

MEETING AGENDA

Meeting/Project Name:	Public Hearings on The Waste Tyre Management Plans		
Date of Meeting: (MM/DD/YYYY)	30/05/2018	Time:	09h00
Meeting Facilitator:	Chairperson: Ms N Ngcaba	Location:	Protea Hotel Marriott, Hunters Rest

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)

Meeting Agenda	
Topic	Owner
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	Sibusiso Shabalala, Director, DEA
Presentation on litigation and liquidation: REDISA	Mark Pearce, Director, DEA
Presentation—EPR vision and outlook for the tyre industry	Anben Pillay, Director, DEA
Presentations on the proposed Waste Tyre Management Plans	
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	Interested and affected parties, JPC
Evergreen Pty (Ltd)	Ayub Patel, Engineer
Question and answer session	Interested and affected parties, Evergreen
Waste Management Bureau operations	Nolwazi Tetyana, Specialist Advisor
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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		Location:	Protea Hotel Marriott, Hunters Rest
Attendance at Meeting¹			
Name	Role	Department/Division	
Limpho Makotoko	COO	Department of Environmental Affairs	
Anben Pillay	Director	Department of Environmental Affairs	
Sibusiso Shabalala	Director	Department of Environmental Affairs	
Vanessa Bendeman	Chief 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 Proponent	TWAMISA	
George Mapuma	Director	Evergreen	
Ayub Patel	Engineer	Evergreen	

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

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Summary of presentations			
Topic	Owner		
<p>Opening & Welcome</p> <p>Purpose and background for an industry waste management plan:</p> <ul style="list-style-type: none"> Minister made a call for Industry Tyre Waste Management Plans with a deadline of 31st December 2017, In terms of NEMA Waste Act, S28 Minister received 4 plans from the following organisations <ul style="list-style-type: none"> SATRUCO, submitted on the 31st December 2017 TWAMISA, submitted on the 30th December 2017 JPC ENERGY, submitted on the 11th December 2017 EVERGREEN ENERGY, submitted on the 16th November 2017 The Minister's notice, published 7th May 2018, called for public hearings; accordingly the 4 plans were made public Sessions have been arranged in 7 provinces within the period of 30 days, taking into account the geographic spread The Department is required to follow due process and thus the sessions are recorded <p>Communicated purpose of the sessions:</p> <ul style="list-style-type: none"> To give an overview of Extended Producer Responsibility in relation to Tyre Industry Plans 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 PAIA and POPI 	<p>Limpho Makotoko, Chairperson, COO, DEA</p>		
<p>Facilitators introduced themselves and the house rules. They communicated that:</p> <ul style="list-style-type: none"> 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 When asking a question or presenting a statement, please state your name and organisation for the record Times allotted to tea breaks and lunch shall be respected to maintain all objectives of the programme Please respect speakers and plan owners as they speak – allow them to make their point 	<p>Lindiwe Gadd, Independent Facilitator</p>		

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<p>DEA Presentation on Regulations and the S28 Notice</p> <p>DEA presented an overview on regulations for an industry waste tyre management plan:</p> <ul style="list-style-type: none"> • The National Environmental Management: Waste Act No. 59 of 2008 (NEMWA) regulates waste management in South Africa • 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 • 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 <p>DEA communicated the terms and process for the public consultations:</p> <ul style="list-style-type: none"> • Based on section 32 (5A) of NEMWA, provisions are made for a consultation process • Section 31 (1) allows the Minister to: <ul style="list-style-type: none"> ○ approve a plan in writing on certain conditions and give directions on the implementation of the plan ○ require additional information to be submitted ○ require amendments to be made to the plan ○ reject the plan with reasons or if it does not meet the requirements of the notice published in terms of section 28 <p>DEA communicated regulatory provisions for a transitional plan:</p> <ul style="list-style-type: none"> • 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. • 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. • The Bureau may issue instructions for the management of waste tyres; such instructions must be complied with within the timeframe stated in the instruction. • All participants that were registered with the previous waste tyre management plan shall in the interim register with the Bureau. • 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. • 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. 			<p>Sibusiso Shabalala, Director, DEA</p>

