



# ACT Container Deposit Scheme

Initiative of



**ACT**  
Government

ACT  
**CDS**  
container deposit scheme

## Industry information session

11 April 2018

# Agenda



1. Critical actions that you need to complete
2. Key participants in the scheme & their role
3. Who is Exchange for Change and who is in the team
4. Scheme mechanics
5. Supplier definitions
6. Invoicing
7. Differences between ACT & NSW
8. Key dates



# Critical information

The most important things from this presentation are:

1. If you supply beverage containers into ACT you need to sign a Supply Agreement with Exchange for Change (ACT) by 1 June
2. You need to ensure your containers are registered with any State approval system
3. You need to review your historical sales volumes in our IT Portal
4. You will get your first invoice on Monday 2 July, it needs to be paid within 7 days, and then pay each monthly invoice thereafter
5. You need to provide your June sales volumes in ACT by 15 July, and then each month thereafter

# Key participants in the scheme



## Exchange for Change

- Financial processing
- Marketing of scheme
- Auditing all participants

## ACT Government

- Container approvals
- Refund mark
- Legislation
- Regulation
- MRF protocol
- Supplier definitions
- Container eligibility

## Re Turn it

- Establishment & Managing Collection points
- Processing consumers container returns
- Coordinating recycling containers



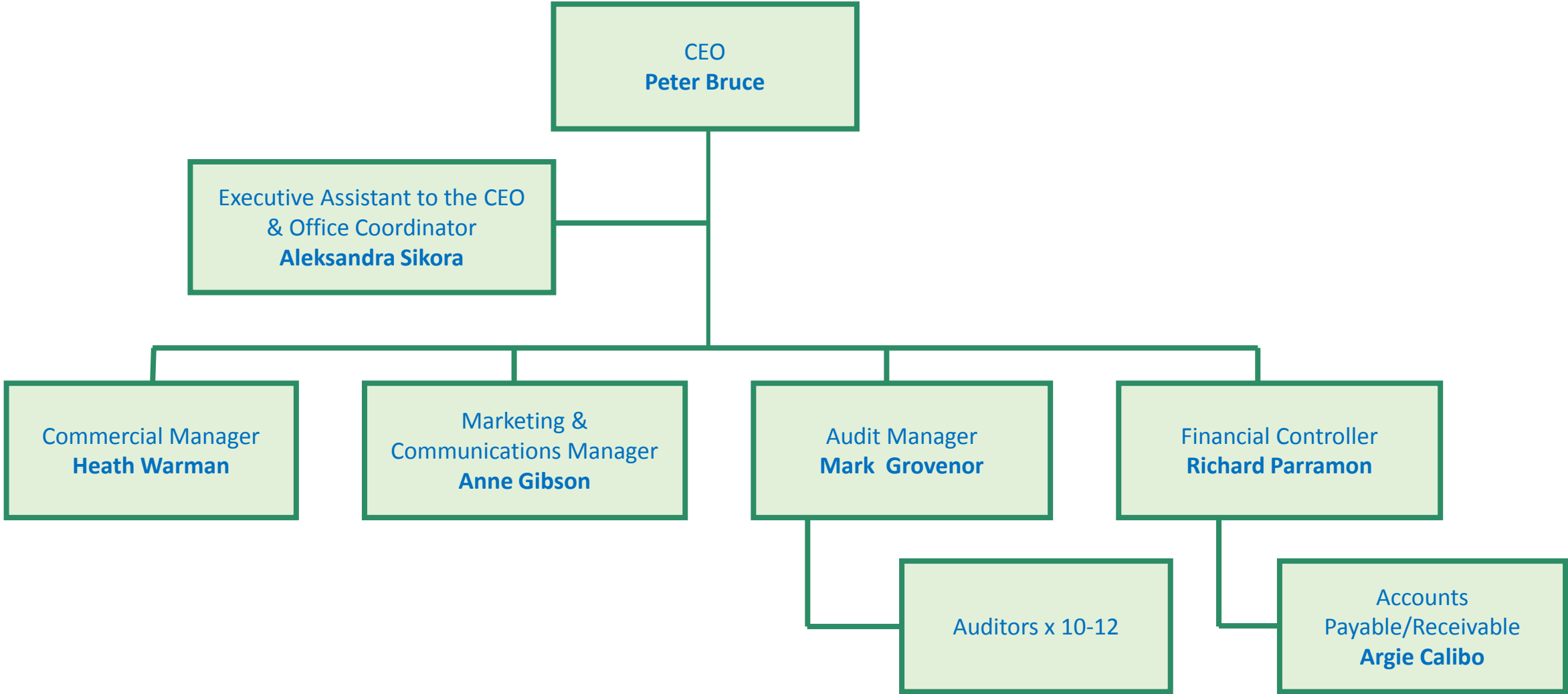
## Who is Exchange for Change

Exchange for Change is the Scheme Coordinator for ACT CDS.

A joint venture of five of Australia's beverages companies (Asahi, CCA, Coopers, CUB and Lion).

Its members have 40 years' experience operating similar schemes in South Australia and Northern Territory and more recently NSW.

