the respects in which it was incorrect and updated correct information; and
 - (iii) such other reasonable information required by the Scheme Coordinator to inform and make calculations in accordance with this Scheme Payments and Contribution Methodology.
- (e) If a Supplier does not provide a statement under clause 5.2(d) by the 15th day of a month, the Scheme Coordinator may itself issue the Supplier's statement under clause 5.2(d) with such information as the Scheme Coordinator reasonably believes to be fair and reasonable. The Scheme Coordinator must notify the Supplier in writing of the fact that it has issued a statement and the information contained in the statement at the same time as it issues an invoice in respect of that statement, which notification may be contained within the invoice. For the avoidance of doubt:
 - (i) a statement issued by the Scheme Coordinator under this clause 5.2(e)

is deemed to be a statement provided by that Supplier under clause 5.2(d); and

- (ii) if the Supplier wishes to dispute any matter in relation to a statement issued by the Scheme Coordinator under this clause 5.2(e), it may issue a Notice of Dispute under its Supply Agreement to the Scheme Coordinator, but it will be bound by the statement so issued unless and until it is varied or set aside in accordance with the dispute resolution procedure under the Supply Agreement.
- (f) The amount payable by a Supplier in respect of a month is the aggregate of the amounts determined by multiplying the number of Approved Containers of each Material Type first Supplied in the State by that Supplier in that month by the amount of the Scheme Contribution by Material Type applicable to that Material Type.
- (g) A Supplier must, within 10 Business Days of the date of a Supply Agreement coming into effect, provide the Scheme Coordinator with a statement (via the Interface) which details the aggregate number of Approved Containers first Supplied in the State of Tasmania by that Supplier in aggregate and by reference to Material Type on a month-by-month basis in accordance with the obligations under its Supply Agreement.
- (h) Where a Supplier enters into a Supply Agreement subsequent to the Scheme Commencement Date:
 - (i) the Supplier is liable to pay Scheme Contributions by Material Type in respect of all Approved Containers in respect of which it has been the Supplier since the Scheme Commencement Date;
 - (ii) the Supplier must, within 10 Business Days of the date that Supply Agreement came into effect, give the Scheme Coordinator a statement which either:
 - A. states that the Supplier has not been the Supplier in respect of any Approved Containers in the period from the Scheme Commencement Date until the last day of the month prior to the month in which that Supply Agreement came into effect; or
 - B. other than to the extent to which the information has already been provided pursuant to clause 5.2(g), contains the information required to be provided in a statement under clause 5.2(d) on a month by month basis in respect of the period between the Scheme Commencement Date and the last day of the month prior to the month in which that Supply Agreement came into effect. For the avoidance of doubt, nothing in this clause 5.2(h)(ii)B requires a Supplier to provide 2 separate statements containing the information required to be provided in a statement under clause 5.2(d) in respect of the month prior to the month in which that Supply Agreement came into effect; and
 - (iii) if the Supplier does not provide the statement under clause 5.2(h)(ii) by the 10th Business Day after that Supply Agreement came into effect, the Scheme Coordinator may itself issue the Supplier's statement under clause 5.2(h)(ii) with such information as the Scheme Coordinator reasonably believes to be fair and reasonable. The Scheme Coordinator must notify the Supplier in writing of the fact that it has issued a statement and the information contained in the statement by the end of the month in which the statement is made. For the avoidance of doubt:
 - A. a statement issued by the Scheme Coordinator under this

clause 5.2(h)(iii) is deemed to be a statement provided by that Supplier under clause 5.2(h)(ii); and

- B. if the Supplier wishes to dispute any matter in relation to a statement issued by the Scheme Coordinator under this clause 5.2(h)(iii), it may issue a Notice of Dispute under its Supply Agreement to the Scheme Coordinator, but it will be bound by the statement so issued unless and until it is varied or set aside in accordance with the dispute resolution procedure under the Supply Agreement.
- (i) Unless a Supplier is a Small Supplier who has elected to make payments for Annual Periods, the Scheme Coordinator must, after receiving a statement under clause 5.2(d), no earlier than the 15th day of a month and no later than the last day of the month in which a statement under clause 5.2(d) is received, issue a claim in the form of a Tax Invoice (**Supplier Invoice**) to the Supplier which sets out the amount the Supplier must pay in respect of the month to which the statement relates, adjusted, as required, to reflect any incorrect payments made in respect of previous months (including in respect of Approved Containers that were previously first Supplied by the Supplier that had not been approved as an Approved Container under the Act at the time of their Supply or in respect of the Cost Free Threshold Rebate) and, where clause 5.2(g) applies, to include any amount payable in respect of the period between the Scheme Commencement Date and the last day of the month prior to the month in which the relevant Supply Agreement came into effect. The Supplier Invoice must set out or attach calculations (being, in respect of each Material Type, the Scheme Contribution by Material Type multiplied by the volumes Supplied by Material Type in the relevant period) in respect of all amounts claimed by the Scheme Coordinator under, and in accordance with, this Scheme Payments and Contribution Methodology. The Scheme Coordinator must promptly respond to a request by a Supplier for further information or clarification in respect of a Supplier Invoice and provide such details, calculations, supporting documentation and other information in respect of the Supplier Invoice as is reasonably requested by the Supplier.
- (j) If a Supplier is a Small Supplier who has elected to make payments for Annual Periods, the Scheme Coordinator must, after receiving a statement under clause 5.2(d) in respect of the last month of the Annual Period, no earlier than the 15th day of the first month of the following Annual Period and no later than the last day of the month in which a statement under clause 5.2(d) in respect of the last month in the Annual Period is received, issue an invoice to the Supplier which sets out the amount the Supplier must pay in respect of the previous Annual Period (being the amount that is payable under clause 5.2(f) for each month within that Annual Period less the Cost Free Threshold Rebate for that Supplier in respect of that Annual Period calculated in accordance with clause 5.4(c)), adjusted, as required, to reflect any incorrect payments made in respect of previous Annual Periods (including in respect of Approved Containers that were previously first Supplied by the Supplier that had not been approved as an Approved Container under the Act at the time of their Supply or in respect of the Cost Free Threshold Rebate) and, where clause 5.2(g) applies, to include any amount payable in respect of the period between the Scheme Commencement Date and the last day of the month prior to the month in which the relevant Supply Agreement came into effect. The invoice must set out or attach calculations (being, in respect of each Material Type, the Scheme Contribution by Material Type multiplied by the volumes Supplied by Material Type in the relevant period) in respect of all amounts claimed by the Scheme Coordinator under, and in accordance with, this Scheme Payments and Contribution Methodology. The Scheme Coordinator must promptly respond to a request by a Small Supplier for further information or clarification in respect of an invoice and provide such details, calculations, supporting documentation and other information in respect of the invoice as is reasonably requested by the Small Supplier.
- (k) A Supplier must pay the Scheme Coordinator the amount set out as then payable in an invoice issued under clauses 5.2(i) or 5.2(j) within 7 Business Days after the

