

CDS Coordinator Guidelines to the *Environment Protection (Beverage Containers and Plastic Bags) Act 2014*

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1.0 Introduction

The Northern Territory Container Deposit Scheme (CDS) was established by the *Environment Protection (Beverage Containers and Plastic Bags) Act* and commenced on 3 January 2012.

Under the Container Deposit Scheme (CDS) a 10 cent refund is available to consumers for approved empty beverage containers purchased in the Territory on or after 3 January 2012. Empty approved containers must be delivered to an approved collection depot to obtain a refund. The collection depot must deliver the containers to a CDS coordinator to claim the reimbursement of the refund amount and associated costs in accordance with their waste management arrangements.

A CDS coordinator coordinates the activities of CDS participants under the CDS. CDS coordinators accept, handle and deliver for reuse, recycling or other appropriate disposal, approved containers received from collection depots.

1.1 The amended Act

The amended *Environment Protection (Beverage Containers and Plastic Bags) Act* (the Act) was gazetted in June 2014. The object of this Act is to minimise environmental pollution by:

- (a) Establishing a container deposit scheme to:
 - (i) reduce beverage container waste by providing communities throughout the whole of the Territory, as far as practicable, with access to facilities for the collection of empty containers and the payment of refund amounts; and
 - (ii) increase resource recovery, reuse and recycling.

The amended Act creates requirements under the CDS which will be implemented over the next 6 to 16 months. This guideline provides an overview of the changes to how the CDS will operate and how the changes will impact on a CDS coordinator.

The Northern Territory Environment Protection Authority (NT EPA) is responsible for the administration of the Act.

2.0 Requirements of a CDS Coordinator

CDS coordinator must accept empty approved containers of beverage products that have been delivered to them by operators of approved collection depots with whom a written waste management arrangement is in place (operator arrangement). The collection depot must sort containers by material type before delivery, regardless of the product names displayed on the containers. The CDS coordinator must make payment to collection depots in relation to empty approved containers accepted in accordance with the approved operator arrangement.

CDS coordinators must accept approved containers unless as stated in section 20(2):

1. The CDS coordinator is unable to:
 - a. identify the container as being an approved container; or
 - b. be satisfied that the container was purchased in the Territory or corresponding jurisdiction after the start of the CDS.
2. The container is contaminated, meaning it:
 - a. is unclean; or
 - b. is affected by a contaminant such as oil, paint or sand.
3. The container has a removable lid on it.

The new section 20 will not be commenced until a coordinator arrangement has been approved by the NT EPA.

3.0 Waste management arrangements generally

The Act describes various waste management arrangements that work to establish the CDS. It is important that a CDS coordinator understands all of them and the role that they play.

A waste management arrangement is a written arrangement made between two or more CDS participants and relates to approved containers as appropriate to the particular participants. It is a general condition of approval that one or more waste management arrangements are in place and approved by the NT EPA. If an approved waste management arrangement is varied or replaced it must be re-submitted to the NT EPA for approval.

In accordance with section 11(2) of the Act, all waste management arrangements must include provisions dealing with:

- the collection, sorting, aggregation and transportation of the empty containers;
- the reuse, recycling or other appropriate disposal of the containers;
- the minimisation of the handling and sorting of containers;
- payment of the refund amount and other amounts by the CDS Coordinator to the collection depot; and
- a dispute resolution process.

The NT EPA will formally approve a waste management arrangement and deem it appropriate if satisfied that the arrangement includes provisions that deal with matters mentioned above and those matters dealt with in section 12 of the Act, and the schedule to section 12(3) (where

relevant). The NT EPA must also be satisfied that if other provisions are included, they are not inconsistent with the Act and that all provisions are appropriate for the CDS.

If the NT EPA refuses to approve a waste management arrangement submitted in accordance with section 24(b), the NT EPA is required to give the CDS approval holder a review notice for the refusal. Refusing to approve a waste management arrangement under this section is reason to refuse to grant a CDS approval.