We are motivated to keep the Scheme running as efficiently as possible to minimise costs.



# Financial flows within ACT CDS

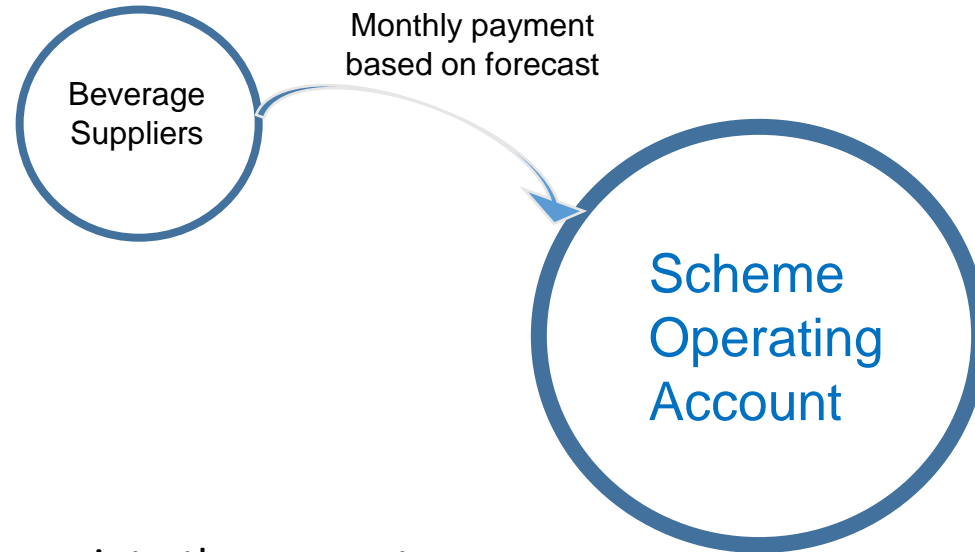


Scheme Account is similar to a Trust Account

EFC administers the accounts but the contract with the Territory controls what transactions can occur.

This account is the focus point for the whole schemes finances.

