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Tuesday, August 21, 2018

Dear Ms Cramond & Sir/Madam,

Peats Group wish to make a submission with respect to the Council Solutions application for authorisation AA1000414 (Kerbside Collection) — Pre-Decision Conference.

We also wish that this response is considered in concurrence with the to be determined aspects of the council solutions application associated with processing services as we view these aspects to be interrelated and not in isolation from our perspective as a service provider.

Peats Group deliver a high quality, reliable, geographically diverse and economically efficient service to our customers. Peats have been a leading innovator in national recycled organics for several decades in both processing techniques, product and market development. A fundamental aspect to this growth has been our relationships with our customers.

Peats diverse service offering is eloquently demonstrated through our multiple sites on offer to our customers to access. This operational configuration allows exceptionally efficient supporting consolidation and transport logistics which extrapolates to an exceptionally cost-effective offering when compared to anything nationally.

A key customer contribution to this cost-effective offering is their response to issues associated with contamination of the materials and continued education for the service users. This process of identification and response has been achieved through direction communication with the customer, councils in this circumstance. Education is a continuous process.

Deterioration in in this line of communication and reductions in effective responses to issues will have a direct implication on the cost of providing the service.

A third party engaged for contract management is unlikely to motivated or exhibit due care for the cost implications that will ultimately be born by the customer, the council and its rate payers. Therefore, the risk is again pushed back on to the processor which will translate to an increase in price of the service to council to effectively manage these contracted aspects.

This risk maybe further complicated and exaggerated if there is more than one collection service provider engaged to provide the required services and these communications are managed by a party with negligible interest or recourse for negative consequence.

A negative shift of just 1% of contamination in the kerbside organics stream that is required to be sent to landfill will result in a service cost increase of 5% to the customer. This is well beyond any organics processors ability to be absorbed at the current market prices.

We are opposed to Council Solutions proposal to further consolidate the South Australian market place which impose long term time frames with cumbersome businesses models that may achieve economies of scale in larger, higher density eastern state markets. We remain in favor of the status quo.

We believe that the existing market function will continue to enable service providers to maintain their niche and bespoke offerings to the strengths of the local markets and keep it at the fore of national recycling innovation, activities and efficiencies.

Kind regards,

A handwritten signature in blue ink, appearing to read 'J. Hogarth', is positioned above the typed name.

John Hogarth
Commercial Manager
Peats Group Ltd.