3.1 Coordinator arrangement

A **coordinator arrangement** as per section 12 is a waste management arrangement made between CDS coordinators.

The coordinator arrangement may be made by all of the CDS coordinators entering into one arrangement or by any of the CDS coordinators entering into an arrangement with any of the other coordinators in a way that ensures all of the arrangements have the effect of one arrangement between all of the coordinators. Through a coordinator arrangement, CDS coordinators need to come to an arrangement/s in order to allow any one coordinator to accept all containers belonging to all of the CDS coordinators combined. Arrangements must be in place for accepting containers by material type only. Provisions must include transitional arrangements should any coordinator cease to be an approved coordinator under the CDS.

The coordinator arrangement must establish the material types into which empty approved containers must be sorted by collection depots, which can be no more than nine splits in total.

The schedule to section 12 specifies all of the provisions that must be included in the coordinator arrangement. The full schedule can be found at Appendix A.

3.2 Operator arrangement

An **operator arrangement** is a type of waste management arrangement made between an operator of an approved collection depot and a CDS coordinator.

All collection depots are required to have an operator arrangement with at least one CDS coordinator to manage the acceptance, aggregation and transport of empty containers for their reuse, recycling or other appropriate disposal. CDS coordinators must accept containers from collection depots with whom they have an operator arrangement. Containers are to be split by material type regardless of the product names displayed on the containers. The operator arrangement must state the number of total splits by which material types as provided for in the coordinator arrangement. The CDS coordinator must include provision in the coordinator arrangement to manage all approved containers received on behalf of all other CDS coordinators.

It is not necessary for a CDS coordinator to have an operator arrangement to maintain their approval. Arrangements will need to be made in the coordinator arrangement for other CDS coordinators to process containers on a coordinator's behalf.

3.3 Supply arrangement

A supplier arrangement means a waste management arrangement made between a supplier and a CDS coordinator.

A manufacturer / first importer of a beverage container must not sell their products into the Northern Territory until they have established a supplier arrangement with a CDS coordinator. The supplier arrangement details how the CDS coordinator will arrange for the reuse, recycling or other appropriate disposal of the manufacturers containers on their behalf. It cannot specify that collection depots must sort containers solely relating to their brand type or sorted by brand type amalgamated by the coordinator that represents them.

4.0 Arbitration

In accordance with section 99 of the Act, arbitration will be required if the parties developing a coordinator arrangement are unable to reach an agreement about the provisions of the coordinator arrangement within the prescribed period of 6 months (or extended period if granted by the NT EPA). The matters in dispute must be decided by an arbitrator in the Northern Territory.

If the parties cannot reach an agreement in the development of a coordinator arrangement, a notice relating to arbitration, signed by the parties must be given to the NT EPA 14 days before the end of the negotiation period. The notice must state that an agreement could not be reached and that the matter must be referred for arbitration. The notice must state whether or not the parties have reached an agreement on the arbitrator who is to decide the matter and, if so, provide the details of the arbitrator.

If the parties cannot come to an agreement on who the arbitrator should be, the NT EPA will appoint an arbitrator. The NT EPA can extend the negotiation period to enable the arbitration to be completed.

If a CDS coordinator disagrees with the arbitrator's decision the CDS coordinator may decide not to continue as a CDS coordinator. If this is the case they must give written notice of this to the NT EPA and each CDS participant with whom the coordinator has a related waste management arrangement.

If a CDS coordinator is negotiating a supplier or operator arrangement and an agreement cannot be reached the parties may choose to accept decision by an arbitrator or not.

All costs of arbitration are shared equally between the parties including any CDS coordinator who has decided not to continue as a CDS coordinator following an arbitration decision.

5.0 The schedule to section 12

The schedule to section 12(3) has been developed to detail the requirements of the coordinator arrangement (see Appendix A). In the schedule, a primary coordinator is a CDS coordinator who is a party to an approved supplier arrangement relating to those containers.

A secondary coordinator is a CDS coordinator who:

- (a) accepts the containers, when empty, from an operator with whom the coordinator has an approved operator arrangement; and

(b) is not a party to the approved supplier arrangement relating to those containers.