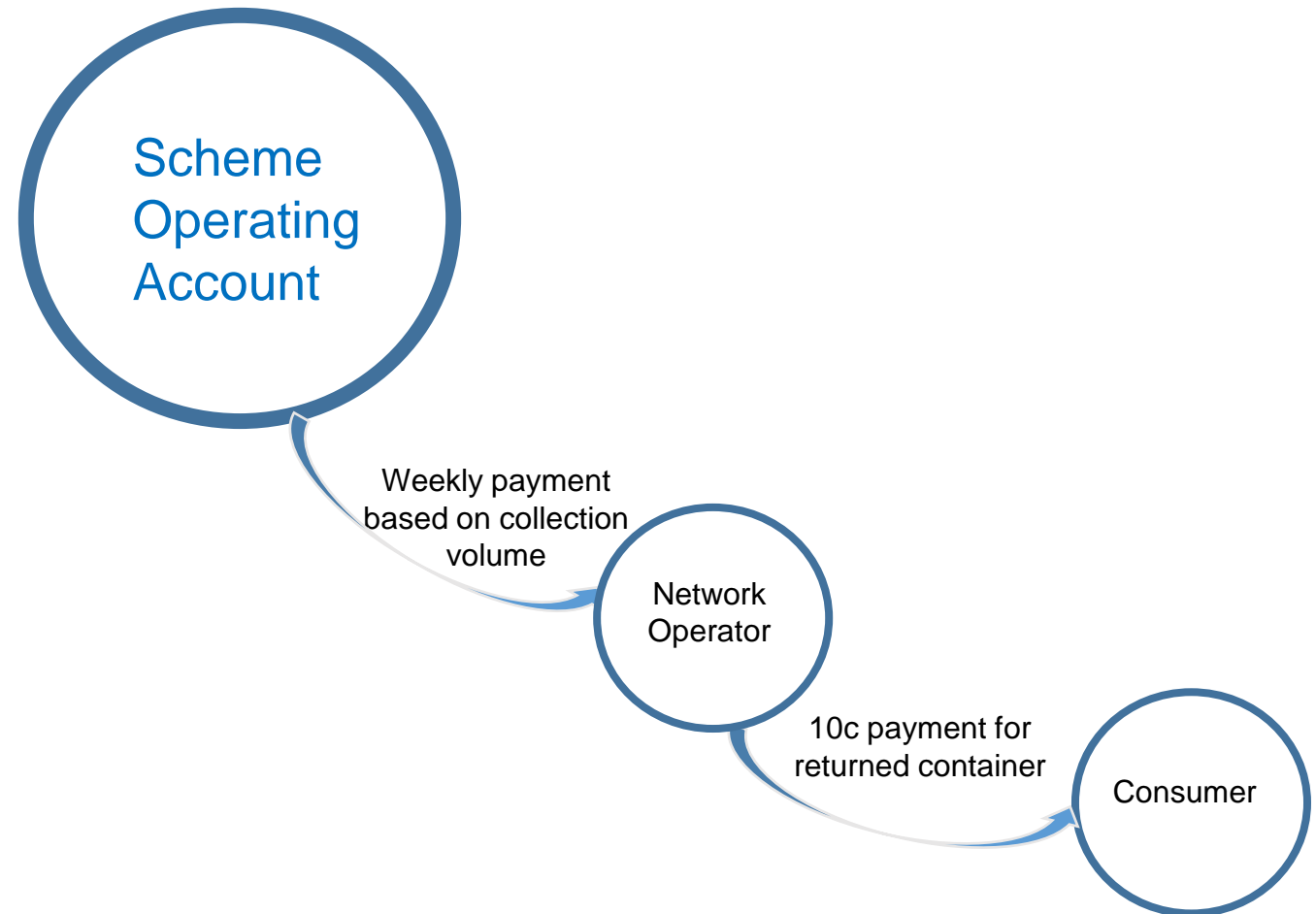
# Financial flows within ACT CDS



Beverage Suppliers pay into the account each month based on a forecast of scheme costs generated by EFC



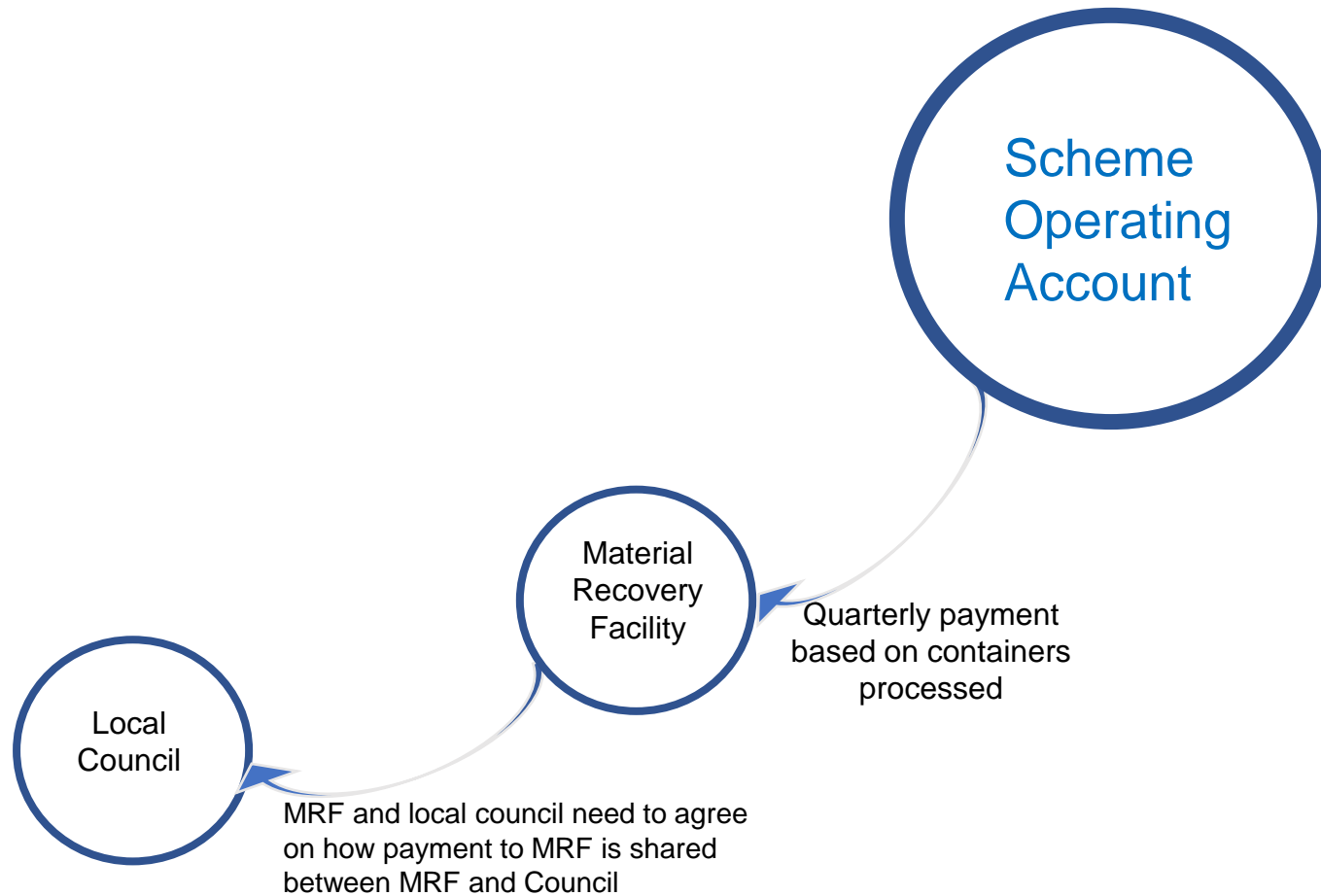
# Financial flows within ACT CDS



There is a weekly payment to the Network Operator based on the number of containers collected in the previous week.