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

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<p>Extended producer responsibility (EPR) vision and outlook</p> <p>DEA communicated summary of the vision:</p> <ul style="list-style-type: none"> • Problem statement identified: <ul style="list-style-type: none"> ○ Opportunity cost of waste, missed opportunities due to poor infrastructure and skills and underfunding ○ Unsafe and unhealthy outcomes imposed on society due to waste produced ○ Pervasive underpricing in the waste economy • Value statement introduced: <ul style="list-style-type: none"> ○ Introduced to begin concerted efforts in waste valorisation (extracting value from waste) ○ Incentivising a recycling economy ○ Creating and promoting jobs in the waste economy ○ Diligence in service delivery ○ Governance and revenues in the waste economy • The desired outcome would be: <ul style="list-style-type: none"> ○ Less waste ○ Diversion of waste ○ Jobs created and sustained ○ The existence of a circular economy ○ Direct benefits to society ○ Streamlined regulatory process • What the circular economy would imply: <ul style="list-style-type: none"> ○ The need for sustainable growth in the context of the growing pressure of production and consumption on the world's resources and environment. ○ 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 • Models for government, industry-managed EPR plans and revenue collection: <ul style="list-style-type: none"> ○ Financial instruments to pass on the burden of waste to producers and consumers, and incentivise waste management efforts by the same groups ○ Instruments include incentives and fees for recycling, taxes on extraction of resources, product taxes for consumers, disposal taxes and EPR fees collected from producers • Provided case studies of EPR policies globally: <ul style="list-style-type: none"> ○ European countries are early adopters and practices contributed to increased recycling rates ○ EPR schemes contributed to reductions of public spending on waste management • 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 			Anben Pillay, Director, DEA
<p><i>Question for Mr Pillay</i></p> <p>In terms of the financing scheme, has the decision been made and, if not, when will it be made?</p> <p><i>Answer from Mr Pillay</i></p> <p>It will be a government-funded scheme where funds will be collected by Treasury. The Waste Tyres Regulation was published on Oct 30th and the regulation is very clear on this.</p>			Lebo Rampete, Rustenburg Local Municipality

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<ul style="list-style-type: none"> • Collaboration through a new forum for participants in tyre industry to provide inputs into the plan and discuss industry-wide concerns • Other strategic partners to be included: <ul style="list-style-type: none"> ○ WMB ○ Providing a reporting template and getting input from the Bureau on measurements, metrics etc ○ Conduct review sessions etc. • Provincial operations model to address the fact that the plan is a people-centred plan • All provincial plans include the following types of participants: <ul style="list-style-type: none"> ○ Recyclers ○ Transporters ○ Marketing ○ Awareness campaigns ○ Depot collection points <p>Cost allocation to different initiatives (budget):</p> <ul style="list-style-type: none"> • Have established a well-running call centre, with a planned allocation of 0.5% of the budget to grow and maintain call centre • An enterprise development programme with an allocation of 2% <p>How will we measure impact of plan:</p> <ul style="list-style-type: none"> • No. of recyclers, processors, no of sustainable jobs, no. of sustainable downstream businesses (not specified if newly created business directly related to their efforts) • Database of research and innovation conducted during its operational period • Number of processors developed • SATRUCO's annual reports • SATRUCO's international conference wherein its achievements will be showcased • SATRUCO's real-time data produced by its bespoke IT system • Evidence of its engagement with public and private entities, namely, government departments and support services, business and industry, training institutes, community development service providers, the civic movement and grass roots communities in developing the waste tyre economy 			