invoice is issued in accordance with its Supply Agreement to that Supplier by the Scheme Coordinator.

- (l) Invoices under clauses 5.2(i) or 5.2(j) may include adjustments to reflect the correction of errors, changes to reported information or the result of an audit conducted, in respect of a prior invoicing period (**Supplier Adjustment Period**). The adjustment will:
- (i) be made to reflect the difference between:
 - A. the actual number of Approved Containers of each Material Type first Supplied in the State by the relevant Supplier during the Supplier Adjustment Period adjusted to reflect the correction of errors, changes to reported information or as determined by the results of audits; and
 - B. the number of Approved Containers of each Material Type first Supplied in the State by that Supplier that had been used to determine invoice amounts in respect of that Supplier Adjustment Period; and
 - (ii) be determined using the relevant Scheme Contribution by Material Type which applied during the Supplier Adjustment Period.

5.3 Interest on Scheme Contribution by Material Types

- (a) If a Supplier who is a member of the Scheme Coordinator or a Related Body Corporate to a member of the Scheme Coordinator fails to pay any amount payable by that Supplier within the time required in accordance with its Supply Agreement and that amount remains outstanding 30 days after it falls due for payment, it must pay interest on that amount in accordance with clause 8.6 of the Supply Agreement and calculated in accordance with clause 5.3(c) (which may be waived at the discretion of the Scheme Coordinator with the prior written consent of the State).
- (b) If a Supplier fails to pay any amount payable by that Supplier within the time required in accordance with its Supply Agreement and that amount remains outstanding 30 days after it falls due for payment, it may (at the discretion of the Scheme Coordinator) pay interest on that amount in accordance with clause 8.6 of the Supply Agreement and calculated in accordance with clause 5.3(c). The Scheme Coordinator must exercise its discretion under this clause 5.3(b) fairly, reasonably and consistently in relation to all relevant Suppliers and, where the Supplier is a Small Supplier, must only exercise its discretion to determine that interest is payable where the Supplier has repeatedly failed to pay amounts due within 30 days after they fall due or has wilfully disregarded its obligations under its Supply Agreement.
- (c) Interest will be charged on any late payment by a Supplier of an invoice as follows:

$$\text{Interest for late payment} = \frac{\text{overdue amount} \times \text{Penalty Interest Rate} \times (\text{Number of days payment is late less 30 days})}{365}$$

5.4 Cost Free Threshold

- (a) Each Supplier must, no later than the 15th day of the first month after the end of an Annual Period, provide to the Scheme Coordinator a list of all of its Related Bodies Corporate who have first Supplied Approved Containers in the State of Tasmania in that Annual Period. This statement may be included as part of the first statement provided under clause 5.2(d) after the end of that Annual Period. Where a Supplier indicates that a statement provided under this clause is provided by a Supplier in respect of all of its listed Related Bodies Corporate, each of these Bodies Corporate is taken to have complied with its obligation under this clause.

- (b) The Scheme Coordinator must use reasonable endeavours to determine a Supplier's Related Bodies Corporate, including by having regard to lists of Related Bodies Corporate provided by Suppliers pursuant to clause 5.4(a).
- (c) The Scheme Coordinator must calculate the Cost Free Threshold Rebate for each Supplier in respect of each Annual Period and, in the case of Related Bodies Corporate who have first Supplied Approved Containers in the State of Tasmania in an Annual Period, determine the apportionment of the Cost Free Threshold Rebate between these Related Bodies Corporate.
- (d) Unless a Supplier is a Small Supplier who has elected to make payments for Annual Periods, the Scheme Coordinator must apply the Cost Free Threshold Rebate calculated in accordance with clause 5.2(c) as follows:
 - (i) if a Supplier is issued with a Supplier Invoice in the first month after the end of an Annual Period, as a credit in that Supplier Invoice and pay to the Supplier any amount by which the Cost Free Threshold Rebate exceeds the amount which is otherwise payable by the Supplier under that Supplier Invoice within 7 Business Days after that Supplier Invoice is issued; and
 - (ii) if a Supplier is not issued with a Supplier Invoice in the first month after the end of an Annual Period, pay the amount of the Cost Free Threshold Rebate to the Supplier no later than the last Business Day of that month.

