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- 198 National Environmental Management: Waste Act (59/2008): Draft Integrated Industry Waste Management Plan for the South African Tyre Recycling Process (SATRP) Company relating to Waste Tyre Regulations, 2009: Invitation to submit written comments

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GENERAL NOTICE

NOTICE 198 OF 2010

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

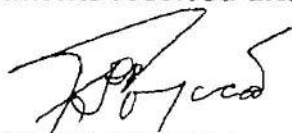
**DRAFT INTEGRATED INDUSTRY WASTE TYRE MANAGEMENT PLAN
FOR THE SOUTH AFRICAN TYRE RECYCLING PROCESS (SATRP)
COMPANY IN TERMS OF SECTION 32(6) OF THE NATIONAL
ENVIRONMENTAL MANAGEMENT: WASTE ACT, 2008 (ACT NO. 59 OF
2008) RELATING TO WASTE TYRE REGULATIONS, 2009**

I, Buyelwa Patience Sonjica, Minister of Water and Environmental Affairs, intend gazetting the Integrated Industry Waste Tyre Management Plan (IIWTMP) from the South African Tyre Recycling Process (SATRP) Company for public comment, as stated under section 32(6) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008).

Interested and affected parties are invited to submit written comments within (30) days of publication of this notice to the Director-General, Department of Environmental Affairs, Private Bag X447, Pretoria 0001
Fedsure Forum Building, 315 Pretorius Street, Pretoria, 0002

Attention: **Mr Tsebo Mohapi**, email: TMohapi@deat.gov.za or fax: (012) 320 0024 or tel: (012) 310 3861.

Comments received after the closing date will not be considered.



BUYELWA SONJICA

MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

INTEGRATED INDUSTRY WASTE TYRE MANAGEMENT PLAN**PROPOSAL BY SATRP COMPANY****SUBMITTED IN TERMS OF THE****WASTE TYRE REGULATIONS, 2009****4 DECEMBER 2009****TABLE OF CONTENTS****PART 1 – INTRODUCTION**

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PART 1 INTRODUCTION

1. PREAMBLE

- 1.1. In response to the Waste Tyre Regulation, 2009 the SATRP Company has prepared this Integrated Industry Waste Tyre Industry Management Plan.
- 1.2. Expressions defined in the Regulations shall bear the same meaning in this plan.

2. OBJECTIVES

- 2.1. The primary objective of the SATRP Company is to operate, on behalf of its subscribers, an organisation that will administrate the sustainable collection of the annual arising of waste tyres in the Republic of South Africa and to make them available to waste tyre processors authorised in terms of relevant South African legislation.
- 2.2. The secondary objective is to promote the creation of a healthy waste tyre processing industry with subsequent job creation

PART 2 DEFINITIONS

3. DEFINITIONS

In this Integrated Industry Waste Tyre Management Plan, unless the context indicates otherwise;

“arising” means the number or mass of waste tyres generated in a given period in South Africa;

“collection fee” means the fee that will be raised by the SATRP Company for the management process of any waste tyres on which no green fee has been raised;

“DEA” means the Department of Environmental Affairs

“events” means one-day collection events arranged by the SATRP Company at which identified consumers can drop off waste tyres at pre-arranged locations for collection by waste tyre transporters. Events may range in frequency from one to several events, often in different locations within a province;

“green fee” means the non-commercial recovery of the costs of environmental compliance that will be collected by the SATRP Company from the subscribing tyre producers, the proceeds of which will be utilised to fund the costs of operating the SATRP Company;

“general waste” means waste, not being waste tyres, generated by any person or institution;

“management process” means the course of action adopted for a category or sub-category of waste tyres for the:

- collection of waste tyres from designated venues;
- their transport to and temporary storage at transfer sites;
- their sorting and preparation for delivery;
- their delivery to waste tyre processors or landfill sites;
- method of funding the above activities; and
- the audit of the above activities

“Minister” means the Minister of Water & Environmental Affairs;

“recovery” means the controlled extraction of a material or the retrieval of energy from waste tyres;

“recycle” means the separation and processing of materials from waste tyres for further use as new products or resources;

“re-use” means the utilisation of waste tyres, in whole or in part, without changing the composition of the waste tyre;

“SATRP Industry Plan” means the Integrated Industry Waste Tyre Management Plan submitted by the SATRP Company and approved by the Minister;

“subscriber” means any tyre producer that registers with the SATRP Company Integrated Industry Waste Tyre Management Plan;

“transfer site” means a site established by a transport contractor for the storage and preparation for onward delivery of waste tyres collected from tyre dealers or from legacy waste tyre stockpiles;

“transport contractor” means any person or institution engaged in the commercial transport, storage and preparation of waste tyres for onward delivery on behalf of the SATRP Company;

“transport sub-contractor” means any person or institution engaged in the commercial transport and storage of waste tyres on behalf of a SATRP Company appointed transport contractor;

“tyre” means a continuous pneumatic covering made of natural rubber or synthetic rubber or a combination of natural and synthetic rubber encircling a wheel, whether new, used or retreaded;

“tyre category” means the categories of pneumatic tyres as defined in the current editions of the European Tyre and Rim Technical Organisation (ETRTO) manuals, excluding cycle tyres, plus an eighth category to cater for tyres not referred to in the ETRTO manuals.;