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<p>Intended outputs of processing activities:</p> <ul style="list-style-type: none"> • Pyrolysis operations <ul style="list-style-type: none"> ○ HFO ○ Carbon char ○ Steel • Crumbing <ul style="list-style-type: none"> ○ Value-added items such as bricks, tiles, inputs for tarred roads • Intended offtake partners of pre-processing activities are energy recovery • Surplus from pre-processing exported as TDF commodity • Plan to abate mining and OTR tyres: <ul style="list-style-type: none"> ○ Address mines' historical stockpiles ○ Address dealers'/mines' arising tyres <p>Targets for collections and processing:</p> <ul style="list-style-type: none"> • Within 12 months of approval 50% at 69 600 tonnes • Within 24 months of approval 70% at 87 00 tonnes • Within 36 months of approval 80% at 121 800 tonnes • Within 48 months of approval 90% at 156 600 tonnes • Within 60 months of approval 100% at 174 000 tonnes <p>Number of jobs and SMMEs to be created in the industry:</p> <ul style="list-style-type: none"> • 160 micro-collection co-ops • 5632 new jobs created <p>Conclusion:</p> <ul style="list-style-type: none"> • Plan responds equitably and responsibly to legislation. It is a cost-effective, transparent model for recycling and a community-focused plan • Want to support new enterprises while keeping existing ones • Create new skills, upskilling, creating new technologies • We are not perfect, that is why we want to engage with various stakeholders • Strongly recommend continuous engagement and collaboration • Adopts all principles of the circular economy • Plan ensures social impact – with aspects of the plan requiring implementation at the community level • Encourages innovation through its partnerships with scientific bodies in a bid to make South Africa globally competitive • Promotes investment in the country through exports of beneficiated products using various partnerships 			
			Hugh Mtshali, CEO

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Question		Owner	
<p>Question 1: What is your outstanding achievement since the formation of the company in 2016?</p> <p>Answer 1: This is our first time bidding for something like this but there are various skills within the organisation and the industry. <i>Speaker also gives individual expertise of some members.</i></p>		Boitshoko Madumo, Kagisano Molopo Local Municipality	
<p>Question 2: Let's focus on table 6, page 35 in the SATRUCO plan. You say you'll give 5% to transporters for transporting to the depots and 5% to tyre destruction officers (TDO). A. What is the value in rands of this 5%? B. What is the criteria you used to give both transporters and TDOs 5%?</p> <p>Answer 2: Figures were derived from a business plan; intention is not to promote one sector over another. 5% is not just on salaries, it includes equipment, etc. Will give rand value later as it needs to be checked first</p>		Lebolang Selepe, Waste Tyre Management Forum	
<p>Question 3: On page 13 of the plan, there is a paragraph where they seem to exclude OTR tyres in their plan. TWAMISA is only focusing on OTR tyres; is there collusion between the two of you when you were drawing up the plans? <i>Comment from facilitator</i> May I ask the plan proponents not to comment on plans submitted by other proponents. <i>Clarity seeking question from the floor</i> – Is the comment you made related to the previous question or is it general? <i>Facilitator answers that it's a general comment.</i></p> <p>Answer 3: Hell no!</p>		<p>Motsatsi Thinyane, Waste Tyre Management Forum</p> <p>Lindiwe Gadd, Independent Facilitator</p> <p>Personal details not provided</p>	
<p>Question 4: 310 000 tonnes will be overlooked as per the SATRUCO plan, including badly damaged tyres, which are currently not being collected. How should we deal with these products at dealership level in the build-up to 100% collection of all tyres? Dealers sit with waste products and they take up space and cause health and safety hazards.</p> <p>Answer 4: The plan is that those type of tyres will be shredded. And responding to first part of question too, the rand value is R26.8 million.</p>		Hedley Judal, Retail Motor Industry Organisation	