6. Exporter Supplies

- (a) An Exporter is not entitled to an Export Payment in respect of an Export Supply unless the Exporter has provided (in accordance with this clause 6) an Export Supply Statement in respect of that Export Supply by the last Business Day in the period from the date on which Export Supply was made until the date which is 12 months after the date on which the Export Supply was made.
- (b) An Exporter may include details of Export Supplies in a monthly Export Supply Statement which may be given to the Scheme Coordinator by the 15th day (or if the 15th day of the month is not a Business Day, the last Business Day before the 15th day of the month) of each month in respect of a previous month (**Export Supply Statement Due Date**). Each Export Supply Statement must be in accordance with the reasonable requirements of the Scheme Coordinator (which may include that the submission must be made through the Interface, in the form and with the information, required by the Scheme Coordinator and published by the Scheme Coordinator on the Interface) and contains:
 - (i) details of the aggregate number of Approved Containers that were the subject of Export Supplies by the Exporter during the previous month in aggregate and by reference to each Material Type;
 - (ii) a statement that the Exporter reasonably believes that each Approved Container the subject of the aggregate number of Export Supplies referred to in clause 6(b)(i) will not be further Supplied to a person within the State of Tasmania;
 - (iii) if the Exporter is aware that any information previously provided by that Exporter in an Export Supply Statement was incorrect, to the extent the Exporter has not provided updated information in a statement provided under this clause 6(b), particulars of such incorrect information, including the respects in which it was incorrect and updated correct information; and
 - (iv) such other reasonable information required by the Scheme Coordinator to inform and make calculations in accordance with this Scheme Payments and Contribution Methodology.

- (c) Export Supplies can only be claimed by an Exporter who has:
 - (i) executed an Export Supply Agreement in favour of the Scheme Coordinator (which is in force and has not been terminated);
 - (ii) been issued with an Exporter ID (**EID**) by the Scheme Coordinator; and
 - (iii) not had its EID revoked by the Scheme Coordinator for one of the following reasons:
 - A. breach of the Export Supply Agreement including failure to provide an annual statutory declaration or failure to comply with the records and audit obligations; or
 - B. an audit identifies fraudulent conduct, a material inconsistency or a deliberate misstatement in connection with the Exporter's reported Export Supplies.
- (d) The Exporter must, within 10 Business Days of the date that the Export Supply Agreement came into effect, provide the Scheme Coordinator a statement which details the aggregate number of Approved Containers Export Supplied in the State of Tasmania by that Exporter in aggregate and by reference to Material Type by month in accordance with the obligations under its Exporter Supply Agreement.
- (e) Any Export Supply Statement that is materially incomplete, inaccurate or materially non-compliant with clause 6(b) may not be accepted by the Scheme Coordinator acting reasonably. The Scheme Coordinator will notify the Exporter that an Export Supply Statement has not been accepted in accordance with this clause as soon as practical. The Exporter may resubmit any such Export Supply Statements not accepted in accordance with this clause in accordance with clause 6(b).
- (f) The Scheme Coordinator must issue the Exporter with a Recipient Created Tax Invoice in respect of the Export Supplies the subject of an Export Supply Statement (based on the Scheme Contribution by Material Type applicable at the time the Export Supply was made) within 10 Business Days of the Export Supply Statement Due Date in the month in which a complete and accurate Export Supply Statement was submitted by the Exporter. Any Export Supply Statement received on a day in a month after the Export Supply Statement Due Date will be deemed to have been submitted in the following month. In determining the amount payable to the Exporter in respect of the Export Supplies the subject of the Export Supply Statement, the Scheme Coordinator can take into account any corrections made pursuant to clause 6(b)(iii) in that Export Supply Statement. The Scheme Coordinator must pay the Exporter in accordance with the Recipient Created Tax Invoice within 10 Business Days of that invoice being issued.
- (g) The Scheme Coordinator may at any time either require payments from an Exporter or make payments to an Exporter to reflect the correction of errors, changes to reported information or the result of an audit conducted, in respect of a prior invoicing period (**Exporter Adjustment Period**). Any required payments will reflect the difference between:
 - (i) a calculation of the Export Payment using the actual number of Approved Containers of each Material Type adjusted to reflect the correction of errors, changes to reported information or as determined by the results of audits and the relevant Scheme Contribution by Material Type that applied to the relevant Approved Containers that were the subject of Export Supplies by the Exporter at the time the Export Supply was made; and
 - (ii) the Export Payments made by the Scheme Coordinator in respect of that Exporter Adjustment Period.

Any amounts required to be payable under this clause 6(g) will be a debt due and payable to the party to whom the amount is payable within 5 Business Days of the Scheme Coordinator notifying the Exporter of such requirements under this clause 6(g).