1. Passenger car tyres;
2. Commercial vehicle tyres;
3. Agricultural equipment tyres;
4. Motorcycle tyres;
5. Industrial and lift truck tyres;
6. Earthmoving equipment tyres;
7. Aircraft tyres;
8. Other pneumatic tyres;

“tyre sub-category” means any sub-category of tyres within a tyre category;

“tyre dealer” means any person or entity that distributes, or otherwise deals commercially in tyres;

“tyre producer” means a person or institution engaged in the commercial manufacture or import of tyres and retreadable casings, and the import of vehicles fitted with tyres for distribution in South Africa;

“tyre sales” means the number of tyres sold, donated, replaced under warrantee, provided as part of a promotional campaign, rejected as having a factory fault, or otherwise distributed in South Africa by a tyre producer;

“waste tyre” means a new, used, retreaded, or un-roadworthy tyre, not suitable to be retreaded, repaired, or sold as a part-worn tyre and not fit for its original intended use;

“waste tyre management” means the collection and transport, the storage and preparation for delivery, the delivery of waste tyres, the funding and the control of these operations;

“waste tyre processor” means any person or entity that is engaged in the commercial re-use, recycling or recovery of waste tyres.

PART 3 SUBSCRIBERS

4. REGISTRATION

- 4.1. Any tyre producer having received a registration number from DEA, in terms of Part 3 of the Waste Tyre Regulation, and wishes to, may become a subscriber to the SATRP Industry Plan.
- 4.2. The names of the initial subscribers to the SATRP Industry Plan are listed on annexure A and will thereafter be updated on the website – www.rubbersa.com
- 4.3. All subscribers will be obliged to sign an agreement, an example of which can be viewed on the SATRP Company website, with the SATRP Company detailing the responsibilities of both parties.
- 4.4. Subscribers may de-register from the SATRP Industry Plan with effect from the end of any financial year of the SATRP Company on written notice of not less than 120 days prior to the end of the respective financial year-end of the SATRP Company; provided that subscribers may not de-register with effect from a date which occurs within the period of (3) years commencing on the date upon which the respective subscriber registered with the SATRP Industry Plan.

5. DECLARATIONS.

- 5.1. All subscribers must provide the external accountant with a monthly declaration of their tyre sales by tyre category.

PART 4 TRANSPORT CONTRACTORS

6. APPOINTMENT

- 6.1. A commercial tender process will be instituted in order to allow for free competition in the allocation of waste tyre transport and storage contracts. Minimum requirements for appointment as a transport contractor will be ;
 - 6.1.1. Transfer site facilities sufficient to accommodate 4 months waste tyres collected,
 - 6.1.2. Establishment of a waste tyre information system for the recording, collection, management and analysis of data and information that must enable the transporter to provide the declarations as provided for in 8,
 - 6.1.3. A vehicle tracking system
 - 6.1.4. Provision of mass measuring equipment at transfer sites and on vehicles,
 - 6.1.5. Sound management and financial capability,
 - 6.1.6. Existing track record, and
 - 6.1.7. Valid BEE certificate

- 6.2. Contracts for periods up to five years will be awarded for successful tenders.
- 6.3. One or more transport contractor may be appointed in each province of South Africa.
- 6.4. Transport contractors may appoint transport sub-contractors within the province for which the contract has been awarded; provided that any such sub-contractor undertakes to the SATRP Company to permit the inspections referred to in 18.2
- 6.5. The SATRP Company will provide the transport contractors with a registration number which must be displayed on all trading documentation and waste tyre transport vehicles.
- 6.6. Transport sub-contractors must display the registration number of the transport contractor on their waste tyre transport vehicles.

7. CONTRACTUAL OBLIGATIONS

Each transport contractor is obliged to:

- 7.1. Provide all equipment, transport, transfer sites, labour and supervision thereof necessary for the loading, transportation, storage, sorting, delivery, and accounting thereof of waste tyres within the province for which the contract has been awarded;
- 7.2. Establish transfer sites:
 - 7.2.1. That conform to the storage of waste tyres requirements of the Waste Tyre Regulation;
 - 7.2.2. That conform to all other legal requirements;
 - 7.2.3. Store the waste tyres in a manner that conform to the requirements of the Waste Tyre Regulation;
- 7.3. Provide service level undertakings:
 - 7.3.1. To the tyre dealers for the collection of waste tyres;
 - 7.3.1.1. At agreed intervals for collection, and
 - 7.3.1.2. With minimum quantities for collection.
 - 7.3.2. To the waste tyre processors for the delivery of waste tyres; and
- 7.4. Provide the SATRP Company with copies of all service level undertakings;
- 7.5. Provide the necessary equipment to determine the mass/number of waste tyres:
 - 7.5.1. Collected from tyre dealers;
 - 7.5.2. Collected from legacy waste tyre stockpiles,
 - 7.5.3. Received into and despatched from transfer sites; and
 - 7.5.4. Delivered to waste tyre processors;
 - 7.5.5. Delivered to landfill sites;
- 7.6. Collection of waste tyres
 - 7.6.1. Only collect waste tyres in the categories and brands for which its contract has been awarded;
 - 7.6.2. Only collect waste tyres from the tyre dealers identified by the SATRP Company within the province for which the contract has been awarded;
 - 7.6.3. Only collect waste tyres from legacy waste tyre stockpiles as and when instructed to do so by the SATRP Company;
 - 7.6.4. Only collect waste tyres from other venues as and when instructed to do so by the SATRP Company
- 7.7. Delivery of waste tyres
 - 7.7.1. Sort and prepare waste tyres for delivery, as specified from time to time, by the SATRP Company;