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Question 5: In the plan mentioned to the Minister, there is mention of a management company (Manco). On table 6, where is the allocation for the Manco and how much is it?		Khotatso Molebo, organisation unspecified	
Answer 5: Manco costs were included under the admin portion of the fees which are 15%.			
Question 6: There is mention of skills development for the new entrants, for the existing stakeholders, do you have anything to offer?		Lebogang, local transporter in Rustenburg	
Answer 6: The stakeholders are sector-specific, which is the tyre sector and this sector is under the Manufacturing SETA. The skills levy goes to that SETA via SARS and SATRUCO is not obliged to fund directly. <i>Comment from the the floor:</i> We don't know what portion of the 15% is attributable to the Manco. <i>Johann answers that of the 15%, 4.25% is attributable to Manco.</i>		Personal details not provided	
Question 7: Your plan says you are looking for R210 million set-up costs in the first year and R685 million in operational costs. Who carries the risk, is it yourself or government?		Victor Molefre, Waste Tyre management Forum	
Answer 7: SATRUCO will carry risk of complying with PFMA.			
Question 8: What happens to current depots that have been taken over by the Waste Bureau? What will SATRUCO do with those contracts?		Rahul Tess, organisation unspecified	
Answer 8: SATRUCO will honour existing contracts.			
Question 9: SATRUCO says it will set up a waste tyre forum as well as an independent monitoring company (IMC). How will it fund this and how will they manage the legitimacy of funding organisations that must hold them to account?		Motsatsi Thinyane, Waste Tyre Management Forum	
Answer 9: They will be funded through admin costs. Their IMC will be legitimate in the same way that a company pays an independent auditor to come and audit them.			

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<p>Question 10: Will SMEs be allowed to transfer REDISA assets to themselves so that they are not dependant on SATRUCO?</p> <p>Answer 10: It is something we would have to investigate as I'm not sure of the legal matters. However we must stress that we are not trying to take bread out of anyone's mouth; we are just more interested in new entrants so that we can support them.</p>			Rea Ngwane, Waste Tyre Mangement Forum

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

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

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

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Question			Owner
<p>Question 1:</p> <p>You said you will start at BBBEE level 3. This shows you are not serious about transformation. Why would you target level 3 when the majority of level 3 companies are white-owned companies? And what is your procurement spend on black companies?</p> <p>Answer 1:</p> <p>BEE level 3 for a specialised company is well understood and it's beyond the scope of these sessions to go into detail. For Manco, scorecard requires rating on all 5 groupings and we'll be valued on all of them and we're targeting to be level 3. I also know 100% black-owned companies who can't make it past level 5 so ownership isn't the only criteria to satisfy the scorecard. We will be evaluated as QSE on all 5 enterprises, I do not agree that this will promote white-owned companies.</p> <p>Procurement spend is set out in detail in the plan. Service providers will get 74% of budget.</p>			Motsatsi Thinyane, Waste Tryre Management Forum
<p>Question 2:</p> <p>Who owns TWAMISA? Who will own the proposed NPC? Who will own the Manco and what is the share percentage that you'll give to your employees?</p> <p>Answer 2:</p> <p>Manco will give 10% of its shareholding to its employees. Regarding the NPC, there is no ownership and is therefore not rated therefore targets need to be evaluated against current BEE legislation. Manco ownership hasn't been finalised yet but it won't be an obstacle to achieving level 3.</p>			Lebohlang Selepe, Waste Tryre Management Forum
<p>Question 3:</p> <p>You said there are two OTR service providers currently and conceded that you are part of one of them. When you say your company is a service provider, where has it provided services to and when you say you "we are building capacity", who is this "we"? How do your private OTR interests affect this proposed NPC?</p> <p>Answer 3:</p> <p>I didn't say there are two service providers, I said there are two known technologies to us in SA to deal with processing of OTR tyres. I am also not part of any company involved in the waste tyre industry and I categorically deny it.</p>			Khotatso, Waste Tryre Management Forum
<p>Question 4:</p> <p>What's the tonnage of OTR tyres that's currently being shredded in South Africa?</p> <p>Answer 4:</p> <p>For large OTRs we estimate 25 000 tonnes per annum and after wear and tear, we expect waste of 20 000 tonnes per annum.</p>			Rahul Tess, organisation unspecified

