

## MEETING AGENDA

<b>Meeting/Project Name:</b>	<b>Public Hearings on The Waste Tyre Management Plans</b>		
<b>Date of Meeting:</b> (MM/DD/YYYY)	<b>24/05/2018</b>	<b>Time:</b>	<b>09h00</b>
<b>Meeting Facilitator:</b>	<b>Chairperson: Ms L Makotoko</b>	<b>Location:</b>	<b>Protea Hotel Marriott, Bloemfontein</b>

### Meeting Objective

- To give an overview of Extended Producer Responsibility in relation to Tyre Industry Plan
- To provide equal opportunity to all plan owners to present an overview of their submissions
- To provide equal opportunity to all interested and affected parties to engage on the submitted plans
- To provide a forum for open dialogue in order to clarify ambiguities and challenge plan owners on the sufficiency of the plan in line with overall national environmental strategy
- To provide an update from the Waste Bureau and information on the current network of tyre operations, infrastructure and participants with due compliance to Promotion of Access to Information Act (PAIA) and Personal Information Act (POPI)

<b>Meeting Agenda</b>	
<b>Topic</b>	<b>Owner</b>
Opening and Welcome	Limpho Makotoko, Chairperson, COO DEA
Apologies	Limpho Makotoko, Chairperson, COO DEA
Purpose of the meeting	Limpho Makotoko, Chairperson, COO DEA
DEA presentation on regulations and the S28 notice	Tsholefelo Chiloane, Senior Legal Admin Officer, DEA
Presentation on litigation and liquidation: REDISA	Mark Pearce, Director of Litigation, DEA
Presentation—EPR vision and outlook for the tyre industry	Kgauta Mokoena, Chief Director, DEA
<b>Presentations on the proposed Waste Tyre Management Plans</b>	
SATRUCO	Hugh Mtshali, CEO
Question and answer session	Interested and affected parties, SATRUCO
TWAMISA	Zuzana Hegerova, Plan Proponent
Question and answer session	Interested and affected parties, TWAMISA
JPC Energy	Not in attendance
Question and answer session	N/A
Evergreen Pty (Ltd)	Not in attendance
Question and answer session	N/A
Waste Management Bureau operations	Nolwazi Tetyana
Discussions	Interested and affected parties, Waste Management Bureau
Way forward	Limpho Makotoko, Chairperson, COO DEA
Closure	Limpho Makotoko, Chairperson, COO DEA

## MEETING MINUTES

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		<b>Location:</b>	Protea Hotel Marriott, Bloemfontein
<b>Attendance at Meeting<sup>1</sup></b>			
<b>Name</b>	<b>Role</b>	<b>Department/Division</b>	
Limpho Makotoko	COO	Department of Environmental Affairs	
Kgauta Mokoena	Chief Director	Department of Environmental Affairs	
Tsholefelo Chiloane	Senior Legal Admin Officer	Department of Environmental Affairs	
Mark Pearce	Director	Department of Environmental Affairs	
Nolwazi Tetyana	Specialist Advisor	Waste Management Bureau	
Hught Mtshali	CEO	SATRUCO	
Nomathemba Khubeka	Board member	SATRUCO	
Johann Lehmann	COO	SATRUCO	
Zuzana Hegerova	Plan owner	TWAMISA	

<sup>1</sup> Attendance register captured is not exhaustive. This list therefore only contains the names of the presenters and Department representatives.

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<b>Summary of presentations</b>			
<b>Topic</b>	<b>Owner</b>		
<p><b>Opening &amp; Welcome</b></p> <p>Purpose and background for an industry waste management plan:</p> <ul style="list-style-type: none"> <li>Minister made a call for Industry Tyre Waste Management Plans with a deadline of 31<sup>st</sup> December 2017, in terms of NEMA Waste Act, S28</li> <li>Minister received 4 plans from the following organisations <ul style="list-style-type: none"> <li>SATRUCO, submitted on the 31<sup>st</sup> December 2017</li> <li>TWAMISA, submitted on the 30<sup>th</sup> December 2017</li> <li>JPC ENERGY, submitted on the 11<sup>th</sup> December 2017</li> <li>EVERGREEN ENERGY, submitted on the 16<sup>th</sup> November 2017</li> </ul> </li> <li>The Minister's notice, published 7 May 2018, called for public hearings; accordingly the 4 plans were made public</li> <li>Sessions arranged have been in 7 provinces within the period of 30 days, taking into account the geographic spread</li> <li>The Department is required to follow due process and thus the sessions are recorded</li> </ul> <p>Communicated purpose of the sessions:</p> <ul style="list-style-type: none"> <li>To give an overview of Extended Producer Responsibility in relation to Tyre Industry Plans</li> <li>To provide equal opportunity to all plan owners to present an overview of their submissions</li> <li>To provide equal opportunity to all interested and affected parties to engage on the submitted plans</li> <li>To provide a forum for open dialogue in order to clarify ambiguities and challenge plan owners on the sufficiency of the plan in line with overall national environmental strategy</li> <li>To provide information from the Waste Bureau on the current network of tyre operations, infrastructure and participants with due compliance to PAIA and POPI</li> </ul>	Limpho Makotoko, Chairperson, COO, DEA,		
<p>Facilitators introduced themselves and the house rules. They communicated that:</p> <ul style="list-style-type: none"> <li>Questions open to the floor shall be limited to ONE question per person per round, in order to allow as many participants as possible to voice their views</li> <li>When asking a question or presenting a statement, please state your name and organisation for the record</li> <li>Times allotted to tea breaks and lunch shall be respected to maintain all objectives of the programme</li> <li>Please respect speakers and plan owners as they speak – allow them to make their point</li> </ul>	Lindiwe Gadd, Independent Facilitator		