7.7.2. Deliver waste tyres in the categories and quantities to waste tyre processors as instructed by the SATRP Company;

7.7.3. Deliver waste tyres, or parts thereof, to landfill sites as and when instructed to do so by the SATRP Company;

7.8. Documentation

7.8.1. Complete paper and electronic documentation, approved by the SATRP Company, indicating date, time, venue and mass/number of waste tyres collected and delivered.

8. DECLARATIONS

The transport contractors will provide the SATRP Company, in the agreed format and frequency, with the mass/number of waste tyres:

8.1. Collected from tyre dealers;

8.2. Collected from legacy waste tyre stockpiles;

8.3. Collected from other venues;

8.4. Received and despatched from each transfer site;

8.5. Delivered to waste tyre processors;

8.6. Delivered to landfill sites;

8.7. Stock on hand at each transfer site and in transit, and

8.8. The number of personnel employed;

8.8.1. In the transport sector as;

8.8.1.1. Direct employees

8.8.1.2. Sub-contractors

8.8.2. In the transfer sites as;

8.8.2.1. Direct employees

8.8.2.2. Sub-contractors

9. PAYMENT FOR SERVICE

9.1. The SATRP Company will pay the transport contractor, at the contracted rate and otherwise in accordance with the terms of the contract, monthly in arrears based on:

9.1.1. The mass/number or parts of waste tyres delivered to waste tyres processors,

9.1.2. The mass/number or parts of waste tyres disposed of at landfill sites, and

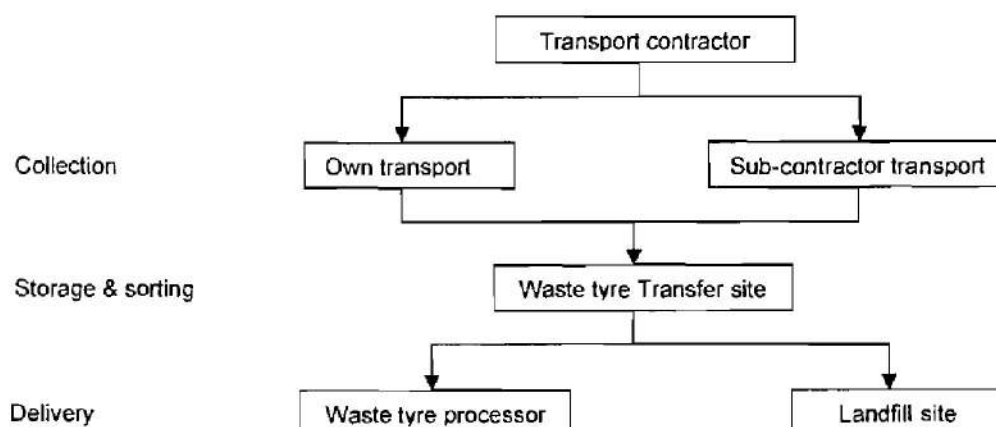
9.1.3. The mass/number of waste tyres stored at transfer sites.

9.2. No payment will be made for un-authorised deliveries,

9.3. Payments will only be made by bank transfer to designated company bank accounts,

9.4. Transport contractors will be responsible for the payment of their transport sub-contractors.

10. DIAGRAM OF WASTE TYRE TRANSPORT CONTRACTOR ACTIVITIES



PART 5 WASTE TYRE PROCESSORS

11. TENDER PROCESS

- 11.1. A tender process will be instituted in order to allow for free competition in the allocation of the waste tyres collected.
- 11.2. The first tender offered by the SATRP Company will be advertised not later than two months after the approval of the SATRP Industry Plan by the Minister.
- 11.3. The SATRP Company will indicate in the tender document the expected mass/number and category, or sub-category, of waste tyres to be collected, but that mass/number will not be guaranteed.
- 11.4. The tender will require as compulsory information:
 - 11.4.1. Mass/number and category, or sub-category, of waste tyres that the waste tyre processor expects to use per annum;
 - 11.4.2. The treatment process to be applied;
 - 11.4.3. The mass/volume of general waste to be generated as a result of the treatment process;
 - 11.4.4. The proposed period of the contract;
 - 11.4.5. The proposed percentage of the treatment fee and / or the actual treatment fee they are tendering for.
- 11.5. Tenders will be directed to the external auditor for adjudication according to criteria based on a scorecard, see annexure B.
 - 11.5.1. Preference will be given to waste tyre processors engaged in recycling before considering processors engaged in recovery.
 - 11.5.2. Tenders from landfill sites will not be considered.
- 11.6. Waste tyre processors not being in possession of a permit, license or exemption issued by the relevant government authority to process waste tyres will be included in the tender

process if they have applied for the necessary permit, license or exemption or commenced their EIA process, if required, and can submit satisfactory proof of this action.

