

SUMMARY OF PRICING AND CONTRIBUTION APPROACH CHANGES



Component	Current Approach	New Approach	Benefits of New Approach for suppliers
Container Pricing	Monthly variable price per material type with true-ups	Fixed price per material type for 12 months (monitored quarterly)	<ul style="list-style-type: none"> Price certainty Removes volatility
Supplier Declares Actual Volumes	15th of the month for previous month's volumes (eg. March, reported by 15 April)	15th of the month for previous month's volumes (eg. supplier volumes delivered in March reported by 15th April)	<ul style="list-style-type: none"> No change to current process for suppliers
Invoice Date	1st of the month (or next business day)	21st of the month (or next business day)	<ul style="list-style-type: none"> Invoice is issued after supply volumes are reported
Invoice Calculation	<ul style="list-style-type: none"> Forecast scheme costs and forecast supplier market share Trued-up against actual scheme costs and actual market share for previous invoices. 	<ul style="list-style-type: none"> Invoice based on actual supply volumes in arrears. Supply Volumes x Fixed Container Price (eg. March volumes x Fixed Container Price = invoice issued on 21 April to fund May scheme costs) 	<ul style="list-style-type: none"> Reduced complexity Improved certainty
Payment Terms	7 days	7 days	<ul style="list-style-type: none"> Aligns with CDS payment terms in other jurisdictions New invoice date based on fixed price and actual volumes to improve cashflow management
Small Supplier* Option	Nil	Option to opt in for quarterly invoicing	<ul style="list-style-type: none"> Reduced administration Additional flexibility for cashflow management for small business
True-Ups	Reconcile adjustments in supply and market share which may impact any month since scheme commencement	<p>No monthly true ups.</p> <p>Annual true up as part of annual price adjustment.**</p> <p>Suppliers adjusting their reported supply volumes will be individually invoiced for the changed amount with no impact to any other supplier.</p>	<ul style="list-style-type: none"> Reduced complexity Reduced administration Increased certainty
New Supplier Arrangements	New suppliers are required to make contributions, including any historical payments back to the commencement of the scheme, based on their market share by material type. This results in a true-up adjustment for all suppliers of the same material type.	<p>New suppliers are required to make contributions, including any historical payments back to the commencement of the scheme.</p> <p>The supplier is required to pay the material price for any historical contributions based on the final price at the time of transition or the new fixed price by total supplier volumes delivered in the period.</p>	<ul style="list-style-type: none"> No monthly true-ups Annual true up as part of annual price adjustment.**

*Small suppliers: that supply 300,000 or less containers

**Any surplus or shortfall of funds in the scheme payments account each year, as a result of corrections to supply volumes or where forecasts have varied from actuals, will be adjusted during the price setting process for the following year and could result in a higher or lower price.