CDS coordinators can develop their coordinator arrangement to meet the requirements of the schedule in any way they elect as long as the schedule is complied with. For example, a third party may be appointed by all CDS coordinators to aggregate the required data from each CDS coordinator and calculate the payments and claims. This way, data surrounding market share, operator costs, processing fees, transportation and proceeds of sales may be managed with more confidence of anonymity of manufacturers with which coordinators have agreement.

5.1 The *Competition and Consumer Act 2010* (Cth)

In accordance with section 51(1) of the *Competition and Consumer Act 2010* (Cth) (the CCA), the schedule details the arrangements that the Northern Territory will authorise CDS participants to enter into to give effect to the requirements of the amended Act. The schedule is included to facilitate the development of a coordinator arrangement by specifying the authorised behaviours. Only these behaviours will be exempted from the CCA. All other components of the CCA must be adhered to.

5.2 Market share

Suppliers are required to provide the CDS coordinator with whom they have an approved supplier arrangement, the total number of aggregated approved containers by material type that have been sold in the NT during the immediately preceding quarter (a supplier sales document) within 21 days of the end of each quarter.

CDS coordinators are required to provide each other with a statutory declaration stating the total number of approved containers by material type, anticipated to be sold in the NT during the quarter. This anticipated amount should be based upon the coordinators aggregated supply information from the previous quarter for all suppliers with which they have a supplier arrangement. CDS coordinators will be required to provide the total number of approved containers actually sold in the NT in the previous quarter and an adjustment of the previous quarter based on the actual sales.

The statutory declaration must be given by a CDS coordinator within seven days after they have been given all of the supplier sales documents for the previous quarter.

The sharing of this information will enable the market share of containers sold in the NT to be calculated for the purpose of establishing the proportion of redeemed containers and their associated handling fee, transportation costs and proceeds of sale attributable to coordinators.

5.3 Sorting empty approved containers

A coordinator arrangement must state the material types into which empty approved containers will be sorted (clause 3). This can be no more than nine material types. This will be incorporated into any subsequent operator arrangements that are negotiated between a CDS coordinator and a collection depot.

5.4 Weighing and counting accepted containers

In accordance with clause 4 of the schedule an agreement must be established to specify the method that the secondary coordinator will use for weighing and/or counting, and recording of accepted containers. This is so that the secondary coordinator has an agreed method for establishing the quantities invoiced to the primary coordinator.

5.5 Operator costs and process fees

An agreement must be in place for a primary coordinator to pay the secondary coordinator for the operator costs and a process fee (see clause 5 of the schedule). The operator costs are the refund amounts paid to the collection depot for accepted containers and the amount paid to the collection depot for the collection, sorting, aggregation and delivery of accepted containers. The process fee is to carry out the processes necessary to prepare accepted containers for transportation for reuse, recycling or appropriate disposal.

A formula has been provided for the calculation of payments. This formula involves the market share multiplied by the sum of the operator costs and the process fee added together (see Appendix A). The agreement must require that a written claim for payment along with all copies of evidence of how the claim was calculated be provided to the primary coordinator. The claim must be paid within 14 days.

The CDS coordinators can specify a different method of calculation for the payment of costs and proceeds of sale in the coordinator agreement.

5.6 Transportation costs and proceeds of sale

Clause 6 of the schedule requires an agreement between a primary coordinator and a secondary coordinator in relation to the transportation of accepted containers for their reuse, recycling or appropriate disposal and the sale of those containers into the relevant market. This may involve the primary coordinator paying the secondary coordinator if the transport costs exceed the proceeds of the sale or the secondary coordinator paying the primary coordinator if the proceeds of the sale exceed the transport costs.

A formula has been provided to establish the amount payable. This involves market share multiplied by the cost of transportation minus the proceeds of sale made from the sale of the accepted containers. The secondary coordinator must give the primary coordinator a written statement about the payment to be made, along with evidence of the calculation of the amount payable.