- (h) If the Scheme Coordinator is late in making a payment under clause 6(f), the Scheme Coordinator must pay the Exporter interest on any unpaid amounts at the Penalty Interest Rate commencing from the day when the unpaid amounts are due (which, where the Scheme Coordinator has not issued a Recipient Created Tax Invoice in accordance with clause 6(f), must be determined on the assumption that the Scheme Coordinator had issued a Recipient Created Tax Invoice in accordance with clause 6(f)). For the avoidance of doubt, the interest paid by the Scheme Coordinator is not a Scheme Cost, cannot be included in a Scheme Contribution by Material Type and must be paid by the Scheme Coordinator.

7. Network Payments Account

- (a) The Network Operator must establish and maintain a Network Payments Account, and hold all moneys in the Network Payments Account on trust for the State to be dealt with in accordance with this Scheme Payments and Contribution Methodology, in accordance with the requirements of the Network Operator Agreement.
- (b) The Network Operator must use its Network Payments Account solely for the purposes of:
 - (i) receiving amounts from the Scheme Coordinator in respect of Third Party Refund Amounts;
 - (ii) receiving amounts from the Scheme Coordinator in respect of Vouchers;
 - (iii) receiving interest on the balance standing to the credit of the Network Payments Account; and
 - (iv) making payments of, to the extent any such payments are due, in the following order:
 - A. Third Party Refund Amounts to Refund Point Operators (other than the Network Operator) provided that where the Network Operator has paid a Third Party Refund Amount to a Refund Point Operator in advance of receiving the payment in respect of this Third Party Refund Amount under clause 8(e)(i), such Third Party Refund Amounts can be paid to the Network Operator;
 - B. to any entity to whom the Network Operator has a liability to make a payment in respect of the value of Vouchers (other than Vouchers where the Network Operator itself has the liability to meet the claim of the holder of the Voucher) that have been issued;
 - C. payments to the Australian Taxation Office in respect of tax liability on interest earned on the balances standing to the credit of the Network Payments Account and GST liability in respect of transactions referred to in this clause 7;
 - D. interest earned on the balance standing to the credit of the Network Payments Account to the Scheme Coordinator (less bank fees incurred and amounts payable to the Australian Taxation Office in respect of tax liability on interest earned on the balances standing to the credit of the Network Payments Account);

- E. amounts in respect of Expired Vouchers to the Scheme Coordinator or itself in accordance with clause 7(e);
- F. other amounts required to be paid from the Network Payments Account pursuant to the Scheme Agreements; and
- G. any amount for which the Network Operator is entitled to be indemnified from the "Trust Assets" (as defined in the Network Operator Agreement) in its capacity as trustee of the trust referred to in clause 13.2 of the Network Operator Agreement,

and must not use the Network Payments Account to pay the operating expenses of the Network Operator or for any other purposes.

- (c) The Network Operator must ensure all amounts paid by the Scheme Coordinator in respect of Third Party Refund Amounts and Vouchers are deposited into the Network Payments Account.
- (d) Within 10 Business Days after the end of a financial year, the Network Operator must pay the interest earned on the Network Payments Account in that financial year, less any bank fees incurred by the Network Operator in respect of the Network Payments Account in that financial year and tax liability in respect of that interest earned, to the Scheme Coordinator.
- (e) Within 10 Business Days after giving the Scheme Coordinator a statement pursuant to clause 8(i), the Network Operator must, from the Network Payments Account:
 - (i) pay the Scheme Coordinator an amount equal to the amount referred to in clause 8(i)(iii)A less the amount referred to in clause 8(i)(vi)A; and
 - (ii) pay to itself the amount referred to in clause 8(i)(vi)A.
- (f) The Network Operator must not withdraw an amount from the Network Payments Account in respect of a Third Party Refund Amount or a Voucher unless a Refund Amount in respect of the Approved Container to which that amount relates has been determined, in accordance with the methodology used by the Network Operator, to have been properly paid or payable.
- (g) Notwithstanding any other provision in this clause 7, but subject to the Account Bank Deed:
 - (i) interest earned on the Network Payments Account may be used to pay bank fees reasonably payable in relation to that account for which bank fees are payable as a result of the number of payment transactions from the Network Payments Account being greater than they otherwise would be if the bank account that was to be used by the Network Operator was its usual operating bank account and not a special purpose bank account as required by this clause 7;
 - (ii) subject to 7(g)(i), the Network Operator is responsible for ensuring the payment of all bank fees in relation to the Network Payments Account;
 - (iii) the Network Payments Account must not be allowed to be overdrawn;
 - (iv) the Network Operator's arrangements in relation to the Network Payments Account may include a right for the institution with whom the account is held to debit bank fees to the account; and
 - (v) any payments to and from the Network Payments Account to reflect the matters set out in clauses 7(g)(i) - 7(g)(iv) are permitted.