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<p>Question 5:</p> <p>Will you be part of either NPC or Manco and who will appoint the leadership? Which entity will receive revenue from mines and shredded material?</p> <p>Answer 5:</p> <p>Yes I will be part of the Manco and every Manco will have a rep on the NPC board. It could be me or somebody else. Service providers will benefit from shredded material and Manco will profit from sale of the stockpiles.</p>		Victor Molefe, Waste Tyre Management Forum	
<p>Question 6:</p> <p>TWAMISA says they do not possess experience in this industry, but they have gained insights through submitting tenders. Moreover, I have correspondence that will prove that you are already involved in the industry. How can you deny you are involved in the industry?</p> <p>Answer 6:</p> <p>If you have proof of what you think I'm doing, please provide proof to the Department.</p>		Khotatso Moloi, Waste Tyre Management Forum	
<p>Question 7:</p> <p>Is there a conflict when you sit in Manco and TWAMISA as a director?</p> <p>Answer 7:</p> <p>We will be completely above board and are prepared to subject ourselves to all corporate governance structures to prevent the things that happened at REDISA.</p>		Personal details not provided	
<p>Question 8:</p> <p>Do you have an agreement with Sanral?</p> <p>Answer 8:</p> <p>No agreement with Sanral.</p>		Personal details not provided	
<p>Question 9:</p> <p>You focus on OTR alone, what about the rest of the tyres? You also said you'll provide better jobs; what are the better jobs?</p> <p>Answer 9:</p> <p>OTR is our proposal, we don't have knowledge of other tyres in the industry.</p>		Siphiwe Sithole, Waste Tyre Management Forum	
<p>Question 10:</p> <p>For services that you offer to the mines, which equipment will you use? And where will this money that you receive from mines go?</p> <p>Answer 10:</p> <p>Anybody can apply for a commercial contract, e.g. people who currently own equipment, who can lease equipment, etc., and this will be adjudicated by an independent auditor appointed by the NPC.</p>		Khotatso Moloi, Waste Tyre Management Forum	

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<ul style="list-style-type: none"> We aim to address the historical and arising stockpiles, particularly as demand for products grow by allocating 100% of tyres (stockpiles and arising) to pyrolysis Key factor in driving demand is the presence of processors to refine product outputted from pyrolysis Create new markets for products (SiC, bricks, fertiliser, etc.) <p>Social upliftment:</p> <ul style="list-style-type: none"> A portion of the revenue will be used to create and sustain various community upliftment initiatives (bursaries, STEM facilities, skills development programmes, innovation centres, etc. Refinement and processing to carbon black and produce a suitable burning fuel <p>Business model – establish a single pilot from which others can model pyrolysis and downstream refinement processes:</p> <ul style="list-style-type: none"> Two 20T pyrolysis plant = recycle 14 400T per year Plant 1 20T – OTR tyres Plant 2 20T – passenger tyres Plants in same area Depot in proximity of plants Delivery of OTR and normal vehicle tyres separate <p>Supply of tyres – how we plan to acquire tyres:</p> <ul style="list-style-type: none"> Comply with the approved waste tyre management appointees for acquisitions and logistics of the waste tyres Tyres at depot = 7 525T (REDISA stats) Potential supply of tyres in Mpumalanga is 70 000 tonnes per annum, which is ideal for the pilot's target The two plants will process 20% of estimated tonnage per annum 80% capacity addressable by other initiatives: <ul style="list-style-type: none"> Rubber tile production Rubber flooring Replication and learning opportunities of our business model by entrepreneurs 			

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Question			Owner
<p>Question 1:</p> <p>Were the pyrolysis plants well investigated? Do we understand the raw materials and what is currently happening with the 4 plants currently and where does the carbon black go?</p> <p>Answer 1:</p> <p>Yes we are aware of suppliers who claim their products can produce even when they don't. We are aware of a company called Clean Industries in Europe and this is proof that pyrolysis works.</p> <p>In SA, the carbon black isn't pure enough and we have a plan for that.</p>			Chris, Personal details not provided
<p>Question 2:</p> <p>Are you presenting accurate or theoretical figures? These figures don't seem realistic for a company that's been doing pyrolysis for 5 years.</p> <p>Answer 2:</p> <p>We haven't been in pyrolysis for 5 years; we've been in R&D of pyrolysis for 5 years. And the figures are theoretical.</p>			Personal details not provided
<p>Question 3:</p> <p>I don't understand how you will reduce stockpile by 75% in one year with two 20T plants. Please clarify that.</p> <p>Answer 3:</p> <p>We are saying that if we get the R200 million, we can build 14 more plants. Also, we won't be replacing anybody's function.</p> <p><i>Clarity</i></p> <p>The figures that we've presented are drawn from successful operations in other parts of the world and are used here as illustrative.</p>			Hedley Judal, Retail Motor Industry Organisation