The CDS coordinators can specify a different method of calculation in the agreement for the payment of costs and proceeds of sale.

The coordinator that is liable for payment must do so within 14 days.

Please note that a coordinator may determine a different method of calculation such as splitting all transport costs by market share and then distributing proceeds of sale by market share as a separate payment once sold to market.

5.7 Revision of claims for payment

If a primary coordinator's market share requires revisions because of an adjustment of the numbers of approved containers stated in sales declarations, clause 7 of the schedule requires an agreement to be in place for the secondary coordinator to revise the claim made. The secondary coordinator must provide a statement showing the revision and how it is calculated. The statement must specify if the primary coordinator is liable to pay an additional amount. This amount must be paid within 14 days. The agreement must specify whether the secondary coordinator is liable to refund an amount to the primary coordinator due to overpayment. This must be paid within 14 days.

5.8 Audits and statutory declarations

To promote transparency, clause 8 of the schedule requires agreements to specify an external auditor be appointed by the CDS coordinators to review the relevant information of each coordinator. This must be done each financial year and a written report on the findings must be provided to coordinators. The agreement must specify the auditor payment process.

The auditor may be utilised if at any time a CDS coordinator reasonably believes that any of the relevant information provided by another coordinator is inaccurate. This agreement will detail how payments between coordinators are adjusted if it is found that inaccurate information has been provided. An auditor must have the necessary formal qualifications and cannot be a CDS participant or an employee of a CDS participant.

CDS coordinators may require that any information given under an agreement in clauses 3 to 8 of the schedule must be given in a statutory declaration.

6.0 Conditions of a coordinator approval

6.1 General conditions of approval

General conditions of approval for all CDS approval holders are listed in Section 24 of the Act. These require that a CDS approval holder must have in place one or more waste management arrangements approved by the NT EPA. If any arrangement is varied or replaced at any stage this varied/replaced arrangement must be provided to the NT EPA for approval. The NT EPA can impose other conditions in determining an application for an approval. These include, for example, conditions on quarterly reporting to be provided to the NT EPA and the timeframes for doing so.

In addition to these general conditions of approval there are further conditions of approval specific to CDS coordinators. These are provided for in section 24C and described below. Section 24C of the Act will not be commenced until the NT EPA has approved a coordinator arrangement.

6.2 Barcode data

For those approved containers that display a barcode and are for sale in the Territory, suppliers will be required to provide CDS coordinators with whom they have an approved supplier arrangement, the barcodes for those approved containers (a supplier barcode document). Suppliers are only required to provide barcode data for those products that contain a barcode and are actually on sale to the NT public.

Within seven days of receiving a supplier barcode document from a supplier, CDS coordinators will be required to provide a copy of the supplier barcode document to each other CDS coordinator and each collection depot operator with whom they have an operator arrangement,

If the coordinator receives a supplier barcode document from another coordinator they will be required to forward that supplier barcode document to the collection depots with which they have an operator arrangement. This will assist in achieving efficiency in the CDS by allowing collection depot operators to utilise barcode reading technology for minimising manual handling of containers and maintaining accurate records.

6.3 Sorting containers by material type

As per section 24C(c), regulation 2FB prescribes that a coordinator is not permitted to require a collection depot to sort empty approved containers into more than 9 categories of material type. This will reduce the amount of handling required at the collection depot.

A CDS coordinator is not permitted to refuse to accept the empty approved containers that have not been sorted by the product names they display.

6.4 Accepting all containers

A CDS coordinator approval is subject to the approval holder having adequate facilities and arrangements in place to ensure they are able to accept all empty approved containers from depot operators they have an operator arrangement with (section 24C(d)). Consistent with section 20, a CDS coordinator is required to accept containers and pay the collection depot the refund amount and related amounts providing:

- empty approved containers have been delivered to the coordinator by an approved collection depot;
- the containers have been sorted by material type, regardless of the product names displayed on them;
- the collection depot has paid the refund amount to the person who delivered those containers;
- there is an approved operator arrangement in place; and
- the collection depot claims from the CDS coordinator the refund amount and the amounts payable for the containers in accordance with the approved operator arrangement.