This payment has two components the 10 cents paid to the consumer and a handling fee for the Network Operator

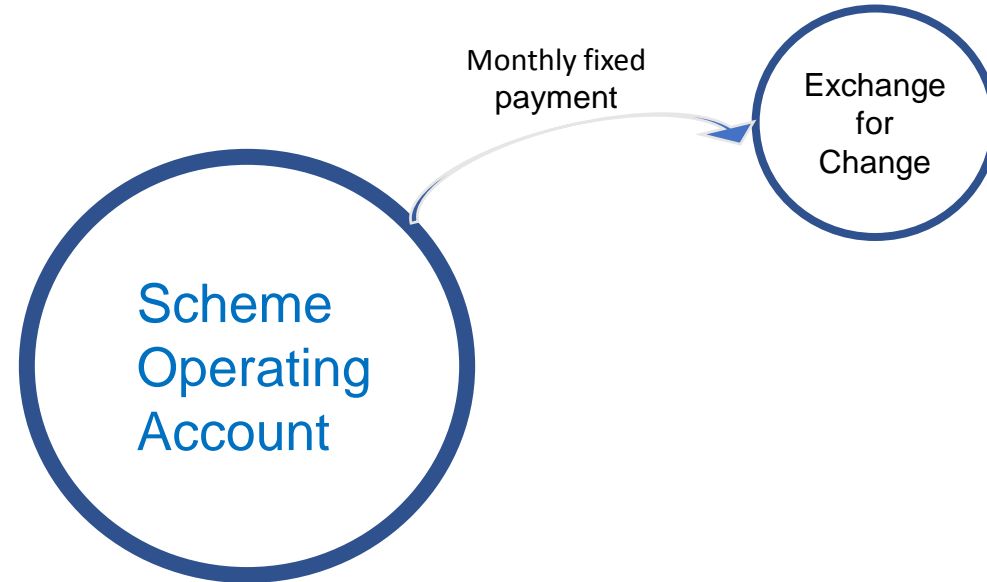
# Financial flows within ACT CDS



After each quarter a payment is made to the MRF for volumes collected through the kerbside recycling program. This is shared with the local council.

This is a 10 cent payment per container. The number of containers is calculated through a sampling plan.

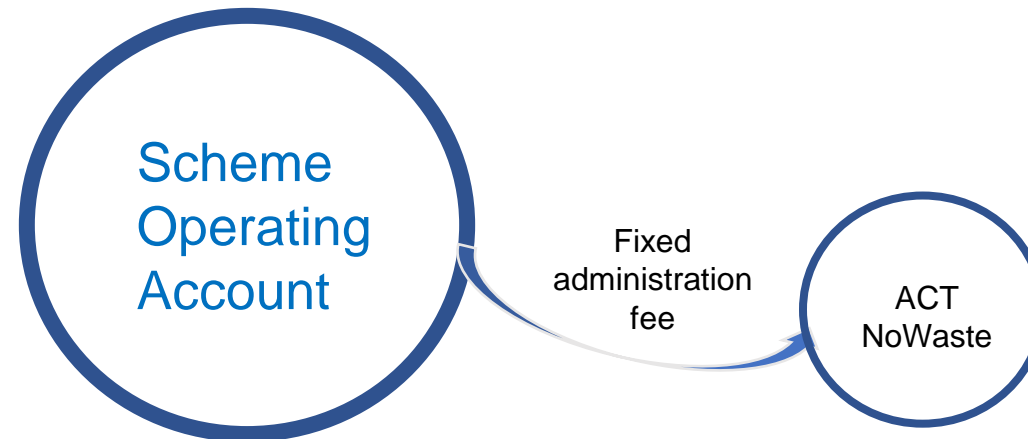
# Financial flows within ACT CDS



Each month EFC receives a fixed payment. This amount was determined during the contract negotiation.

All of EFC operating costs are covered by this payment.

# Financial flows within ACT CDS



A fixed payment is made to the Territory each month. This is to cover the Territories costs of administering the scheme.

