

Nestlé Australia Ltd.

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Good Food, Good Life

17 November 2017

Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Sirs

Submission on the draft *Terms of Reference for IPART to monitor and report relating to the Container Deposit Scheme*

Thank you for the opportunity to comment on the draft Terms of Reference for IPART to monitor and report relating to the Container Deposit Scheme (the "Terms of Reference"), published for comment on 15 November 2017. Nestlé Australia Ltd will be a 'first supplier' of a number of containers for the purposes of the Container Deposit Scheme (the "Scheme").

Nestlé welcomes the NSW Government's initiative to appoint IPART to monitor and report on the Scheme and notes the four criteria on which the draft Terms of Reference require IPART to report. We recognise and agree with the importance of monitoring the effect on pricing resulting from the Scheme, as well as the behaviour of suppliers and the effect of the Scheme on them.

Nestlé requests the addition of a fifth criterion on which IPART should report, being the amount and appropriateness of the costs charged by the Scheme Coordinator to suppliers. The rationale for this request is that suppliers' behaviour in particular with regard to pricing of beverages in containers covered by the Scheme will inevitably be strongly influenced by the costs imposed on suppliers as a requirement of participation in the Scheme. These costs are predominantly set by the Scheme Coordinator and are beyond the control of suppliers. We therefore believe that it is in the interests of government, consumers, civil society and industry for the level of these costs and the manner in which they are determined to be monitored and reported on by IPART. We consider this would lend additional credibility and transparency to the Scheme, to the benefit of all stakeholders.

We would be glad to discuss this request in more detail with the Government, if that would assist. Please contact [REDACTED] should you require any further information. [REDACTED]

We thank you for your kind attention to this request and look forward to hearing the outcome of the Government's consultation on the draft Terms of Reference.

Yours faithfully,

[REDACTED]

[REDACTED]

[REDACTED]

Nestlé Australia Ltd