Section 20 will not be commenced until the NT EPA has approved a coordinator arrangement.

7.0 Establishing targets

Under section 49 of the Act the Minister or the NT EPA is able to establish targets for reuse, recycling or other appropriate disposal of approved containers which must be published on the NT EPA's website.

The targets can apply to all CDS participants, or to particular classes of CDS participants, or to holders of a particular class of CDS approvals.

If targets are established for the holders of a particular class of CDS approvals a notice will be given by the NT EPA stating what the targets are and the period in which they must be achieved. The notice will state that failure to achieve the targets is a ground for suspending or cancelling a CDS approval.

Compliance with established targets will be monitored by the NT EPA.

8.0 Reporting

8.1 Quarterly reporting

CDS coordinator quarterly reports must be submitted to the NT EPA within 30 days of the end of each quarter expiring on the last day of March, June, September and December during the term of an approval. This report requires the following information:

1. the total number of containers sold for each material type (eg. glass, aluminium, PET);
2. the total number of containers returned for each material type;
3. the total weight of containers returned for each material type;
4. the rate of return for each material type expressed as a percentage (%);
5. the total weight of all containers returned by reference to each collection depot; and
6. the destination of each material type (i.e. has the material been recycled, reused or appropriately disposed of).

8.2 Annual returns

As required by section 44 of the Act, the NT EPA must be provided with an annual return in the approved form. As required by regulation, this must be provided to the NT EPA by 1 September in each year. The approved form requests the following information be provided for each quarter and a total for the year:

1. the total number of containers sold for each material type (eg. glass, aluminium, PET);
2. the total number of containers returned for each material type;
3. the total weight of containers returned for each material type;
4. the rate of return for each material type expressed as a percentage (%);
5. the total number and weight of all containers returned by reference to each collection depot; and
6. the destination of each material type.

9.0 Grounds for suspending or cancelling an approval

Under section 37 of the Act the NT EPA has grounds for suspending or cancelling a CDS approval if:

1. the holder of the approval has contravened a provision of the Act;
2. the holder of the approval has failed to comply with a condition of the approval;
3. an approved waste management arrangement relevant to the approval has failed to be complied with;
4. the approval holder has failed to achieve a target set under section 49(3) within the specified period;
5. if an approved waste management arrangement relevant to the approval can no longer operate according to its provisions; or
6. The NT EPA becomes aware of information that was not available at the time of application for approval was made, and would have given reason to refuse the application.

9.1 Show cause notice

If the NT EPA believes a ground exists for the suspension or cancellation of a CDS approval, the NT EPA will give the holder of the approval written notice under section 38 of the Act. This show cause notice will state:

- the proposed action the NT EPA will take;
- the grounds for the proposed action;
- an outline of the facts and circumstances forming the basis for grounds;
- the proposed suspension period (if applicable);
- an invitation for the holder to show cause within a period stated in the notice (which will be at least seven days after the date of notice) why the proposed action should not be taken.

The CDS approval holder may make written representations about the show cause notice. This must be submitted within the period stated in the notice.

If the NT EPA considers that grounds no longer exist for suspension or cancellation, the NT EPA will give written notice that no further action will be taken. If the NT EPA decides to proceed, the approval will be suspended or cancelled and the NT EPA will issue a review notice.

APPENDIX A: The schedule to the Act

Schedule Agreements for coordinator arrangement provisions

section 12(3)

1 Definitions

accepted containers means empty approved containers that:

- (a) are the subject of a primary coordinator's approved supplier arrangements; and
- (b) have been accepted by a secondary coordinator from an operator of an approved collection depot.

market share, of a CDS coordinator, means the coordinator's share of the total number of all approved containers sold in the Territory during a quarter calculated by reference to the numbers stated in all of the sales declarations for that quarter.

primary coordinator, in relation to approved containers, means a CDS coordinator who is a party to an approved supplier arrangement relating to those containers.

sales declaration means a statutory declaration given under an agreement mentioned in clause 2.

secondary coordinator, in relation to approved containers, means a CDS coordinator who:

- (a) accepts the containers, when empty, from an operator with whom the coordinator has an approved operator arrangement; and
- (b) is not a party to the approved supplier arrangement relating to those containers.