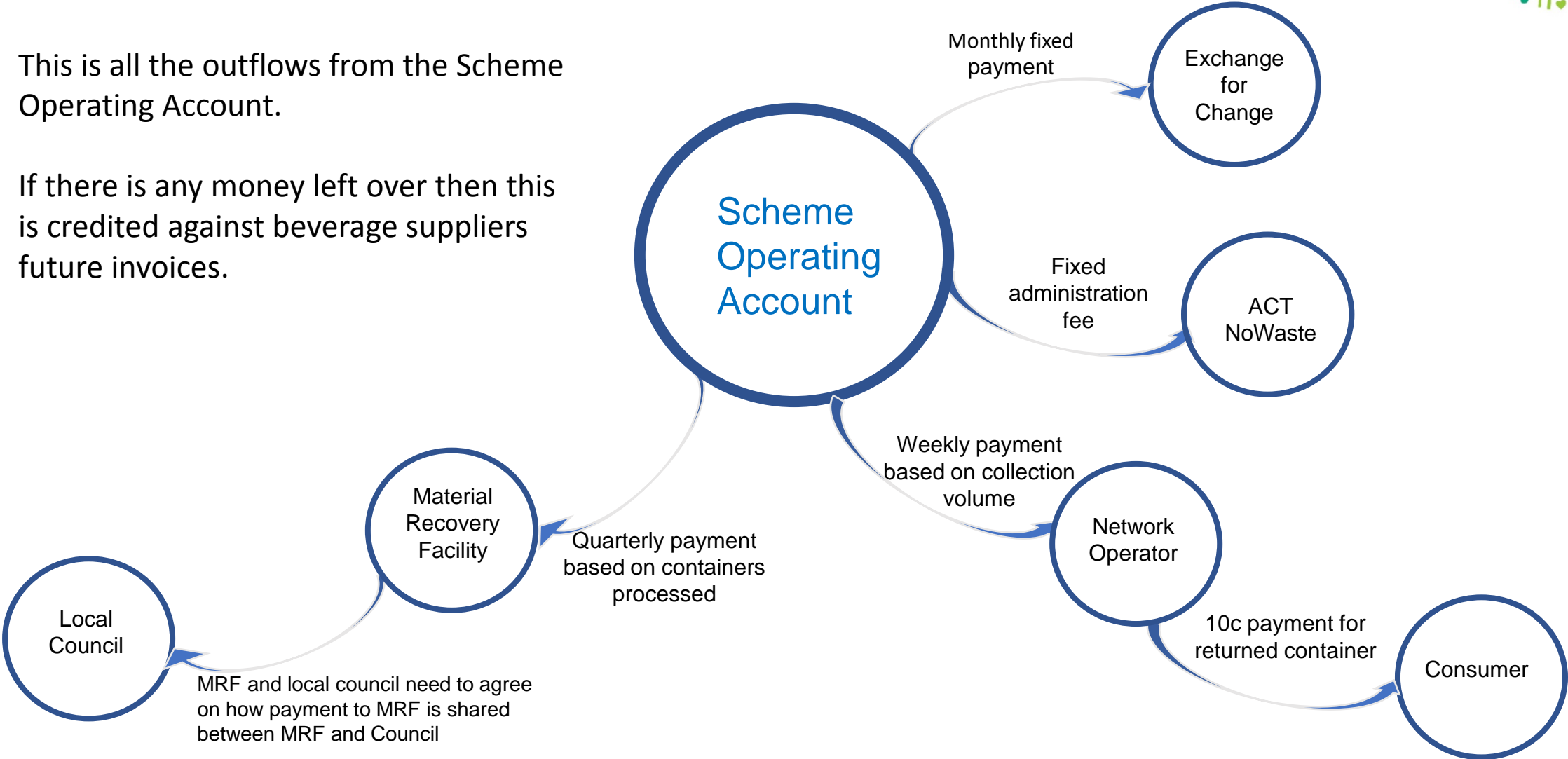
In this way the territory does not have to contribute funds for the management of the scheme