8. Network Payments

- (a) The Network Operator must, by the 2nd day after the end of each Week following the Scheme Commencement Date, give the Scheme Coordinator a statement setting out, in accordance with the reasonable requirements of the Scheme Coordinator (which may include that the submission must be through the Interface, in the form and with the information, required by the Interface) in respect of that Week:
 - (i) the number of Approved Containers collected at Container Refund Points by the Network Operator, its agents and contractors:
 - A. in aggregate; and
 - B. by Container Refund Point,by reference to Material Type;
 - (ii) the Refund Amounts paid by the Network Operator, its agents and contractors to, or at the direction of, persons who have presented an Approved Container to a Container Refund Point:
 - A. in aggregate; and
 - B. by Container Refund Point,separately itemising the Third Party Refund Amounts;
 - (iii) the aggregate face value of Vouchers that were issued:
 - A. in total;
 - B. by or through a Container Refund Point; and
 - C. where the Network Operator itself has the liability to meet the claim of the holder of the Voucher;
 - (iv) the Network Operator's calculation of the Network Fee, including any calculation of an adjustment in relation to a Maintenance Amount together with all supporting documentation in relation to the calculation of the adjustment, which must cover any amounts received or to be received by the Network Operator under any other government assistance program in connection with the Significant General Change in Law and the proceeds of any applicable insurance policy (including those proceeds that the Network Operator would have been entitled to receive if it had complied with the insurance policy);
 - (v) if the Network Operator is aware that any information previously provided by the Network Operator under this clause 8(a) was incorrect, to the extent the Network Operator has not provided updated information in a statement provided under this clause 8(a), particulars of such incorrect information, including details of the respects in which it was incorrect and updated correct information; and
 - (vi) such other reasonable information required by the Scheme Coordinator to inform and make calculations in accordance with this Scheme Payments and Contribution Methodology.
- (b) Any statement that is materially incomplete, inaccurate or materially non-compliant with clause 8(a) may not be accepted by the Scheme Coordinator acting reasonably. The Scheme Coordinator will notify the Network Operator that a

statement has not been accepted in accordance with this clause 8(b) as soon as practical. The Network Operator may resubmit any such statements not accepted in accordance with this clause 8(b) in accordance with clause 8(a).

- (c) Subject to clause 8(b), the Scheme Coordinator must issue a Payment Certificate (or, at its discretion a number of Payment Certificates) by whichever is the latest of the Tuesday of the Week after the Network Operator submits a statement under clause 8(a) or, if there are more than 3 days that are not Business Days in the 7 day period commencing on the Wednesday of the Week in which the Network Operator submits a statement under clause 8(a), the Wednesday of the Week after the Network Operator submits a statement under clause 8(a) provided that any statement submitted by the Network Operator under clause 8(a) that is submitted after a Tuesday will be deemed to have been submitted in the following Week. The Payment Certificate (or if more than 1 Payment Certificate is issued in relation to a statement, such Payment Certificates in aggregate) must set out the amount to which the Network Operator is entitled to be paid in relation to that statement, including any adjustment that the Scheme Coordinator has validly determined, acting reasonably, should be made in relation to a Maintenance Amount:

- (i) adjusted, as required, to reflect any incorrect payments made in respect of previous Weeks; and
- (ii) less the sum of:
 - A. the amount of any NOPFP issued in that Week; and
 - B. the amount of any NOPFPs that have been issued prior to that Week that have not been previously deducted from amounts payable to the Network Operator,

as a Recipient Created Tax Invoice.

For the avoidance of doubt:

- the obligations under clauses 8(a) and 8(b) are intended to create a single weekly payment day for the Network Operator, being Tuesday, unless there are 3 or more non-Business Days in the 7 day period immediately preceding (and including) a Tuesday in which case the weekly payment day is delayed for that Week only to Wednesday;
- the obligations under clauses 8(a) and 8(b) apply even if a day is not a Business Day;
- the Scheme Coordinator may be required to issue Payment Certificates in respect of multiple Weeks on the same day, depending upon when the Network Operator submits its statements under clause 8(a); and
- by way of illustration and for the avoidance of doubt:
 - the Scheme Coordinator may issue multiple Payment Certificates in place of a single Payment Certificate;
 - if the Monday of a Week is a public holiday and there are no other public holidays in the period which commences on the Wednesday of the prior Week and ends on Tuesday of that Week, payment day for that Week is on the Wednesday;
 - if a Week is the Week immediately following Easter, Monday of that Week is a public holiday and Friday of the previous Week was a public holiday; this means that there were 4 non-

Business Days in the relevant 7 day period for the purposes of that Week and payment day for that Week is Wednesday;

- if the Wednesday of a Week is a public holiday and the Wednesday of the previous Week was a public holiday, payment day for that Week is Wednesday; and
- the Scheme Coordinator and the Network Operator are able to negotiate bespoke arrangements in relation to specific periods, such as Christmas and Easter pursuant to clause 8(k).

(d) Each Payment Certificate, to the extent applicable, must also, in relation to a statement submitted by the Network Operator under clause 8(a), set out or attach:

- (i) the amount of the Network Fee payable in respect of the Week the subject of the statement;
- (ii) the aggregate amount payable in respect of the Week the subject of the statement to the Network Operator in respect of Refund Amounts paid by the Network Operator, its agents and contractors to, or at the direction of, persons who have presented an Approved Container to a Container Refund Point, excluding Third Party Refund Amounts;
- (iii) the aggregate amount payable to the Network Operator in respect of Third Party Refund Amounts;
- (iv) the aggregate amount payable in respect of the Week the subject of the statement to the Network Operator in respect of Vouchers;
- (v) the amount of any adjustments required to reflect any incorrect payments made in respect of previous Weeks;
- (vi) the amount of any deductions under clause 8(c)(ii); and
- (vii) the calculations of all amounts to be paid to the Network Operator under, and in accordance with, the Scheme Payments and Contribution Methodology to enable the Network Operator fully and accurately to determine the amount then payable by the Scheme Coordinator to the Network Operator. The Scheme Coordinator must promptly respond to a request by the Network Operator for further information or clarification in respect of a Payment Certificate and provide such details, calculations, supporting documentation and other information in respect of the Payment Certificate as is reasonably requested by the Network Operator.