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<p><b>DEA Presentation on Regulations and the S28 Notice</b></p> <p>DEA presented an overview of regulations for an industry waste tyre management plan:</p> <ul style="list-style-type: none"> <li>• The National Environmental Management: Waste Act No. 59 of 2008 (NEMWA) regulates waste management in South Africa</li> <li>• S28(1) empowers the Minister to require a person or category of persons that generates waste to prepare and submit an industry waste tyre management plan</li> <li>• In terms of this section the Minister called on tyre producers, any other person, category of persons or industry that generates waste (and by implication persons who have the support base of waste generators) to submit waste tyre management plans</li> </ul> <p>DEA communicated the terms and process for the public consultations:</p> <ul style="list-style-type: none"> <li>• Based on section 32 (5A) of NEMWA, provisions are made for a consultation process</li> <li>• Section 31 (1) allows the Minister to: <ul style="list-style-type: none"> <li>○ approve a plan in writing on certain conditions and give directions on the implementation of the plan</li> <li>○ require additional information to be submitted</li> <li>○ require amendments to be made to the plan</li> <li>○ reject the plan with reasons or if it does not meet the requirements of the notice published in terms of section 28</li> </ul> </li> </ul> <p>DEA communicated regulatory provisions for a transitional plan:</p> <ul style="list-style-type: none"> <li>• Regulation 12 provides for transitional arrangements in the event that a waste tyre management plan expires, is withdrawn or is terminated and at the time there exists no other industry waste management plan.</li> <li>• In this case, the Waste Management Bureau shall be responsible to facilitate, supervise and control the management of waste tyres in the interim until a new industry waste tyre management plan is approved.</li> <li>• The Bureau may issue instructions for the management of waste tyres, which instructions must be complied with within the timeframe stated in such instruction.</li> <li>• All participants registered with the previous waste tyre management plan shall in the interim register with the Bureau.</li> <li>• All tyre producers must submit to the Bureau the same declarations that they submit to SARS in respect of the quantity of tyres produced or imported, on a quarterly basis.</li> <li>• The Bureau must establish a waste tyre forum with all affected industry to deal with governance and operational matters pertaining to the management of waste tyres during the interim, until a new industry waste tyre management plan is approved.</li> </ul>			<p>Tsholofelo Chiloane, Senior Legal Admin Officer, DEA</p>

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<p><b>Presentation on litigation and liquidation: REDISA</b></p> <p>DEA presented the series of events with regards to REDISA's liquidation and litigation status:</p> <ul style="list-style-type: none"> <li>• On the 1<sup>st</sup> June 2017, Minister brought an application to provisionally liquidate REDISA</li> <li>• On the 8<sup>th</sup> June 2017, Minister brought an application to liquidate Kusaga Taka Consulting (KTC)</li> <li>• Both companies were placed under provisional liquidation on the respective dates</li> <li>• On the 9<sup>th</sup> June 2017, Minister obtained a provisional liquidation order against the Product Testing Institute (PTI). The return date has been extended, by agreement, to 12 October 2018 pending the finalisation of the appeals lodged with the SCA on REDISA and KTC</li> <li>• On the 15<sup>th</sup> September 2017, High Court placed both REDISA and KTC under final liquidation</li> <li>• REDISA and KTC applied for leave to appeal to the Supreme Court of Appeal (SCA) against the entire judgement and order</li> <li>• The SCA granted the leave to appeal on 14<sup>th</sup> February 2018. The matter has not yet been allocated a date for hearing by the SCA</li> </ul> <p>DEA communicated the performance of the plan between June and September 2017, under the care of the liquidators:</p> <ul style="list-style-type: none"> <li>• Record of active participants as at June 2017 is as follows: <ul style="list-style-type: none"> <li>○ 499 micro-collectors</li> <li>○ 78 transporters</li> <li>○ 20 depots</li> <li>○ 15 processors</li> </ul> </li> <li>• Total tonnages collected between June and September 2017: <ul style="list-style-type: none"> <li>○ 29 203.50 tonnes</li> <li>○ 16 886.66 tonnes</li> </ul> </li> <li>• Cash resources of REDISA at date of provisional liquidation were R178 547 943 (1<sup>st</sup> June 2017)</li> <li>• Cash resources of REDISA at date of cessation of operations (30<sup>th</sup> September 2017) were R82 451 332</li> </ul> <p>DEA communicated status of assets in line with the liquidation process:</p> <ul style="list-style-type: none"> <li>• All REDISA's assets are securely stored, except those which are being used by the WMB as per the interim arrangement.</li> <li>• Provided the final liquidation order is upheld by the SCA, provisional liquidators can begin disposal of assets and finalising creditors' claims</li> <li>• Provisional liquidators will lodge a liquidation and distribution account with the Master of the High Court in relation to the administration of REDISA</li> </ul>			<p>Mark Pearce, Director, DEA</p>