- 11.7. The SATRP Company will, from time to time, advertise tenders for additional mass/numbers, categories and sub-categories of waste tyres available for processing that have been accumulated and that are in excess of contracted demand, allowing for new waste tyre processors to enter into the market.

12. APPOINTMENT

- 12.1. The SATRP Company will award contracts for the supply of waste tyres to waste tyre processors on the recommendation of the external auditor.
- 12.2. Waste tyre processors will be obliged to sign a contract with the SATRP Company detailing the responsibilities of each party.
- 12.3. Contracts awarded to parties not in possession of a permit, license or exemption will be subject to the conditional provision that the permit, license or exemption is obtained;
- 12.3.1. Should the permit, license or exemption not be obtained in the period provided for, the contract will be cancelled and the waste tyres awarded in terms of the contract will be once again offered on tender.
- 12.4. Contracts will be awarded for periods of up to 7 years.
- 12.5. Contracts will be reviewed annually and may be revised if amendments are required

13. DECLARATIONS

- 13.1. The waste tyre processors will provide the SATRP Company, in the agreed format, with the mass/number of waste tyres or parts thereof:
- 13.1.1. Received from transport contractors;
- 13.1.2. Used in their treatment process;
- 13.1.3. Stored under their control.
- 13.2. The number of personnel directly employed in the waste tyre facility

14. PAYMENT FOR PROCESSING OF WASTE TYRES

- 14.1. The SATRP Company will pay the waste tyre processor, in terms of the contract, based on the mass/number of waste tyres used:
- 14.1.1. An establishment subsidy for a period of 60 months or for the contract period whichever is the shortest;
- 14.1.2. A treatment fee for the period of the contract.
- 14.2. Payments of both the establishment subsidy and the treatment fee will be made monthly in arrears:
- 14.2.1. By bank transfer to designated company bank accounts;
- 14.2.2. Only for waste tyres received from SATRP Company appointed transport contractors.
- 14.2.3. Only for waste tyres used in direct operations

PART 6 TYRE DEALERS

15. REGISTRATION

- 15.1. Tyre dealers being supplied with tyres produced by subscribers to the SATRP Industry Plan must register with the SATRP Company for the collection of those subscribers' waste tyres from their premises:
- 15.2. After registration, in terms of 15.1, the SATRP Company will issue the applicant with a registration number; and
- 15.3. The tyre dealer must display, in a prominent position in the workplace:
 - 15.3.1. The registration number issued by the SATRP Company;
 - 15.3.2. The registration number, name and contact details of the SATRP Company appointed transport contractor authorised to collect the waste tyres of the subscribers' from the tyre dealer;
 - 15.3.3. The marketing and information posters, issued by the SATRP Company indicating the recommended rates of the green fee for the various categories and sub-categories of tyres.

16. RELEASE OF WASTE TYRES

- 16.1. Tyre dealers may only release waste tyres originating from subscribers to the SATRP Industry Plan to registered SATRP Company transport contractors or their sub-contractors.
- 16.2. In order to minimise the cost to the tyre consumer and to maintain the security of the tyre dealer, the tyre dealer must at such times and frequencies as may have been reasonably determined by the transport contractor, in consultation with the dealer and notified to the dealer:
 - 16.2.1. Provide labour to assist with the loading of waste tyres on the vehicle or container provided by the transport contractor; and
 - 16.2.2. Provide supervision during the loading of the waste tyres to ensure that no new, used retreaded or retreadable casings are loaded onto the vehicle or container provided by the transport contractor;
 - 16.2.3. Ensure that only waste tyres falling within the categories and brands on which a green fee has been levied, and no general waste, is loaded on the vehicle or container of the transport contractor;
 - 16.2.4. Complete the documentation provided by the transport contractor confirming the collection transaction.

PART 7 EXTERNAL AUDITORS

17. APPOINTMENT

- 17.1. The SATRP Company will appoint external auditors for a period of 3 years through a tender process.

18. RESPONSIBILITIES

- 18.1. Subscribers:

18.1.1. Audit all documentation supporting the monthly tyre sales declarations and payments of green fees;

18.2. Transport contractors:

Audit all;

18.2.1. Documentation and processes supporting the monthly waste tyre collections and deliveries;

18.2.2. Permits or licenses allowing for the transportation and storage of waste tyres;

18.2.3. Certificates of calibration of measuring equipment and general housekeeping of transfer sites.

18.2.4. Documentation and processes supporting waste tyre inventory;

18.2.5. Insurance policies for;

18.2.5.1. Public & professional liability,

18.2.5.2. Assets,

18.2.5.3. Theft,

18.2.5.4. Fire.

18.3. Waste tyre processors:

18.3.1. Adjudicate all tenders received according to the scorecard, annexure A, and make recommendations to the SATRP Company with regard to the awarding of contracts.