(e) The Scheme Coordinator must pay the Network Operator the aggregate amount set out in each Payment Certificate at the time it is issued to the Network Operator as follows:

- (i) the aggregate amounts payable to the Network Operator in respect of Third Party Refund Amounts and Vouchers (other than Vouchers where the Network Operator itself has the liability to meet the claim of the holder of the Voucher) are to be deposited into the Network Payments Account; and
- (ii) the balance is to be paid directly to the Network Operator.

(f) Payment Certificates may include adjustments to reflect the correction of errors, changes to reported information or the result of an audit conducted, in respect of a prior invoicing period (**Network Operator Adjustment Period**). In the case of an audit conducted in respect of a prior invoicing period, the adjustment will be made

to reflect any adjustments that need to be made, including, as applicable, the difference between:

- (i) the actual number of Approved Containers of each Material Type collected by the Network Operator, its agents and contractors during the sample period the subject of the relevant audit (**Sample Period**) from the Container Refund Points which were the subject of the relevant audit (**Sample Container Refund Points**) and the actual Refund Amounts paid and Vouchers issued and paid by the Network Operator, its agents and contractors to persons who have presented an Approved Container to the Sample Container Refund Point during the Sample Period as determined by the audits; and
 - (ii) the number of Approved Containers of each Material Type collected by the Network Operator, its agents and contractors from the Sample Container Refund Points and the Refund Amounts paid and Vouchers issued and paid by the Network Operator, its agents and contractors to persons who have presented an Approved Container to a Sample Container Refund Point that had been used to determine Network Payments in respect of that Sample Period and those Sample Container Refund Points.
- (g) If the Scheme Coordinator is late in making a payment under clause 8(e), the Scheme Coordinator must pay the Network Operator in accordance with the Network Agreement including interest on any unpaid amounts at the Penalty Interest Rate commencing from the day the Payment Certificate was issued (which, where the Scheme Coordinator has not issued a Payment Certificate in accordance with clause 8(c), must be determined on the assumption that the Scheme Coordinator had issued a Payment Certificate in accordance with clause 8(c)). For the avoidance of doubt, the interest paid by the Scheme Coordinator is not a Scheme Cost, cannot be included in a Scheme Contribution by Material Type and must be paid by the Scheme Coordinator.
- (h) The Network Operator must maintain the following records for a period of at least 5 years (or longer if required by law) after a Voucher has been issued by or on behalf of the Network Operator, its agents and contractors to persons who have presented an Approved Container to a Container Refund Point:
 - (i) identification details of each Voucher including the Voucher ID, Container Refund Point at which the Voucher was issued, the date and time issued, and the party (whether Integrated Retailer or otherwise) where the Voucher was intended to be redeemed at;
 - (ii) date of the end of the validity period of each Voucher; and
 - (iii) in respect of IR Vouchers, amounts paid or value given to a holder of the Voucher and dates on which such amounts were paid or value given.
- (i) The Network Operator must within 20 Business Days after the end of a financial year and on the final day of the term of the Network Operator Agreement provide the Scheme Coordinator with a statement containing the following information concerning Vouchers in relation to that financial year or the financial year in which the final day of the term of the Network Operator Agreement occurs (as the case may be) (**Relevant Voucher Period**):
 - (i) the aggregate face value of such Vouchers issued during the Relevant Voucher Period, separately itemising Vouchers that were issued that are IR Vouchers and NIR Vouchers;
 - (ii) the aggregate amount that was paid by the Network Operator in respect of Vouchers during the Relevant Voucher Period, separately itemising

the aggregate amounts of Goodwill Payments, payments in respect of IR Vouchers and payments in respect of NIR Vouchers;

- (iii) the aggregate face value of IR Vouchers which became Expired Vouchers during the Relevant Voucher Period, separately itemising:
 - A. the aggregate amount of such IR Vouchers in respect of which no payment has been made from the Network Payments Account;
 - B. the aggregate amount of such IR Vouchers where the Network Operator itself has the liability to meet the claim of the holder of the Voucher; and
 - C. the aggregate amount of such IR Vouchers in respect of which a payment has been made from the Network Payments Account;
- (iv) the Voucher Expiration Rate applying to the Relevant Voucher Period together with particulars of the calculation of the Voucher Expiration Rate;
- (v) an amount equal to the face value of NIR Vouchers issued in the financial year that expired on the day which is 2 years and 1 day prior to the commencement of the Relevant Voucher Period multiplied by the Voucher Expiration Rate applicable to the Relevant Voucher Period or, where the Network Operator and the Scheme Coordinator agree that the nature and location of Container Refund Points issuing NIR Vouchers are substantially different from the nature and location of the Container Refund Points issuing IR Vouchers (by way of example, a Container Refund Point issuing NIR Vouchers that is located within a retailer's premises is likely to have a greater percentage of NIR Vouchers redeemed than if the Container Refund Point was located elsewhere), multiplied by such other factor that is agreed by the Network Operator and the State and approved by the State as an alternative to the Voucher Expiration Rate; and
- (vi) Goodwill Payments itemised as follows:
 - A. the aggregate amount of Goodwill Payments made in respect of IR Vouchers in respect of which no payment has been made from the Network Payments Account that became Expired Vouchers during the Relevant Voucher Period;
 - B. the aggregate amount of Goodwill Payments made in respect of IR Vouchers where the Network Operator itself has the liability to meet the claim of the holder of the Voucher that became Expired Vouchers during the Relevant Voucher Period;
 - C. the aggregate amount of Goodwill Payments made in respect of IR Vouchers in respect of which payment has been made from the Network Payments Account that became Expired Vouchers during the Relevant Voucher Period; and
 - D. the amount of Goodwill Payments made in respect of NIR Vouchers issued in the financial year that expired on the day which is 2 years and 1 day prior to the commencement of the Relevant Voucher Period.