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<p><b>Extended producer responsibility (EPR) vision and outlook</b></p> <p>DEA communicated summary of the vision:</p> <ul style="list-style-type: none"> <li>• Problem statement identified: <ul style="list-style-type: none"> <li>○ Opportunity cost of waste, missed opportunities due to poor infrastructure and skills and underfunding</li> <li>○ Unsafe and unhealthy outcomes imposed on society due to waste produced</li> <li>○ Pervasive underpricing in the waste economy</li> </ul> </li> <li>• Value statement introduced: <ul style="list-style-type: none"> <li>○ Introduced to begin concerted efforts in waste valorisation (extracting value from waste)</li> <li>○ Incentivising a recycling economy</li> <li>○ Creating and promoting jobs in the waste economy</li> <li>○ Diligence in service delivery</li> <li>○ Governance and revenues in the waste economy</li> </ul> </li> <li>• The desired outcome would be: <ul style="list-style-type: none"> <li>○ Less waste</li> <li>○ Diversion of waste</li> <li>○ Jobs created and sustained</li> <li>○ The existence of a circular economy</li> <li>○ Direct benefits to society</li> <li>○ Streamlined regulatory process</li> </ul> </li> <li>• What the circular economy would imply: <ul style="list-style-type: none"> <li>○ The need for sustainable growth in the context of the growing pressure of production and consumption on the world's resources and environment.</li> <li>○ Resources kept within the economy when a product has reached the end of its life, so they can be productively re-used repeatedly to create further value</li> </ul> </li> <li>• Models for government, industry-managed EPR plans and revenue collection: <ul style="list-style-type: none"> <li>○ Financial instruments to pass on the burden of waste to producers and consumers, and incentivise waste management efforts by the same groups</li> <li>○ Instruments include incentives and fees for recycling, taxes on extraction of resources, product taxes for consumers, disposal taxes and EPR fees collected from producers</li> </ul> </li> <li>• Provided case studies of EPR policies globally: <ul style="list-style-type: none"> <li>○ European countries are early adopters and practices contributed to increased recycling rates</li> <li>○ EPR schemes contributed to reductions of public spending on waste management</li> </ul> </li> <li>• EPR role players include PROs, which are individual schemes mostly applied in business-to-business contexts that organise and finance collective producer responsibilities towards waste management</li> </ul>			<p>Kgauta Mokoena, Chief Director, DEA</p>





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<p>All provincial plans include the following types of participants:</p> <ul style="list-style-type: none"> <li>○ Recyclers</li> <li>○ Transporters</li> <li>○ Marketing</li> </ul> <p>Intended outputs of processing activities:</p> <ul style="list-style-type: none"> <li>● Pyrolysis operations <ul style="list-style-type: none"> <li>○ HFO</li> <li>○ Carbon char</li> <li>○ Steel</li> </ul> </li> <li>● Crumbing <ul style="list-style-type: none"> <li>○ Value added items such as bricks, tiles, inputs for tarred roads</li> </ul> </li> <li>● Intended offtake partners of pre-processing activities are energy recovery</li> <li>● Surplus from pre-processing exported as TDF commodity</li> <li>● Plan to abate mining and OTR tyres: <ul style="list-style-type: none"> <li>○ Address mines' historical stockpiles</li> <li>○ Address dealers'/mines' arising tyres</li> </ul> </li> </ul> <p>Targets for collections and processing:</p> <ul style="list-style-type: none"> <li>● Within 12 months of approval 50% at 69 600 tonnes</li> <li>● Within 24 months of approval 70% at 87 00 tonnes</li> <li>● Within 36 months of approval 80% at 121 800 tonnes</li> <li>● Within 48 months of approval 90% at 156 600 tonnes</li> <li>● Within 60 months of approval 100% at 174 000 tonnes</li> </ul> <p>Number of jobs and SMMEs to be created in the industry:</p> <ul style="list-style-type: none"> <li>● 160 micro-collection co-ops</li> <li>● 5632 new jobs created</li> </ul> <p>Conclusion:</p> <ul style="list-style-type: none"> <li>● Plan responds equitably and responsibly to legislation. It is a cost-effective, transparent model for recycling and a community-focused plan</li> <li>● Adopts all principles of the circular economy</li> <li>● Plan ensures social impact – with aspects of the plan requiring implementation at the community level</li> <li>● Encourages innovation through its partnerships with scientific bodies in a bid to make South Africa globally competitive</li> <li>● Promotes investment in the country</li> </ul>			

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<b>4. Question &amp; Answer</b>			
<b>Question</b>	<b>Owner</b>		
<b>SATRUCO</b>			
<p><b>Question 1:</b></p> <p><i>Comment</i></p> <p>As interested and affected parties, we were not consulted, whereas the gazette stipulates this requirement. Mr Mtshali apologised in Pretoria, but this is not the TRC, where apologies suffice. Let it be on the record that we did not get an answer to our question.</p> <p><i>Interjection from facilitator to emphasise opportunity for written questions and comments to be submitted to the department before the 7<sup>th</sup> June deadline due to composite question from participants.</i></p> <p><b>Answer 1:</b></p> <p><i>See response to question 2</i></p>	Lebogang Selepe, Waste Tyre Forum		
<p><b>Question 2:</b></p> <p><i>Comment to facilitator in response to comment on composite questions</i></p> <p>Can I respectfully comment to your Madame Facilitator. Our question on Monday was not answered and we wish you had insisted the plan proponents to answer our question. I want to outline the objective of public consultation and the manner in which we push for questions is line with that objective.</p> <p><i>Question</i></p> <p>I agree with the previous question's sentiments. Why is it that current participants were not consulted in line with the Minister's call?</p> <p><b>Answer 2:</b></p> <p>As SATRUCO, we were not made aware of your existence and when we were made aware of the forum, we asked for engagement. The people that we consulted are the people that we were aware of. We placed adverts in the <i>Sunday World</i> and the <i>Sunday Times</i> (as per the regulation) requesting all the interested stakeholders to collect the draft plans and provide input.</p> <p>We assumed the advertisement would have attracted the right stakeholders and we sent over 500 emails to people who had been exposed to the advertisement and provided input. So my appeal once again is that we engage in line with due process.</p>	Khotatso Moloi, Waste Tyre Forum		