18.3.2. Audit all;

18.3.2.1. Documentation supporting waste tyre receipts from transport contractors;

18.3.2.2. Permits, licenses or exemptions allowing for the treatment of waste tyres;

18.3.2.3. Treatment of the waste tyres in terms of their supply contract.

18.3.2.4. Certificates of calibration of measuring equipment and general housekeeping of processor's plant,

18.3.2.5. Documentation and processes supporting waste tyre inventory.

18.4. External accountants:

Audit all

18.4.1. Subscriber tyre sales declarations and green fee invoicing;

18.4.2. Receipt of green fee from subscribers;

18.4.3. Outstanding amounts due from subscribers;

18.4.4. Transfer of green fee collected to SATRP Company.

19. NON-COMPLIANCE BY CONTRACTING PARTIES

If the external auditor, upon review of documentation, finds any breach of any provision of a contract they will report that breach to the SATRP Company for action within 48 hours of finding that breach. Upon receiving any such notice or otherwise discovering any breach the SATRP Company will give notice to the offending party and the Minister and should that party fail to remedy such breach within 14 days of the date of the written notice by the SATRP Company requiring it to do so, then the SATRP Company shall be entitled, in addition to any other remedy available to it at law;

19.1. Subscribers:

19.1.1. To de-register the subscriber giving 120 days notice

19.2. Transport contractor

19.2.1. To cancel the contract

19.3. Waste tyre processor

19.3.1. To cancel the supply contract

19.4. External accountant

19.4.1. To cancel the administration contract

and to claim damages or penalties as determined in the respective contracts referred to above.

20. REPORTING

The external auditors will submit reports to the SATRP Company detailing:

20.1. Subscribers:

20.1.1. Confirmation of compliance with conditions of agreement;

20.2. Transport contractors:

- 20.2.1. Confirmation of compliance with conditions of contract;
- 20.2.2. Total mass/number of waste tyres collected by category;
- 20.2.3. Total mass/number of waste tyres stored by category;
- 20.2.4. Total mass/number of waste tyres delivered by category;
- 20.2.5. Total remuneration received from SATRP Company.

20.3. Waste tyre processors:

- 20.3.1. Confirmation of compliance with conditions of contract;
- 20.3.2. Total mass/number of waste tyres received by category;
- 20.3.3. Total mass/number of waste tyres stored by category;
- 20.3.4. Total mass/number of waste tyres treated by category;
- 20.3.5. Total remuneration received from SATRP Company.

20.4. External accountants:

- 20.4.1. Total green fee invoiced by category;
- 20.4.2. Total green fee outstanding;
- 20.4.3. Total tyre sales by category and sub-category
- 20.4.4. Total remuneration received from SATRP Company.

20.5. The external auditors will prepare the SATRP Company budget using information provided by the SATRP Company and that budget will then be submitted to the board of directors of the SATRP Company for approval annually.

21. CONFIDENTIALITY

The external auditor will treat all information acquired as a result of their duties as detailed in paragraph 18, and not in the public domain, as confidential.

PART 8 EXTERNAL ACCOUNTANTS

22. APPOINTMENT

22.1. To ensure that the market share of each subscriber is kept confidential The SATRP Company will appoint external accountants.

22.2. The external accountants will be appointed for a 3 year period through a tender process.

23. RESPONSIBILITIES

The external accountants will;

- 23.1. Receive the monthly tyre sales declarations from the subscribers;
- 23.2. Invoice the green fee monthly to the subscribers based on their tyres sales declarations;
- 23.3. Collect the green fee from the subscribers;
- 23.4. Open a trust bank account in the name of the SATRP Company;
- 23.5. Transfer the consolidated collections of the green fee to the SATRP Company.

24. NON-COMPLIANCE BY SUBSCRIBERS

If the external accountants, upon review, finds any monthly tyres sales declaration missing, incomplete or in variance with expectation, then they will report their finding to the SATRP Company for action within 48 hours of the finding. Upon receiving any such notice the SATRP Company will either;

- 24.1. Instruct the external accountants to attempt to solve the matter with the subscriber telephonically, or
- 24.2. Instruct the external auditor to arrange for an audit of the subscriber.

25. REPORTING

The external accountants will submit monthly reports to the SATRP Company detailing:

- 25.1. Consolidated invoiced green fee by tyre category and sub-category,
- 25.2. Coded debtor outstanding list,
- 25.3. Consolidated tyres sales by category and sub-category

26. CONFIDENTIAL

The external accountants will treat all information acquired as a result of their duties as detailed in paragraph 23, and not in the public domain, as confidential.

PART 9 CATEGORIES OF TYRES

27. IDENTIFICATION OF TYRE CATEGORIES AND SUB-CATEGORIES

- 27.1. In order to avoid disputes regarding the definition of the use, or category, to which a tyre should be attributed it has been decided to apply the standards of the European Tyre and Rim Technical Organisation (ETRTO).
- 27.2. Other tyres not defined by ETRTO will be identified over time by the subscriber tyres sales declarations.
- 27.3. A tyre category may be divided into sub-categories to facilitate the collection process.

28. PHASING CATEGORIES OF TYRES INTO THE COLLECTION PROCESS

- 28.1. All categories of tyres manufactured or imported by subscribers to the SATRP Industry Plan will be included in the collection process within 5 years from the date when subscribers who manufacture or import those categories of tyres join the SATRP Industry Plan.
- 28.2. Before including a category of tyres into the collection process the SATRP Company will engage in discussions with the major tyre producers of that category of tyres to establish the most efficient manner of how to deal with it.
- 28.3. A minimum of one tyre category will be added per year to the management process until all categories of tyres manufactured or imported by subscribers to the SATRP Industry Plan have been included in the management process.