# Financial flows within ACT CDS

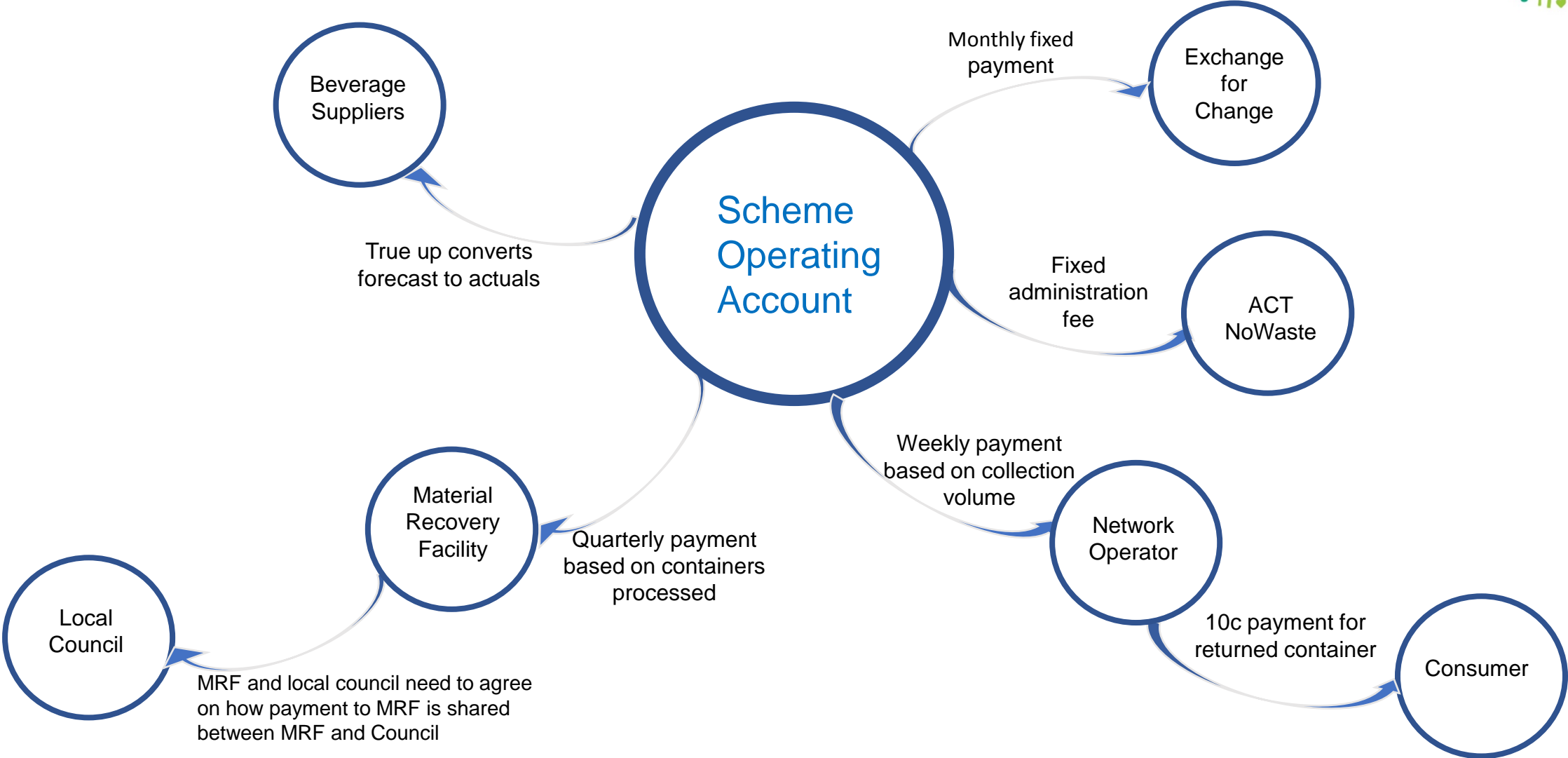


This is all the outflows from the Scheme Operating Account.

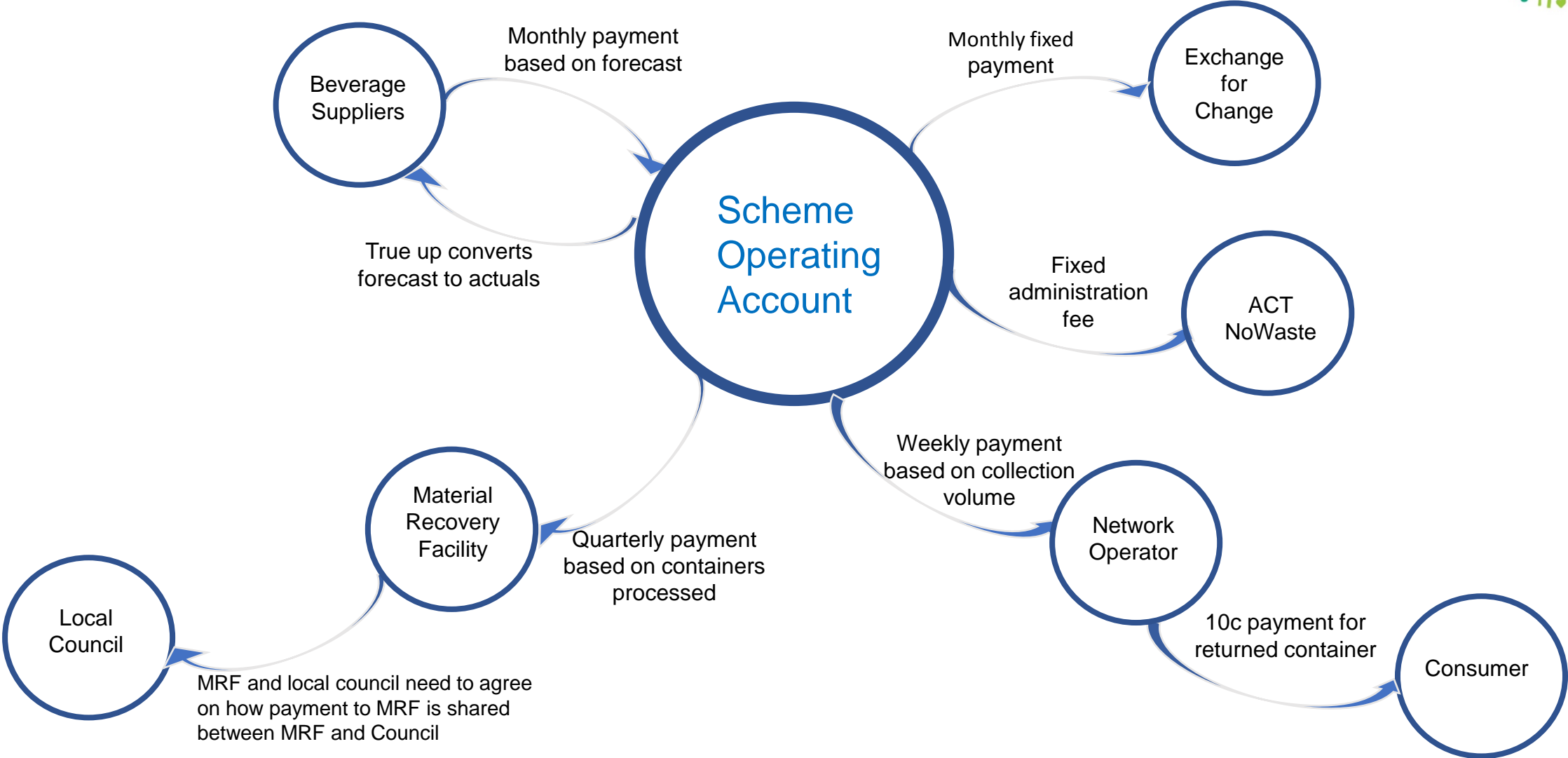
If there is any money left over then this is credited against beverage suppliers future invoices.