2 Quarterly sales declaration

- (1) An agreement that each CDS coordinator must give to each other coordinator, in each quarter, a statutory declaration stating the following:
 - (a) the total number of approved containers, by reference to material types, anticipated to be sold in the Territory during the current quarter;
 - (b) the total number of approved containers, by reference to material types, actually sold in the Territory during the previous quarter;

- (c) an adjustment of the numbers of approved containers for the previous quarter, taking into account the difference between:
 - (i) the number anticipated to be sold during that quarter as stated in the previous statutory declaration; and
 - (ii) the number actually sold during that quarter as stated for paragraph (b).
- (2) The agreement must require the statutory declaration to be given by a CDS coordinator within 7 days after the day on which the coordinator has been given all of the supplier sales documents for the previous quarter.
- (3) For subclause (1)(a), the total number of approved containers anticipated to be sold during the current quarter, by material type, is to be stated as the total number of those containers actually sold by the supplier in the previous quarter.
- (4) For subclause (1)(b), the total number of approved containers actually sold during the previous quarter is as specified in all of the supplier sales documents for that quarter.

Notes for clause 2

- 1 *All of the statutory declarations for a quarter show the total sales in the Territory of approved containers by reference to material types.*
- 2 *The numbers of approved containers stated by a CDS coordinator in the coordinator's statutory declaration indicate the market share of the coordinator relevant to the calculations mentioned in clauses 6, 7 and 8.*

3 Sorting empty approved containers

An agreement that each coordinator must specify in each approved operator arrangement the material types (including categories of material types), into which empty approved containers must be sorted by the operator.

4 Weighing and counting accepted containers

- (1) An agreement about the method to be used by a secondary coordinator for the following:
 - (a) weighing accepted containers;
 - (b) counting accepted containers;
 - (c) recording the weight or numbers of the accepted containers.
- (2) The agreement must require the secondary coordinator to weigh or count the accepted containers in the material types into which they are sorted when accepted.

5 Operator costs and process fee

- (1) An agreement that a primary coordinator must pay an amount to a secondary coordinator in relation to:
 - (a) operator costs; and
 - (b) a process fee.
- (2) For subclause (1)(a), **operator costs** are:
 - (a) the refund amounts paid by the secondary coordinator to an operator for accepted containers; and
 - (b) the amount paid by the secondary coordinator to the operator for the collection, sorting, aggregation and delivery of the accepted containers by the operator.
- (3) For subclause (1)(b), the **process fee** is the fee for the secondary coordinator carrying out the processes necessary to prepare accepted containers for transportation to a person or place for reuse, recycling or appropriate disposal.
- (4) The agreement must:
 - (a) require the secondary coordinator to keep:
 - (i) a record of the number of accepted containers by reference to each material type; and
 - (ii) documents to verify the method used for counting the containers; and
 - (b) specify the basis on which the process fee is payable (for example, the payment of a specified amount for each accepted container dealt with by the secondary coordinator).
- (5) The agreement must require the secondary coordinator to calculate the amount payable by the primary coordinator in relation to accepted containers using:
 - (a) a method of calculation specified in the agreement; or
 - (b) the following formula:
$$A = B \times (C + D)$$
where:

A is the amount claimed.

B is the market share of the primary coordinator in relation to the containers

based on the most recent sales declarations.

C is the operator costs in relation to the containers.

D is the process fee in relation to the containers.

(6) The agreement must require:

- (a) the secondary coordinator to give the primary coordinator a written claim for payment accompanied by copies of documents that provide evidence of the calculation of the amount claimed; and
- (b) the primary coordinator to pay the secondary coordinator the amount payable within the time specified in the agreement, which must not exceed 14 days after receipt of the claim.