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<p><b>Question 3:</b></p> <p>On page 21 of the plan, SATRUCO regional model, a control measure to ensure efficiencies. What are the specific functions, activities and initiatives characterised by the model and how will they ensure that the control of funds will be handled at a governance level?</p> <p><b>Answer 3:</b></p> <p>The reason we proposed the provincial/regional model is to ensure a sense of ownership at these areas, as those are the people who will be operating as per guidelines and targets of the plan. We didn't want centralisation which we believe may not deliver efficiencies, which will be supported by the IT system we have invested in to keep all stakeholders aligned. Furthermore, decentralisation via the model ensures jobs and responsibility downstream.</p> <p><i>Elaboration from SATRUCO COO</i></p> <p>The intention of those provincial operations is to streamline downstream processes:</p> <ul style="list-style-type: none"> <li>• When participants get paid</li> <li>• Documentation</li> <li>• Training of participants in the value chain</li> </ul>		<p>Motsatsi Thinyane, Waste Tyre Forum</p>	
<p><b>Question 4:</b></p> <p>You just mentioned an outlet should the Department allow you to export.</p> <p>Where would revenue for this outlet be generated? If the Minister doesn't approve of this outlet, how will you address stockpiles?</p> <p><b>Answer 4:</b></p> <p>This is a waste product that is a beneficiated commodity that is internationally recognised and adds value to the system. With regards to revenue, the export of this product will generate revenue into the industry which Treasury will oversee.</p> <p>They will give us R600 million in the first year. For every rand we spend, we need to produce output/proof of allocation. The government has redefined how funds are allocated – by taxation as opposed to directly to the plan managers, which invariably adds another layer of governance for us when we collect money in line with our operations.</p> <p>By pre-processing this material we provide a subsidy to processors, dependent on BEE status, which will help them compete with international participants in the market, where we are currently R7 per tonne behind the rest of the world.</p> <p>The exportation of this product will only happen once quality and processes are of a certain standard.</p>		<p>Lebogang Selepe, Waste Tyre Forum</p>	

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<p><b>Question 5:</b></p> <p><i>Comment</i></p> <p>We view it as intimidation from a high-ranking individual when they tell us that we're asking the same questions. There were people during tea breaks who said people who ask a lot of questions will be asked questions around REDISA's equipment.</p> <p>The Waste Tyre Forum did not formally request for a consultation with SATRUCO. Further it is incorrect to say that our existence was not known. Mr Mtshali and Mr Lehmann knew about my participation – hence they could ask in informal conversations about REDISA equipment and my involvement. So I still hold onto my previous question – why were we not consulted?</p> <p><b>Answer 5:</b></p> <p><i>Interjection from facilitator</i></p> <p>I would like to appeal to participants to be comfortable asking whatever question they would like to; however, answers may not always be satisfactory and repetition of a question is unlikely to yield a different answer, so bear that in mind if we want to provide opportunity for as many questions as possible. Please feel free to state whether your question was answered rather.</p> <p><i>Answer</i></p> <p>Publishing that advertisement seemed sufficient based on our legal requirement. The advertisement was a public call for consultation.</p>		<p>Khotatso Moloi, Waste Tyre Forum</p>	
<p><b>Question 6:</b></p> <p>My original question was not answered. I asked about the provincial and regional model but Mr Mtshali spoke about a provincial/regional model.</p> <p>A. Are they two distinct models and what is each's objectives?</p> <p>B. How do these models deliver efficiencies?</p> <p>C. How do you ensure financial control within this decentralised system?</p> <p><b>Answer 6:</b></p> <p>That is our view of the highest form of accountability and control systems – a decentralised model.</p> <p>The intention of those regional and provincial operations is to ensure that the flow of documents, training and flow of money is streamlined. These processes move faster in a decentralised way.</p> <p>The budgets we require are for the CEO to stay in tune with costs which would be locally adjusted. For example different transport costs based on fuel prices and size of the province may differ on average. We want head office to have a view of the operational activities and contrast nuances at these regional levels.</p>		<p>Motsatsi Thinyane, Waste Tyre Forum</p>	

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<p><b>Question 7:</b></p> <p>Firstly, I want to apologise to Mr. Mtshali for interrupting his response to the consultation question.</p> <p>Page 34, you mentioned an independent waste monitor who will work based on your terms of reference. Please explain those terms of reference.</p> <p><b>Answer 7:</b></p> <p>The Bureau will monitor our plan against KPIs; however, our aim is to get stringent controlling measures, to ensure that there are proper control systems in place. We would want an external party to measure our performance and keep us honest, amidst the scrutiny that will arise due to what happened with REDISA.</p>		<p>Lebogang Selepe, Waste Tyre Forum</p>	
<p><b>Question 8:</b></p> <p><i>Comment</i></p> <p>We are here to comment on the plans submitted to the Minister; and that is what we are commenting on. We take our responsibilities seriously and we will only comment on those submitted plans.</p> <p><i>Question</i></p> <p>The plan states that "the provincial manager will submit annual financial budget to the board via the CEO". My understanding is that the CEO would be a conduit for this business plan that is submitted to the board, independent of him. How will this work? It does not seem to be best practice from a governance perspective?</p> <p><b>Answer 8:</b></p> <p>Understands that there may be confusion regarding how it is written out in the plan. Intention of provincial operation is to streamline the process. This includes making sure that depots and tyre transporters get paid on time, flow of documents are efficient and effective training of PPE. There is an uneven spread of tyres between provinces. Regional structure came in to play in larger provinces such as Gauteng where you may have more than one provincial manager such as a sector manager. The budget we are talking about is for the CEO to be updated on what is the expectations of the people on the ground together with the costs. It is important to relay information from the grass root levels to the guys at head office for instance the nuance in transport cost differences between different provinces.</p> <p><i>Follow-up on comment:</i></p> <p>You may be a new player that doesn't know what the strategy is, thus as the CEO it is important to engage and find synergies, hence that is why I welcome this engagement.</p> <p><i>Comments from Moloi in response to the answer</i></p> <p>Everything we are asking is based on what needs to be put forward for the Minister. I still do not understand how the regional and provincial managers will report directly to the board and bypass the CEO.</p>		<p>Khotatso Moloi, Waste Tyre Forum</p> <p>Personal details not provided</p>	

