

WA Return Recycle Renew Ltd - Supply Amount Calculation Methodology

1) Defined terms

In this supply amount calculation methodology, the following definitions apply:

Act means the *Waste Avoidance and Resource Recovery Act 2007*.

Beverage Product has the meaning given to that term in the Act.

Beverage Product Sold means, in respect of a month, a Container used for a Beverage Product that was first Supplied in Western Australia by the First Responsible Supplier during that month as declared by the First Responsible Supplier.

Container has the meaning given to that term in the Act and the Regulations.

Container Recovery Rate has the meaning given to that term in the Regulations.

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

First Responsible Supplier has the meaning given to that term in the Act and the Regulations.

Material Type means each material type listed in the Recovery Amount Protocol.

MRF Operator has the meaning given to that term in the Act and the Regulations.

Recovery Amount Protocol has the meaning given to that term in the Regulations.

Refund Point has the meaning given to that term in the Act and the Regulations.

Regulations means the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019*.

Scheme means the container deposit scheme established under Part 5A of the Act.

Scheme Objectives means the objects set out at section 47A of the Act.

Scheme Price means the price attributed to each Container, calculated in accordance with this supply amount calculation methodology.

Supply has the meaning given to that term in the Act and **Supplied** has a corresponding meaning.

2) Scheme pricing calculation

- a) The Scheme Price for each month will be determined by the Coordinator with reference to:
 - (i) the number of Beverage Products of each Material Type that First Responsible Suppliers declare they have first Supplied in the State during the month;

- (ii) an estimate of the number of Containers that are returned to Refund Points or collected or received by MRF Operators during the month;
 - (iii) the Container Recovery Rate for the month;
 - (iv) the recovery value of each Material Type used for the Container being the cost incurred in, or revenue received from, getting the material recycled, as determined by the Coordinator;
 - (v) the Scheme Objectives; and
 - (vi) the Coordinator's current and forecast capital reserves.
- b) The Coordinator will set Scheme Prices so that, over time:
- (i) aggregate contributions are approximately equal to the aggregate costs of the Scheme;
 - (ii) the Scheme remains liquid at all times; and
 - (iii) If the Coordinator accumulates excess cash reserves, the excess reserves are drawn to fund future Scheme costs.

3) Calculation of the invoice amount for each First Responsible Supplier

The invoice amount for each month (exclusive of any GST payable by the First Responsible Supplier) will be calculated as:

$$A_i = \sum_m S_{m,i} \times P_{m,i}$$

Where:

- A_i is the invoice amount payable by the First Responsible Supplier for month i
- $S_{m,i}$ is the number of Beverage Product Sold by the First Responsible Supplier of Material Type m during month i
- $P_{m,i}$ is the applicable Scheme Price for Beverage Product Sold of Material Type m during month i .