PART 10 FUNDING

29. GREEN FEE

- 29.1. The green fee levied on the subscribers to the SATRP Industry Plan will be calculated to recover the cost of the waste tyre management process.
- 29.2. The cost of the waste management process will be established by accumulating the costs for:
- 29.2.1. Collection and transport of waste tyres from designated collection venues to transfer sites;
 - 29.2.2. Collection and transport of waste tyres from legacy waste tyre stockpiles to transfer sites;
 - 29.2.3. Storage, sorting and preparation of waste tyres at transfer sites for delivery;
 - 29.2.4. Delivery of waste tyres to waste tyre processors, or landfill sites;
 - 29.2.5. Disposal fees at landfill sites;
 - 29.2.6. Establishment and treatment fees for waste tyre processors;
 - 29.2.7. External auditor, for auditing function;
 - 29.2.8. External accountant for tyre sales and green fee administration;
 - 29.2.9. Social awareness and marketing campaign;
 - 29.2.10. SATRP Company administration, including the costs of all goods and services required by the SATRP Company for its operations.
- 29.3. The green fee shall be calculated by dividing the costs referred to in paragraph 29.2 by the projected mass of tyre sales as declared by the subscribers in terms of paragraph 5.1 and will, to such extent as may be determined to be appropriate but without any obligation, endeavour to match costs in relation to a category of tyre with the levy in respect of that category of tyre.
- 29.4. The green fee will be calculated annually in terms of paragraph 29.3 and notified to subscribers, but will be subject to change depending on the actual tyre sales, waste tyre collections and actual cost of the waste tyre management process.

30. INVOICING OF GREEN FEE TO TYRE CONSUMER

The green fee is a non-commercial recovery of costs of environmental compliance and will not interfere with any competitive issue.

- 30.1. Where the new tyre is sold as a commodity and in order to promote awareness of the costs of processing waste tyres and of the environment:
- 30.1.1. The subscribers will be encouraged (but not obliged) to raise the green fee without increasing the amount thereof as charged by the SATRP Company as a separate line item when invoicing their customer;
 - 30.1.2. The tyre dealer will be encouraged (but not obliged) to raise the green fee as a separate line item when invoicing the tyre consumer.
- 30.2. The green fee will be advertised widely in order to raise the consumer's awareness of the recommended rates.

31. COLLECTION FEE

Where for practical reasons no green fee has been raised by the subscribers in respect of sales of new tyres of a particular category, the SATRP Company may elect to charge a collection fee on the collection or receipt of waste tyres in that category as an alternative to the green fee, to cover the costs associated with transporting and processing that category waste tyre.

32. ESTIMATION OF COST PER ANNUM

The estimated cost of implementing the SATRP Industry Plan for the first year of operation is R475 million. The cost of the following four years will be affected by the annual incorporation of additional categories of waste tyres, the rate of inflation, the cost of fuel and the number of subscribers.

**PART 11
LEGACY WASTE TYRE STOCKPILES**

33. LEGACY STOCKPILES WITH AN IDENTIFIED OWNER

33.1. A register of all stockpiles of waste tyres in each province of South Africa will be established using the information obtained by DEA in terms of the Waste Tyre Regulation indicating:

- 33.1.1. The physical address of the stockpile;
- 33.1.2. Estimations of the number of waste tyres stored within each stockpile;
- 33.1.3. Categories of waste tyres stored within each stockpile;
- 33.1.4. Details of the waste tyre stockpile owner;
- 33.1.5. The DEA registration number of the waste tyre stockpile owner.

33.2. The details of any stockpile identified, not having a DEA registration number, will be communicated to DEA for registration.

34. ABATEMENT OF LEGACY WASTE TYRE STOCKPILES WITH AN IDENTIFIED OWNER

34.1. In terms Part 3 section 8 (3) of the Waste Tyre Regulation, stockpile owners are responsible for the preparation and funding of abatement plans.

34.2. The SATRP Company will consider proposals made by stockpile owners and endeavour to assist with the abatement by:

- 34.2.1. Providing the stockpile owner with the details of waste tyre processors in need of supply;
- 34.2.2. Accepting the waste tyres into the SATRP Industry Plan from a date when it becomes possible to process the waste tyres, but the SATRP Company will not have any obligation to accept such waste tyres unless it subsequently agrees in writing to do so.

35. ABATEMENT OF LEGACY WASTE TYRE STOCKPILES IN TOWNSHIPS

35.1. The abatement of stockpiles in townships will take precedence over abatement of stockpiles with an identified owner, in the SATRP Industry Plan.

35.2. Events will be arranged with consumers in an area where a clean-up is proposed. This will be done taking into consideration:

- 35.2.1. The location of the stockpile with priority being given to those stockpiles adjacent to clinics and schools;
- 35.2.2. The distance of the stockpile from a transfer site or a waste tyre processor.

35.3. Incentives will be proposed to civic organisations, such as schools, churches and NGOs, for the collection and accumulation of waste tyres in the area. In keeping with the principle of the SATRP Company not to pay for waste tyres, alternative schemes will be identified such as:

- 35.3.1. The provision of equipment, or
- 35.3.2. The provision of non-cash donations.