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<p><b>Question 9:</b></p> <p>On Page 35, table 6 of the SATRUCO plan, the management company no longer exists. However, the Minister will review a proposal that references a management company.</p> <p>A. Where are the financial allocations for the management company in the plan?</p> <p>B. What level of skill are these people and how many people?</p> <p>C. Please provide explanation on what is counted within the administration and costs line item?</p> <p><b>Answer 9:</b></p> <p>An NPO is accountable to the government, whereas we realised a management company would not be. Hence our decision to revise post submission.</p> <p>A. N/A</p> <p>B. Skills – we need individuals to mutilate tyres at dealers, etc.</p> <p>C. The allocation to administration in our budget constitutes the national fees across the plan and we plan to be audited by a BEE firm.</p> <p><i>Comment from Moloi in response to the answer</i></p> <p>My above questions have not been answered.</p> <p><i>Interjection from the Chairperson – DEA, COO</i></p> <p>The public hearings exist to address the submitted plans. However it does not stop the proponents from adjusting their plans and presenting new information in these forums to address concerns. We do not consider those presentations and views final until they submit amendments to their plan.</p>		<p>Personal details not provided</p> <p>Personal details not provided</p>	
<p><b>Question 10:</b></p> <p>What will be the roles of the Independent monitoring company and the IMC?</p> <p>A. What are the distinct roles of these two organisations that SATRUCO will appoint?</p> <p>B. If SATRUCO appoints these organisation to measure and monitor them, how will they manage conflicts of interests should these organisations find anomalies?</p> <p>Answer 10:</p> <p>Question not answered</p>		<p>Motsatsi Thinyane, Waste Tyre Forum</p>	

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<p><i>Comment from Khotatso Molo</i></p> <p>My question has not been answered.</p> <p><i>Interjection from Limphe Makotoko, Chairperson, COO, DEA</i></p> <p>It is critical to highlight that the public participation sessions are on the basis of submitted plans as they were submitted. However this does not prevent proponents from communicating changes as they arise and those changes will be finalised if and when plan proponents submit revised versions.</p>		<p>Khotatso Molo, Waste Tyre Forum</p>	

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<p><b>TWAMISA</b></p> <ul style="list-style-type: none"> <li>• Introduction of TWAMISA, an initiative of Danubia and a plan focusing solely on OTR tyres</li> <li>• TWAMISA team's background is in high-impact projects in the mining industry around abatement – which informs focus of the proposal</li> </ul> <p>Background and rationale:</p> <ul style="list-style-type: none"> <li>• Cost of OTR tyres continues to increase as does cost of abatement – therefore funding deficit exists</li> <li>• The plan's view is to bulk up on abatement activities now, which will create savings (externality) in the future on spend faced by industry/government</li> <li>• The plan for integrated depots implies a holistic solution for remote areas: <ul style="list-style-type: none"> <li>○ Fully compliant shared infrastructure for the region</li> <li>○ Close the loop locally</li> </ul> </li> <li>• What would these depots look like: <ul style="list-style-type: none"> <li>○ Start with large OTRs where service providers and infrastructure currently exist with OTRs 45" - 63" because complexity implied in this segment operationally</li> <li>○ Room for a depot to accommodate non-OTRs e.g. 1000 square feet</li> </ul> </li> <li>• Value proposition is to produce a comprehensive service to the mines/DEA on tyre waste management in the industry</li> <li>• Collaboration with another tyre waste management company to handle other tyre waste categories</li> </ul> <p>Process overview:</p> <ul style="list-style-type: none"> <li>• Processing methods – two processes in South Africa: <ul style="list-style-type: none"> <li>○ Whole tyre is shredded to 50 x 50 pieces</li> <li>○ Shredding process separating steel and rubber</li> </ul> </li> <li>• Crumb (by-product) usage</li> <li>• Crumb into pyrolysis – to cascade into blended fuels</li> <li>• Overview of applications of processing by-product applications: <ul style="list-style-type: none"> <li>○ Tar roads</li> <li>○ Carpets</li> <li>○ Fashion</li> <li>○ Astro-turf</li> </ul> </li> </ul> <p>SMME and BEE impact:</p> <ul style="list-style-type: none"> <li>• Plan proposes sustainable SMEs at all levels of the value chain</li> <li>• A co-funding platform to pool economic development and social development spend of subscribers</li> <li>• SMEs would ideally be 51% black owned, partnered with larger, existing specialised operations and provided an equity ownership deal</li> <li>• Intent to impact formal sector with job creation through upskilling</li> <li>• To introduce employee share schemes</li> <li>• Provide access to black SMEs into capital-intensive spaces</li> <li>• Improve the empowerment credentials of current industry participants</li> </ul> <p>Collection and diversion targets:</p> <ul style="list-style-type: none"> <li>• Includes 6 years' worth of historical stockpiles</li> <li>• 27% of historical stockpiles addressed by Year 5</li> <li>• 20% of the post-tyre levy backlog addressed by Year 5</li> <li>• 100% of the new arising tyres addressed by Year 5</li> </ul>			<p>Plan Proponent – Zuzana Hegerova, TWAMISA</p>