- (j) The Network Operator must at the same time as giving the Scheme Coordinator a statement pursuant to clause 8(i), pay the Scheme Coordinator an amount calculated as follows:
 - (i) the total of the amounts referred to in clauses 8(i)(iii)B, 8(i)(iii)C and 8(i)(v);
 - LESS
 - (ii) the total of the amounts referred to in clauses 8(i)(vi)B and 8(i)(vi)C and 8(i)(vi)D.
- (k) Other than in respect of dates or timing that refer to the final day of the term of the Network Operator Agreement, the dates and timings set out in this clause 8 can be varied by written agreement between the Network Operator and the Scheme Coordinator.

9. Payments to Material Recovery Facility Operators

- (a) The Scheme Coordinator must pay Material Recovery Facility Operators that have entered into a Material Recovery Facility Agreement with the Scheme Coordinator MRF Payments Quarterly in arrears from the Scheme Payments Account, in accordance with the MRF Protocol, the relevant Material Recovery Facility Agreement, clause 13.3(b) of the Scheme Coordinator Agreement and this clause 9.
- (b) MRF Payments can only be claimed by a Material Recovery Facility Operator who has executed a Material Recovery Facility Agreement.
- (c) A Material Recovery Facility Operator may provide to the Scheme Coordinator a Quarterly statement which must be given to the Scheme Coordinator by the 20th Business Day after the end of a Quarter (**MRF Quarterly Statement Due Date**). The statement must be in accordance with the requirements of clause 13.3(b) of the Scheme Coordinator Agreement, the Regulations, the MRF Protocol and the relevant Material Recovery Facility Agreement and the reasonable requirements of the Scheme Coordinator (which may include that the submission must be through the Interface, in the form and with the information, required by the Interface). Each statement must contain:
 - (i) the volume of material in tonnes (measured to 2 decimal places) containing Approved Containers that was sent from the Material Recovery Facility for recycling as determined in accordance with the MRF Protocol by the Material Recovery Facility Operator during the previous Quarter in aggregate and by reference to each Material Type containing Approved Containers;
 - (ii) if the Material Recovery Facility Operator is aware that any information previously provided by that Material Recovery Facility Operator in a statement under this clause 9(c) was incorrect, to the extent the Material Recovery Facility Operator has not provided updated information in a statement provided under this clause 9(c), particulars of such incorrect information, including the respects in which it was incorrect and updated correct information; and
 - (iii) such other reasonable information required by the Scheme Coordinator to inform and make calculations in accordance with this Scheme Payments and Contribution Methodology.
- (d) A Material Recovery Facility Operator is not entitled to a MRF Payment in respect of an Approved Container unless the Material Recovery Facility Operator has provided (in accordance with this clause 9) a Quarterly Statement in respect of that Approved

Container by the date which is 3 months after the date on which the Approved Container was sent from the Material Recovery Facility for recycling.

- (e) Any statement that is materially incomplete, inaccurate or materially non-compliant with clause 9(c) may not be accepted by the Scheme Coordinator acting reasonably. The Scheme Coordinator will notify the Material Recovery Facility Operator that a statement has not been accepted in accordance with this clause 9(e) as soon as practical. The Material Recovery Facility Operator may resubmit any such statements not accepted in accordance with this clause 9(e) in accordance with clause 9(c).
- (f) The Scheme Coordinator must issue a MRF Certificate (or multiple MRF Certificates in place of a single MRF Certificate):
 - (i) where a Material Recovery Facility Operator provides a complete and accurate statement under clause 9(c) in the period that commences on the day following the end of a Quarter and ends on the first MRF Quarterly Statement Due Date following that Quarter, no later than 20 Business Days after that MRF Quarterly Statement Due Date;
 - (ii) where a Material Recovery Facility Operator provides a complete and accurate statement under clause 9(c) in respect of a Quarter in the period that commences on the day following the first MRF Quarterly Statement Due Date following that Quarter and ends on the date in the following month that corresponds to the date in the month on which that MRF Quarterly Due Date fell, no later than 20 Business Days after the last day in that period; and
 - (iii) otherwise, no later than 20 Business Days from the first MRF Quarterly Statement Due Date that follows a Material Recovery Facility Operator providing a complete and accurate statement under clause 9(c).