35.4. The value of the equipment donated to the organisation will be based on the number/mass of waste tyres collected by the waste tyre transporter.

- 35.5. The waste tyres accumulated by the community will be removed from the collection site on the same day as the event takes place.

36. EFFECTIVE DATE OF ABATEMENT OF LEGACY WASTE TYRE STOCKPILES

- 36.1. It is unlikely that new waste tyre processors will be in a position to accept waste tyres in the first two to three years of operation of the SATRP Industry Plan due to:
- 36.1.1. Procurement time of plant and machinery;
 - 36.1.2. Environmental Impact Assessments, where necessary;
 - 36.1.3. Permitting of waste tyre processors by the relevant authorities.
- 36.2. Abatement of the legacy waste tyre stockpiles is estimated to begin 30 months after collection of waste tyres from tyre dealers begins.

PART 12
GENERAL

37. JOB CREATION

The implementation of the SATRP Industry Plan necessitates the expansion of two industrial sectors being:

37.1. Waste tyre transport

The contracted transport contractors will be obliged to collect waste tyres from every city and town in South Africa, to establish transfer sites and to deliver the waste tyres to waste tyre processors, this will require:

- 37.1.1. The employment of staff or appointment of transport sub-contractors;
- 37.1.2. The employment of personnel at the transfer sites.

37.2. Waste tyre processing

The appointed waste tyre processors will require personnel to work in and manage the new operations that are set up to make use of the waste tyres that are made available.

38. TRAINING AND DEVELOPMENT

Transport contractors and waste tyre processors will be required, as a condition of their appointment, to institute training and development programmes and to submit annual reports detailing the results of these programmes.

39. GENERAL WASTE

The SATRP Company will not be responsible for the collection of any general waste (including remnants of tyres) generated by the:

- 39.1. Subscriber as a consequence of the manufacturing or retreading process;
- 39.2. Tyre dealer as a consequence of their dealing in tyres;
- 39.3. Waste tyre processor as a consequence of the processing of waste tyres;
- 39.4. The waste tyre transporter as a consequence of their management of waste tyres;
- 39.5. Any other person or institution for any reason, and

39.6. If contracted to do so, the cost of such collection shall be borne by the other party.

40. ANNUAL REPORTING TO DEA

- 40.1. The compliance of the SATRP Company to the SATRP Industry Plan;
- 40.2. The compliance with the relevant legislation, the Waste Tyre Regulations, 2009, and all other applicable law;
- 40.3. Record keeping and reporting as required by the SATRP Industry Plan;
- 40.4. Number of personnel employed;
- 40.5. Development of the recycling market;
- 40.6. Details of agreements reached in terms of legacy waste tyre stockpile abatement plans;
- 40.7. Details of additional categories of tyres included in the management process.
- 40.8. Annual projection of the number of tyres managed by the Plan.
- 40.9. Financial reports.

41. INDUSTRY STANDARDS

- 41.1. Waste tyre transporters – to comply with the Waste Tyre Regulations, 2009 and all other applicable laws.
- 41.2. Waste tyre transfer sites – to comply with the Waste Tyre Regulations, 2009 and all other applicable laws.
- 41.3. Waste tyre processors– to comply with the Waste Tyre Regulations, 2009 and all other applicable laws.

42. DISCLAIMER

The SATRP Company shall at under no circumstances be liable for any consequential, indirect, special, incidental or other losses and/or damages, of whatever nature suffered by any subscriber, transport contractor, waste tyre processor, tyre dealer, sub-contractor, tyre consumer or any other person whomsoever arising out of or in connection with (i) the SATRP Industry Plan and/or its implementation; or (ii) any act or omission of any of the above mentioned persons.

43. EFFECTIVE DATE

In respect of tyres determined to fall into categories 1 and 2, collection of:

- 43.1. The green fee will begin not later than 9 months; and
- 43.2. Waste tyres will begin not later than 12 months.

Annexure A

List of Tyre Producers being initial subscribers to the SATRP Industry Plan

DEAT No	NAME
TPREG	A1 Wheel & Tyre (Pty) Ltd
TPREG	Adendorff Machinery Mart (Associated Equipment)
TPREG	Amalgamated Automobile Distributors (Pty) Ltd
TPREG0003KZN	Apollo Tyres South Africa (Pty) Ltd
TPREG0063GAU	Barloworld South Africa (Pty) Ltd
TPREG0017GAU	Best Bulk Ultra Tyres (Pty) Ltd
TPREG	BMW (SA) Pty Ltd
TPREG0048GAU	Bridgestone SA
TPREG0042GAU	Chrysler South Africa (Pty) Ltd
TPREG0012GAU	Close-Up Deals 139 CC
TPREG	CMS Retreaders CC
TPREG0020EC	Continental Tyre SA (Pty) Ltd
TPREG0018GAU	Dodds Trading & Services cc
TPREG	Dynamic Tyre Solutions
TPREG0027KZN	Expectra 259 (Pty) Ltd
TPREG0068KZN	Extreme Lifestyle Centre (Pty) Ltd
TPREG47GAU	Fiat Group Automobiles South Africa (Pty) Ltd
TPREG0088GAU	Fullimput 128CC
TPREG	Geldenhuis Broers Bedryf
TPREG0082EC	General Motors South Africa (Pty) Ltd
TPREG00	Goodyear SA
TPREG0062GAU	Honda South Africa (Pty) Ltd
TPREG	Hyundai Automotive South Africa (Pty) Ltd
TPREG0075GAU	Imperial Daihatsu (Pty) Ltd
TPREG	Iveco South Africa (Pty) Ltd
TPREG0092KZN	J Extension Sales
TPREG0015GAU	Jaguar Land Rover South Africa (Pty) Ltd
TPREG	Kurt Leyser Agencies CC
TPREG	LFK Imports & Export
TPREG0013GAU	Linglong Tyres (SA) (Pty) Ltd (Vereeniging Tyres (Pty) Ltd)
TPREG	Mahindra & Mahindra South Africa (Pty) Ltd
TPREG0050WC	MAN & VW (SA) Truck & Bus
TPREG0064GAU	Maxiprest Tyres (Pty) Ltd