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<p>Recycling targets:</p> <ul style="list-style-type: none"> <li>• Increase recycling rates through: <ul style="list-style-type: none"> <li>○ Incentives and R&amp;D support to SMEs building local recycling capacity</li> <li>○ Work with the municipalities, SANRAL, etc. to stimulate demand</li> <li>○ Stimulate independent trading in the industry (i.e. those who generate new and compliant offtake to profit from sale of material)</li> </ul> </li> <li>• Year 1 targets: <ul style="list-style-type: none"> <li>○ 60% energy recovery, 0% re-use, 40% recycling</li> </ul> </li> <li>• Year 2 targets: <ul style="list-style-type: none"> <li>○ 50% energy recovery, 0% re-use, 50% recycling</li> </ul> </li> <li>• Year 3 targets: <ul style="list-style-type: none"> <li>○ 30% energy recovery, 10% re-use, 60% recycling</li> </ul> </li> <li>• Year 4 targets: <ul style="list-style-type: none"> <li>○ 20% energy recovery, 20% re-use, 60% recycling</li> </ul> </li> <li>• Year 5 targets: <ul style="list-style-type: none"> <li>○ 10% energy recovery, 30% re-use, 60% recycling</li> </ul> </li> </ul> <p>Local SMEs and jobs over the 5-year plan:</p> <ul style="list-style-type: none"> <li>• Decent jobs are sustainable jobs</li> <li>• Temporary jobs – in line with some short-term contracts</li> <li>• 242 decent jobs to be created based on submitted plan and 500 temporary jobs to be created in infrastructure development, plant construction, etc.</li> </ul> <p>Skills development plan:</p> <ul style="list-style-type: none"> <li>• A total of 75 people to be impacted:</li> <li>• Plan to target upskilling via the following initiatives: <ul style="list-style-type: none"> <li>○ 50 people due to ad hoc specialised training</li> <li>○ 10 people identified for a bursary programme</li> <li>○ 10 people for a post-university internship programme</li> <li>○ 5 people identified for a fast-track management programme</li> </ul> </li> </ul> <p>Prevention of pollution and ecological degradation:</p> <ul style="list-style-type: none"> <li>• Impact will be addressed through targets in the waste hierarchy</li> <li>• Competence training and oversight of industry participants by TWAMISA and with incubation partners</li> <li>• National awareness campaigns</li> </ul> <p>Administration:</p> <ul style="list-style-type: none"> <li>• Governance structure ensures that TWAMISA is a management company overseen by an NPC</li> <li>• Single system registration for industry participants</li> <li>• A contract award system and adjudication committee</li> <li>• Single perpetual NPC for the waste tyre stream</li> <li>• TWAMISA to create own NPC if preferred by the Minister, targeting level 3 BEE rating on specialised generic scorecard</li> </ul> <p>Planned revenue sources:</p> <ul style="list-style-type: none"> <li>• DEA Tyre Levy allocation for TWAMISA plan</li> <li>• Stockpile owners for historical stockpile abatement projects</li> <li>• Non-OTR Industry Manager for shared infrastructure</li> <li>• Sale of material to offtake</li> </ul>			

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<p>Plan costs:</p> <ul style="list-style-type: none"> <li>• Communicated errors in submitted plans on: <ul style="list-style-type: none"> <li>○ Value of R&amp;D in year 5</li> <li>○ % allocation (environmental impact) service providers by year 5</li> <li>○ % allocated to set-up and administration costs in year 1</li> <li>○ Total value of spend by year 5</li> </ul> </li> <li>• Total spend in year 1 is projected at R109 500 736</li> <li>• Total spend in year 5 is projected at R1 190 420 396</li> </ul> <p>Pros of multiple managers:</p> <ul style="list-style-type: none"> <li>• Accelerated roll-out and impact</li> <li>• Reduced costs in the long term</li> <li>• Healthy competitiveness</li> <li>• Reduced risk of monopolistic behaviour by a single PRO</li> <li>• Multiple knowledge contributors</li> <li>• Narrower and thus more achievable focus of each manager</li> <li>• Simplification of delivery and performance evaluation</li> <li>• Specialisation fosters innovation</li> </ul> <p>Regular reporting to stakeholders:</p> <ul style="list-style-type: none"> <li>• Monthly reporting – SMEs to Manco – service-level KPIs embedded into contract (environmental, financial, etc.)</li> <li>• Quarterly reporting <ul style="list-style-type: none"> <li>○ SMEs to Manco – job numbers and capacity review</li> <li>○ Manco to NPC – all KPIs in line with plan targets, authority levels and DEA/WB requirements</li> </ul> </li> <li>• Semi-annual reporting – SMEs' performance review against contract KPIs by Manco</li> <li>• Annual reporting <ul style="list-style-type: none"> <li>○ Independent external audit of NPC and Manco against plan (SME normal financial audits)</li> <li>○ SMEs – annual service provider review by Manco</li> <li>○ Manco to WB – details of agreements reached with regard to historical stockpiles</li> </ul> </li> <li>• Ad hoc – reporting <ul style="list-style-type: none"> <li>○ SMEs – inspections conducted by Manco at pre-agreed times at the registered sites</li> <li>○ Regular newsletter, awareness campaigns by Manco to stakeholders</li> </ul> </li> </ul> <p>Ability to collaborate with another plan:</p> <ul style="list-style-type: none"> <li>• This is the preferred method for TWAMISA</li> <li>• Upon mandate for OTR, scope to be assigned to TWAMISA</li> </ul> <p>Advantages of TWAMISA plan:</p> <ul style="list-style-type: none"> <li>• Simple governance model for accountability, transparency and sustainability</li> <li>• Accelerated diversion of waste and recycling by the industry as a whole</li> <li>• Cost efficiencies from abating at scale and nationwide now vs. later for the benefit of both OTR and non-OTR segments</li> <li>• Accelerated transformation through reduced risk of SME failure</li> <li>• Localisation of jobs and procurement in some of the most vulnerable communities</li> </ul>			