# Financial flows within ACT CDS



# Financial flows within ACT CDS



# First Supplier definition

## Definitions

- **Supplier**
  - a) Means an entity that
    - i. Manufactures a container; or
    - ii. Imports a container from a State or another country; and
  - b) Carries on a business that is, or includes, the supply of a beverage in the container; but
  - c) Does not include a person prescribed by regulation not to be a supplier
- **Supply** means provide, by way of sale or otherwise, in the course of carrying on a business



# First Supplier definition

## Key Principles

- Ensure that the contribution is only paid once;
- For each redeemed container;
- By the entity that supplied the beverage in, or into, the ACT
- The Scheme Coordinator has the responsibility to identify beverage suppliers to the ACT and ensure they participate in the Scheme via signing supply arrangements and making supply contributions when required.
- Factors that will be considered include:
  - Ownership – owns the beverage; or owns the brand to the beverage; or has the right to deal with the beverage when it enters the ACT
  - Change of title – who has title immediately prior to the beverage entering the ACT
  - Location of Supply

# Forecasting volumes for invoicing

- Forecast volumes are calculated the same way for all suppliers to produce a fair, consistent and reasonable forecast for all participants
- Actual costs of the scheme are paid once the true up adjustments are made
- The formula used for the forecast is as follows:

$$\frac{(\text{Period 1 vol} + \text{Period 2 vol} + \text{Period 3 vol})}{(\text{Total days in Period 1, Period 2 Period 3})} \times \frac{\text{Number of days in Forecast Period}}{\text{Forecast Period}}$$

- The Periods are sourced from the three most recently reported periods. The July forecast will be based on March, April and May actuals
- A seasonal factor may also be applied

## Initial scheme pricing per container to the beverage suppliers

Schedule Costs			
Scheme Month	Jul-18	Aug-18	Sep-18
Invoice Date	1-Jul-18	1-Aug-18	1-Sep-18
Assumptions			
Overall Recovery Rate	70%	71%	72%
% of containers recovered via MRFs/kerbside	39%	38%	37%
% of containers recovered via Network Operator	31%	33%	35%
Scheme Costs per Supplied Container (cents)			
Aluminium	9.940	10.192	10.445
Glass	9.940	10.192	10.445
HDPE	9.940	10.192	10.445
PET	9.940	10.192	10.445
Liquid Paper Board	9.940	10.192	10.445
Steel	9.940	10.192	10.445
Other Plastics	9.940	10.192	10.445
Other materials	9.940	10.192	10.445