Annexure A

List of Tyre Producers being initial subscribers to the SATRP Industry Plan

DEAT No	NAME
TPREG	Mazzepe Export Corp
TPREG0072GAU	Mercedes-Benz South Africa (Pty) Ltd
TPREG	Metaforge cc
TPREG0046GAU	Michelin Tyre Company South Africa (Pty) Ltd
TPREG0040GAU	Nissan South Africa (Pty) Ltd
TPREG0085EC	Perfect Innovations 146 CC
TPREG	Piazza Motor Sport
TPREG0044GAU	Pirelli Tyre (Pty) Ltd
TPREG	Plettenberg Bay Recycling
TPREG	Protea Versoolwerke Ermelo Edms Bpk
TPREG0041GAU	Reivilo Industrial CC
TPREG0056GAU	Renault South Africa (Pty) Ltd
TPREG0053WC	Southern African Tyre Distributors CC
TPREG0025WC	Sovereign Retreaders (Pty) Ltd
TPREG	Subaru Southern Africa
TPREG0042GAU	Suzuki Auto South Africa (Pty) Ltd
TPREG0022KZN	Tandem Tyres CC
TPREG	Thomas Tyres / Vaal Tyre Centre
TPREG	TIAuto (Pty) Ltd
TPREG0031GAU	Toyota South Africa Motors (Pty) Ltd
TPREG	Trapeace International (Pty) Ltd
TPREG0026GAU	Trentyre (Pty) Ltd
TPREG0051WC	Tubestone
TPREG0085EC	Tyre Source (Pty) Ltd
TPREG	Tyrecoor (Pty) Ltd
TPREG0059GAU	Valley Irrigation Of SA (PTY) LTD
TPREG0054EC	Volkswagen of South Africa (Pty) Ltd
TPREG0073GAU	Whalinger SA (Pty) Ltd

Annexure B

Waste Tyre Processor Scorecard

Item	Description	Score		Maximum Rating
		Max	Actual	
A	Application (hierarchy)	10		
1	Recycling (ambient or cryogenic granulating)			10 points
2	Fabricated products (cut, sliced or stamped)			8 points
3	Re-use (whole -tyre applications)			6 points
4	Energy recovery (principal or secondary fuel source)			4 points
5	Pyrolysis (chemical conversion of organic compounds)			2 points
B	Percentage of tyre processed	7		
6	Recycling (ambient or cryogenic granulating)			Treatment by weight of the waste tyre. 100% - 7 points; 90% - 5 points; 80% - 6 points; 70% - 4 points. Less than 70% - 0 points (open veldt burning or tyre used as weight = nil points)
7	Fabricated products (cut, sliced or stamped)			
8	Re-use (whole -tyre applications)			
9	Energy recovery (principal or secondary fuel source)			
10	Pyrolysis (chemical conversion of organic compounds)			
C	Equity ownership (job creation)	5		
11	BBBEE			Level 5 or better = 5 points. Level 6 and lower = 0 points
D	Status of operation	10		
12	Existing and operating business with waste tyre feeder to plant			Score 10 if operating for at least three months producing product and sales made. Score zero if plant not installed and operating
E	Phase one categories of tyres	5		
13	Will accept all categories and sizes of tyres			Score 5
14	Will only accept 8-19.5"			Score 4
15	Will only accept 20-24.5"			Score 4
16	Will only accept Bias tyres			Score 5
F	Treatment fee	20		
17	Percentage of treatment fee requested			Pro rata: Nil fee requested = 20 points 100% fee requested = nil points
G	Date of acceptance of waste tyres	10		
18	Within 3 months from collection start date			Score 10 points
19	Within 6 months from collection start date			Score 8 points
20	Within 9 months from collection start date			Score 6 points
21	Within 12 months from collection start date			Score 4 points
22	Longer than 12 months from collection start date			Score 0 points
H	Business plan and financing	18		
23	Business plan			Pro rata: best scores 8 points and worst nil points
24	Financing			Pro rata: best scores 10 points and worst nil points
I	Accepted proven international technology	15		
25	Best Accepted Practice and Technology (BAP/BAT)			Score maximum of 15 points
Total points		100		

SMME: user of less than 36 ton waste tyres per year qualify automatically if all legal requirements in place and not further than 150 km from outer city limit.