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Question		Owner	
<p><b>Question 1:</b></p> <p><i>Comment</i></p> <p>For the record, in Durban TWAMISA's report started at approximately 12.15 – this means they were given more time</p> <p><i>Question</i></p> <p>Have you spoken to anyone who has wished to separate tyre types as you have?</p> <p><b>Answer 1:</b></p> <p>No we are not aware of anyone at the moment.</p>		<p>Personal details not provided</p>	
<p><b>Question 2:</b></p> <p>For the record – TWAMISA was given 45 minutes in Pretoria.</p> <p>A. How do we trust a plan owner who changes the goal post all the time and gets angry when we probe?</p> <p>B. Is the company registered as a private company or NPC?</p> <p>C. When was the company registered?</p> <p>D. Can you give a view of a list of your directors?</p> <p><b>Answer 2:</b></p> <p>A. We are proposing a single perpetual NPC. This is the first time we are engaging with the Department so we don't know their initial views on their plan. They are open to discussions should the Department not be happy with their company structure. We are currently looking at best practice internationally on how PROs are run.</p> <p>B. The company is registered as a private company.</p> <p>C. The company was registered in 2017. We are proposing a single perpetual NPC.</p> <p>D. N/A</p>		<p>Lebogang Selepe, Waste Tyre Forum</p>	

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<p><b>Question 3:</b></p> <p>Based on the governance clause from the gazette, what is TWAMISA's response to compliance with respect to governance?</p> <p><b>Answer 3:</b></p> <p>Yes we believe we do. We have tested it with producers and our own public participation process (with 90% of respondents emphasising their view) – see SAWIC website.</p> <p><i>Comments for the record</i></p> <p>Any form of engagement between participants and plan owners needs to happen in this structured format. So I am not accepting this plea to reach out from any plan owners. Our question on NPC registration has not been answered. The response that they are awaiting ministerial overview of their plan first is not satisfactory. The entity that owns the current plan is not stated.</p> <p><i>Comments from TWAMISA</i></p> <p>The Minister's requirements did not stipulate the need for an NPC so TWAMISA is a private company until input from the Department.</p>		<p>Khotatso Moloi, Waste Tyre Forum</p> <p>Khotatso Moloi, Waste Tyre Forum</p>	
<p><b>Question 4:</b></p> <p>A. Can TWAMISA define what Level 3 BEE entails?</p> <p>B. List the BEE beneficiaries and explain incubation initiatives to be directed towards them.</p> <p>C. Additionally, please explain why you think that SMEs require incubation?</p> <p><b>Answer 4:</b></p> <p>A. With regards to what Level 3 BEE entails, I'd like to point you to the relevant legislation, this session is not the right one for that.</p> <p>B. Beneficiaries we've identified for incubation or upliftment are:</p> <ul style="list-style-type: none"> <li>• Staff of TWAMISA and partners via skills development initiatives</li> <li>• CSI projects for disadvantaged people in the communities we operate in</li> <li>• Ownership targets for black participants</li> </ul> <p>C. It is not in our plan that black SMEs require incubation. Incubation partners can be black or non-black and BEE partners can come in many forms. Staff will be allocated equity and black entities which require incubation will be guided towards ownership schemes as 10% equity partners.</p> <p><i>Comment</i></p> <p>For the record, the question was not answered satisfactorily.</p>		<p>Motsatsi Thinyane, Waste Tyre Forum</p> <p>Motsatsi Thinyane, Waste Tyre Forum</p>	

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<p><b>Question 5:</b> What profit margin target has the management company set for itself?</p> <p><b>Answer 5:</b> Our costs have not been disclosed with the Minister as yet and we won't disclose those costs here. We will take a 7% management fee for our services rendered.</p> <p><i>Comment</i> For the record, the question was not answered satisfactorily. The plan proponent's response is disingenuous if she won't comment on anything relating to the plan where there wasn't specification from the Minister.</p>		Khotatso Moloi, Waste Tyre Forum	
<p><b>Question 6:</b> What percentage of the procurement plan will be set aside for black entities?</p> <p><b>Answer 6:</b> I do not know the numbers off the top of my head.</p>		Motsatsi Thinyane, Waste Tyre Forum	
<p><b>Question 7:</b> 7% of the budget is approximately R107 million. What would you be doing with a R100 million's worth of state-provided money?</p> <p><b>Answer 7:</b> Cost allocation shows that the set-up and administration will total to R86 million over the term of the 5 years. These set-up costs include all costs associated with starting up new operations such as IT and office costs. The total administration and management costs will total to R78 million over the 5 years which consists of employing all people necessary to manage the plan. Specialists who will conceptualise, design and run the awareness programmes are included in this figure. The social impact assessments and programmes will be run internally. Only external consultants will be present for instance if specialised legal advice is required for which a provision has been made in the budget.</p>		Lebogang Selepe, Waste Tyre Forum	