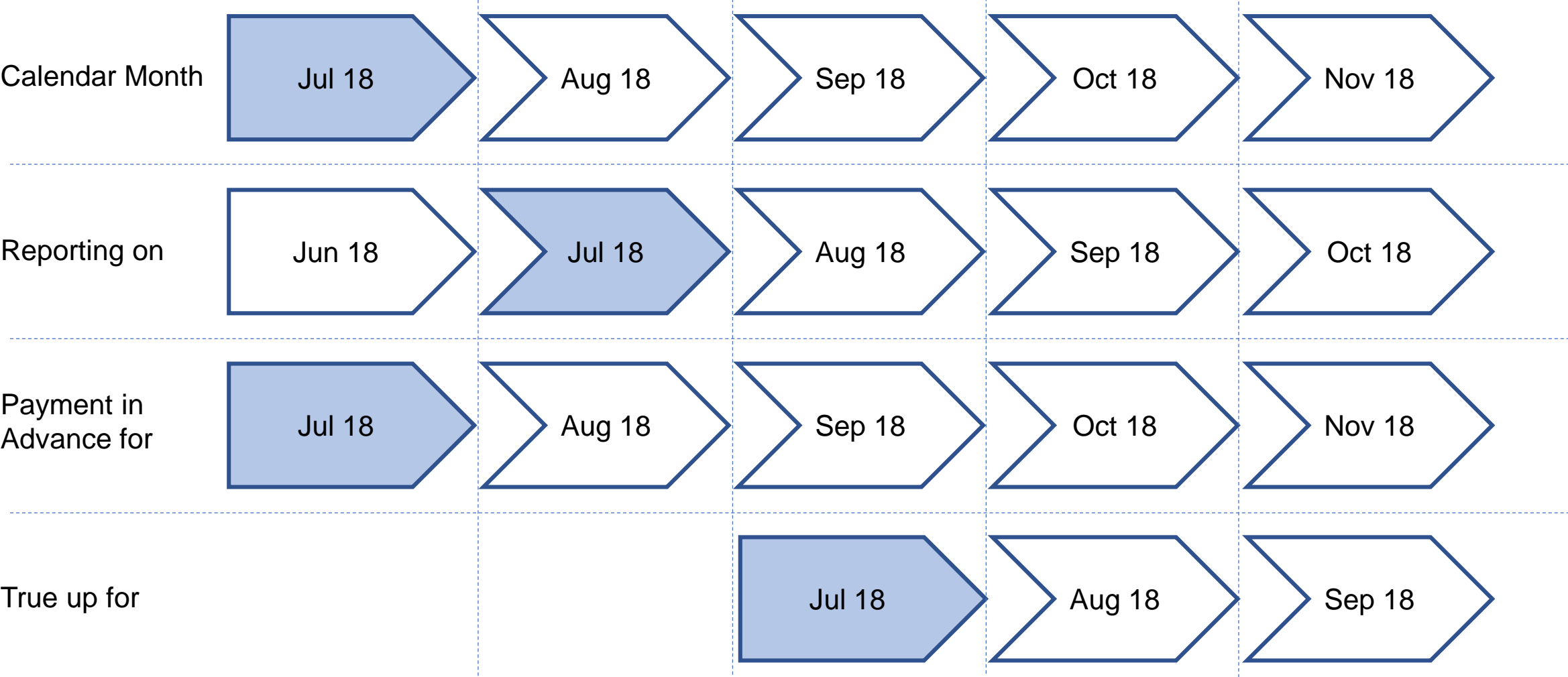
Prices are exclusive of GST

Rates are a forecast based on available information. If we see a significant change in available information then the pricing may change.

To try to give as much certainty as possible we will try to hold these prices

Prices that beverage suppliers pass on to retails and consumers is up to individual companies.

# Reporting & timing within the Scheme



# Invoicing: key dates

- **Advance Contribution** - issued - 2 July 2018  
*Subsequent invoices - first business day of each month for the following month*
- Distributed via email address provided
- **Payments - due date – Monday 9 July 2018** (ie terms 7 days net)  
*Payment details provided within the Remittance Advice section. Please ensure you quote the invoice number with all payments*

If you have not received your **Advance Contribution invoice by COB 3 July 2018**  
please contact us at

[accountsreceivable@exchange4change.com.au](mailto:accountsreceivable@exchange4change.com.au)

Our contact  
details



Exchange for Change (NSW) Pty Ltd  
PO BOX 3414  
RHODES, NSW 2138

Ph: -(02) -9119 8818

Email: [AccountsReivable@exchangeforchange.com.au](mailto:AccountsReivable@exchangeforchange.com.au)

## Tax Invoice / Adjustment Note

ABN: 12 620 512 469

**Invoice Date** 01-Nov-2017  
**Invoice Number** 30000009  
**Terms** 7 Net  
**Due Date** 08-Nov-2017

**Customer Num** RAE179800  
**Page** 1 of 2

Key particulars

- Invoice date
- Invoice no
- Terms & due date
- Your customer RAE number



### Bill to

ABC Pty Ltd Unit 3B, 9-13 Winbourne Rd  
TORSAL NSW 2123

Invoice / Adjustment Summary	Amount (ex GST)	GST	Total (inc GST)
Supplier Advance Contribution	\$	\$	\$
<b>Total Payable</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

### Exchange for Change (NSW) Pty Ltd Remittance Advice

Amount Due AUD \$

Invoice Number 30000009

Amount Paid AUD \_\_\_\_\_

#### PAYMENT OPTIONS

##### Direct Payment

Name: NSW CONTAINER DEPOSIT SCHEME  
PAYMENTS ACCOUNT  
BSB No: 032143  
Account No: 376378

##### Make Cheques Payable

Name: Exchange for Change (NSW) Pty Ltd  
Remit To:  
PO BOX 3414  
RHODES, NSW 2138

Remit advice &  
payment options



Should you require an explanation about this invoice or want to discuss payment options, please contact us at [info@exchangeforchange.com.au](mailto:info@exchangeforchange.com.au) or on 1800 813 887. For all payments, please quote the Invoice Number. Please post or email this remittance advice to the above address or email address.

# Differences between ACT & NSW schemes

- Containers can be returned on the same date as any potential price change comes into effect
- Scheme prices are lower in the first three months, so true up adjustments are expected to be smaller
- Crushed and damaged containers can be returned
- Collection points will be predominately face to face

# Critical milestones



## 1 June

- Suppliers of containers into ACT need to have signed a Supply Agreement



## 15 June

- Review the historical volumes of containers supplied into ACT by your business



## 30 June

- Scheme commences
- Consumers can now take their containers to collection points across ACT



## 2 July

- First invoice issued to beverage suppliers



## 9 July

- First invoice is due for payment