A MRF Certificate must set out the MRF Payment to which the Material Recovery Facility Operator is entitled to be paid in relation to that statement adjusted, as required, to reflect any incorrect payments made in respect of previous Quarters, as a Recipient Created Tax Invoice as reasonably determined by the Scheme Coordinator. The MRF Certificate must be in accordance with the requirements of clause 13.3(b) of the Scheme Coordinator Agreement, the Regulations, the MRF Protocol and the relevant Material Recovery Facility Agreement and also, in relation to that statement, set out the calculations in respect of all amounts the subject of the MRF Certificate to enable the Material Recovery Facility Operator to determine the amount then payable by the Scheme Coordinator to the Material Recovery Facility Operator. The Scheme Coordinator must promptly respond to a request by a Material Recovery Facility Operator for further information or clarification in respect of a MRF Certificate and provide such details, calculations, supporting documentation and other information in respect of the MRF Certificate as is reasonably requested by the Material Recovery Facility Operator.

- (g) The Scheme Coordinator must pay the Material Recovery Facility Operator the aggregate amount of MRF Payments set out in each MRF Certificate at the time it is issued to the Material Recovery Facility Operator.
- (h) MRF Certificates may include adjustments to reflect the correction of errors, changes to reported information or the result of an audit conducted, in respect of a prior Quarter (**MRF Adjustment Period**), including adjustments to reflect the difference between:
 - (i) the actual number of Approved Containers of each Material Type sent for recycling as required in accordance with the MRF Protocol by the relevant Material Recovery Facility Operator during the MRF Adjustment Period adjusted to reflect the correction of errors, changes to reported information or as determined by results of the audits;

- (ii) the number of Approved Containers of each Material Type sent from the Material Recycling Facility for recycling as determined in accordance with the MRF Protocol by that Material Recovery Facility Operator that had been used to determine MRF Payments in respect of that MRF Adjustment Period; and
 - (iii) any other adjustments required in accordance with the MRF Protocol.
- (i) If the Scheme Coordinator is late in making a payment under clause 9(g), the Scheme Coordinator must pay the Material Recovery Facility Operator in accordance with the requirements of clause 13.3(b) of the Scheme Coordinator Agreement, the Regulations, the MRF Protocol and the relevant Material Recovery Facility Agreement including interest on any unpaid amounts at the Penalty Interest Rate commencing from the day the MRF Certificate was issued (which, where the Scheme Coordinator has not issued a MRF Certificate in accordance with clause 9(f), must be determined on the assumption that the Scheme Coordinator had issued a MRF Certificate in accordance with clause 9(f)). For the avoidance of doubt, the interest paid by the Scheme Coordinator is not a Scheme Cost, cannot be included in a Scheme Contribution by Material Type and must be paid by the Scheme Coordinator.

10. Scheme Compliance Fee and Performance Failure Payments

10.1 Scheme Compliance Fee

By the third Business Day of each month which occurs after the issue of a notice in accordance with paragraph 3 of Part 2 of Schedule 6 to the Scheme Coordinator Agreement, the State will issue the Scheme Coordinator with a Tax Invoice for the amount of the Scheme Compliance Fee for that month. 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 5 Business Days of the receipt of the Tax Invoice.

10.2 SCPFPs

The Scheme Coordinator must pay any SCPFPs as follows:

- (a) the Scheme Coordinator must deduct from any amount to be paid to itself under clause 3(c) the amount of any SCPFP 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 10.2(a)(ii) at the same time it pays itself, or, but for this clause 10.2(a) would have been required to pay itself, under clause 3(c); and
 - (ii) to the Network Operator, any amount of the SCPFP that:
 - A. is required to be paid to the Network Operator under clause 16.5 of the Network Agreement; and
 - B. 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 10.2(a) would have been required to pay, the State pursuant to clause 10.2(a)(i),

in full or partial satisfaction of its obligation to pay the SCPFP to the State.
- (b) Any SCPFP 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 in respect of a SCPFP after termination or expiry of the Scheme Coordinator Agreement as a debt due and payable within 20 Business Days of the receipt of the Tax Invoice.

10.3 NOPFPs

- (a) The State may issue the Network Operator with a Tax Invoice for the amount of any NOPFP (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 NOPFPs.
- (b) The Scheme Coordinator must, at the same time as it makes a payment under clause 8(e) in relation to a Payment Certificate in respect of which a deduction under clause 8(c)(ii) has been made, pay from the Scheme Payments Account an amount equal to the amount so deducted as follows:
 - (i) to itself:
 - A. any amount that is required to be paid to itself under clause 16.5 of the Network Agreement that has not previously been paid; and
 - B. any amount of the NOPFP that the State agrees to pay to the Scheme Coordinator in accordance with clause 15.2 of the Scheme Coordinator Agreement that has not previously been paid,

(together “**Scheme Coordinator Adjustments**”), and
 - (ii) to the State, the amount so deducted under clause 8(c)(ii) less the Scheme Coordinator Adjustments,

in full or partial satisfaction of the Network Operator’s obligation to pay the NOPFP to the State.
- (c) The payment by the Scheme Coordinator of the amount of a Scheme Coordinator Adjustment is taken to be a payment to the Scheme Coordinator under clause 16.5 of the Network Agreement and/or the payment of an amount of the NOPFP that the State agrees to pay to the Scheme Coordinator in accordance with clause 15.2 of the Scheme Coordinator Agreement (as the case may be).
- (d) Any NOPFP 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 10.3(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 Invoice.