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<p><b>Question 8:</b> Is anybody from TWAMISA in any way involved in the tyre industry?</p> <p><b>Answer 8:</b> A categorical “no”. We have not made a cent and are not involved in any operation in the waste tyre industry. <i>Comment for the record</i> At the previous hearing I was told that I was ungrateful and could be participating in the plan. Can the categorical “no” to the above question be compared to the responses given at Pretoria's session?</p>		<p>Khotatso Moloi, Waste Tyre Forum</p> <p>Khotatso Moloi, Waste Tyre Forum</p>	
<b>Waste Bureau and Closing</b>			
<p><b>Overview of Network</b></p> <p>There exist over 2000 collection points inherited from REDISA. WMB cannot service all collection points due to capacity constraints regarding collection, storage and processing. There is an ongoing process to register dealers.</p> <p>The number of dealers totals 225 across the country. Additionally there are 213 active micro-collectors, 23 micro depots, 67 primary transporters and 10 secondary transporters.</p> <p><b>Operational Performance</b></p> <p>We compared our performance to REDISA: Between October 2017 and March 2018, the WMB collected 47 000 tonnes of waste tyres. When we annualised the figures (converted to show comparative performance over a year), the Waste Management Bureau collected just under 94 000 tonnes of tyres while REDISA collected just under 93 000 tonnes of tyres.</p> <p>We achieved a 21.5% annualised recycling rate (as a percentage of waste tyres arising) versus REDISA's recycling rate of 14.9%.</p> <p><b>Waste Bureau Successes</b></p> <p>We achieved the following over a six-month period:</p> <ul style="list-style-type: none"> <li>• Ensured the continuation of waste tyre operations from June 2017</li> <li>• Utilised a lower operational cost compared to its performance</li> <li>• Outperformed REDISA in collections and recycling</li> <li>• Operated with fewer human resources – 34 people vs. 178 people associated with REDISA</li> <li>• Achieved collection and recycling targets despite full depots and the prohibition of exports</li> <li>• Onboarded industry participants efficiently</li> <li>• Ensured the fast activation of new depots</li> </ul>		<p>Nolwazi Tetyana, Specialist Advisor</p>	

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<b>Monitoring Framework</b>			
<p>The framework we intend using when we change our role from operations to that of monitoring the plan, which is still a work in progress, is as follows:</p> <ul style="list-style-type: none"> <li>• Baseline and target setting for 5 years</li> <li>• Waste flow tracking</li> <li>• Prioritisation of reuse and recycling</li> <li>• Labour intensity assessment</li> <li>• SMME development</li> <li>• Effectiveness &amp; impact assessment of the plan</li> <li>• Measurement of cost efficiencies</li> <li>• Adherence to levels of regulatory compliance for facilities / operations</li> <li>• Skills development</li> <li>• Projection of financial flows</li> <li>• Production of externally audited financial statements</li> <li>• Production of annual external performance audit</li> <li>• Production of annual business plans</li> <li>• Monthly &amp; quarterly reporting</li> </ul>			
<b>Question &amp; Answer section not captured</b>			

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<b>Announcements</b> Forum The allegation that the Department has established a forum is far from the truth. However we recognise that there has been an (industry) forum established. REDISA communicated cessation of operations to participants due to a request for additional funds which government required a new budget for. In response to this, a forum was created by participants to communicate grievances and fears of REDISA's communicated cessation.		Limphe Makotoko, Chairperson, COO DEA	
<b>Next Steps:</b> <b>Requests for clarity from Proponents:</b> <ul style="list-style-type: none"> <li>• Requests for clarity by plan owners must be made in writing to the Department</li> <li>• Written requests will also be received and reviewed by the Department</li> <li>• Please send an email to Mr Anben Pillay <a href="mailto:APillay@environment.gov.za">APillay@environment.gov.za</a> for such requests</li> </ul> <b>Written comments from interested and affected parties:</b> <ul style="list-style-type: none"> <li>• Written comments on the plans should be submitted to Ms Mamogala Musekene <a href="mailto:MJMusekene@environment.gov.za">MJMusekene@environment.gov.za</a>; Environment House, 473 Steve Biko Street, Arcadia, Pretoria or Department of Environment Affairs, Private Bag X 447, Pretoria, 0001</li> </ul> <b>The deadline for all written commentary is 7<sup>th</sup> June 2018</b> <ul style="list-style-type: none"> <li>• The DEA, Waste Bureau and other relevant government departments (DTI, Treasury, etc.) will convene a special meeting to interact with the plan owners for purposes of clarity after the last public hearing</li> <li>• Special meeting will be held between the 5<sup>th</sup> and 7<sup>th</sup> June 2018</li> <li>• After receiving written comments by the closing date (7<sup>th</sup> June 2018), the Department will consolidate all written comments, which will then be sent to the plan owners</li> <li>• Comments received will also be published on the DEA website</li> <li>• Plan owners will be expected to respond to comments by addressing, upgrading or re-adjusting their plans within a specified timeframe</li> <li>• Once plans are re-submitted to the Minister, the Department will analyse the responses and compile a register against written comments</li> <li>• A final adjudication/review of the plans will be undertaken</li> <li>• Based on all above inputs and processes, the Minister will make a decision and publish a notice in a gazette</li> </ul>		Limphe Makotoko, Chairperson, COO DEA	