6 Transportation costs and proceeds of sale

(1) An agreement that, for the transportation by a secondary coordinator of accepted containers to a person or place for reuse, recycling or appropriate disposal and for the sale of the containers:

- (a) the primary coordinator must pay an amount to the secondary coordinator if the transportation costs exceed the proceeds of the sale; or
- (b) the secondary coordinator must pay an amount to the primary coordinator if the proceeds of the sale exceed the transportation costs.

(2) The agreement must require the secondary coordinator to calculate the amount payable by the primary coordinator or secondary coordinator, in relation to the accepted containers, using:

- (a) a method of calculation specified in the agreement; or
- (b) the following formula:

$$A = B \times (C - D)$$

where:

A is the amount payable.

B is the market share of the primary coordinator in relation to the containers based on the most recent sales declarations.

C is the cost of transportation of the containers.

D is the amount received by the secondary coordinator from the proceeds of the sale of the containers following transportation.

- (3) The agreement must require:
 - (a) the secondary coordinator to give the primary coordinator a written statement of the amount payable accompanied by copies of documents that provide evidence of the calculation of the amount; and
 - (b) the coordinator who is liable to pay the amount to do so within the time specified in the agreement, which must not exceed 14 days after the day on which the statement is given by the secondary coordinator.

7 Revision of claims for payment

- (1) An agreement that a secondary coordinator must revise a claim made under clause 5 or 6 if the primary coordinator's market share, as calculated, requires revision because of an adjustment of the numbers of accepted containers stated in subsequent sales declarations.
- (2) The agreement must require the secondary coordinator to give the primary coordinator a written statement showing the revision, and how it is calculated, and specify that:
 - (b) if the primary coordinator is liable to pay an additional amount to the secondary coordinator, the amount must be paid within the time specified in the agreement, which must not exceed 14 days after receipt of the statement; and
 - (c) if the secondary coordinator is liable to refund an amount to the primary coordinator because of an overpayment, the amount must be refunded within the time specified in the agreement, which must not exceed 14 days after the statement is given.

8 Audits

- (1) An agreement that one auditor, named in the agreement, must be appointed by the CDS coordinators to:
 - (a) conduct an audit of each coordinator's relevant information for a financial year; and
 - (b) give each coordinator a written report in relation to all of that information.
- (2) The agreement must specify:
 - (a) the time within which the auditor must conduct the audit and give the report; and
 - (b) how the CDS coordinators will pay the auditor's costs.

- (3) An agreement that if, at any time, a CDS coordinator reasonably believes any of the relevant information given by another coordinator is inaccurate:
- (a) the coordinator may request the auditor named in the agreement mentioned in subclause (1) to audit the relevant information and give the coordinator a written report in relation to the information; and
 - (b) if the auditor's report states that the relevant information is inaccurate, the coordinator who gave that information must pay the auditor's costs; and
 - (c) if the auditor's report states that the relevant information is accurate, the coordinator who requested the audit must pay the auditor's costs.
- (4) The agreement under subclause (3) must specify that:
- (a) if inaccurate information is found by the auditor, and a primary coordinator has paid a secondary coordinator more than the coordinator was entitled to be paid, the secondary coordinator must refund the relevant amount to the primary coordinator within 28 days after receiving the auditor's report; and
 - (b) if inaccurate information is found by the auditor, and a primary coordinator has paid a secondary coordinator less than the coordinator was entitled to be paid, the primary coordinator must pay the relevant amount to the secondary coordinator within 28 days after receiving the auditor's report.
- (5) In this clause:

auditor means a person who has the necessary formal qualifications to audit relevant information and is not a CDS participant or an employee of a CDS participant.

relevant information means financial and other information that is relevant to the matters that are the subject of a coordinator agreement.

9 Statutory declarations

An agreement that the CDS coordinators may require that any information to be given under an agreement mentioned in clauses 3 to 8 must be given by statutory declaration.