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Waste Bureau Presentation and Closing			
<p>Overview of Network</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>Operational Performance</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>Waste Bureau Successes</p> <p>We achieved the following over a six-month period:</p> <ul style="list-style-type: none"> • Ensured the continuation of waste tyre operations from June 2017 • Utilised a lower operational cost compared to its performance • Outperformed REDISA in collections and recycling • Operated with fewer human resources – 34 people vs. 178 people associated with REDISA • Achieved collection and recycling targets despite full depots and the prohibition of exports • Onboarded industry participants efficiently • Ensured the fast activation of new depots 		<p>Andile Mvinjelwa, Senior Executive Manager</p>	

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<p>Monitoring Framework</p> <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"> • Baseline and target setting for 5 years • Waste flow tracking • Prioritisation of reuse and recycling • Labour intensity assessment • SMME development • Effectiveness & impact assessment of the plan • Measurement of cost efficiencies • Adherence to levels of regulatory compliance for facilities / operations • Skills development • Projection of financial flows • Production of externally audited financial statements • Production of annual external performance audit • Production of annual business plans • Monthly & quarterly reporting 			
Question		Owner	
<p>Question 1:</p> <p>When are you planning to finalise the leasing of depots and going forward what other opportunities would WB have?</p> <p>Answer 1:</p> <p>The tenders that met the requirements for depots have been contacted and some of the tenders were missing few requirements, hence the constant extensions of the depot tender process. Currently, we will go out on tender in June again. WB is the implementing agent of the Department and it should cover all the waste streams. The WB will thus do the monitoring and not necessarily run the operations.</p>		<p>Personal details not provided</p>	
<p>Question 2:</p> <p>It appears the DEA will request funds from Treasury and then the money will be passed on to you and the plan owners will then make a request for funding based on their business plan. What would happen when the allocation from Treasury is more than the requested funds from the plan owners and vice versa?</p> <p>Answer 2:</p> <p>I doubt the allocation would be more than the request.</p>		<p>Khotatso Moloi, Waste Tyre Management Forum</p>	

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<p>Question 3:</p> <p>You said you're going out to tender for depots so you can continue running beyond September of this year. How does that run going forward for the other plan operators? And who owns that tender as a depot owner?</p> <p>Answer 3:</p> <p>We don't know when the Minister will approve the new plans and the current plan was approved by Treasury for only one year. That's why we need to go out on tender soon. We also want to emphasise that the WB doesn't exist to service plans. With or without a plan, the current operations will need to continue whether or not the plans are approved in time or not. Regarding the ownership of the tender, we have asked the plan proponents how they intend taking on board the existing operations, meaning even the contracts, but we don't know what that format would be yet.</p>		Personal details not provided	
<p>Question 4:</p> <p>Assume plan proponent has based the request for funding on R100. If you allocate less to them when they had indicated they needed more from the onset, how will you hold them accountable if they don't deliver?</p> <p>Answer 4:</p> <p>Costing must be done before committing to deliverables for the year and the deliverables will be dependent on the budget.</p>		Khotatso Moloi, Waste Tyre Management Forum	
<p>Question 5:</p> <p>Comment:</p> <p>The report from the Waste Bureau has been the best report today.</p> <p>Answer 5:</p> <p>N/A</p>		Tebogo, organisation unspecified	

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Closing			
Next Steps:			Limpho Makotoko, Chairperson, COO, DEA
Requests for clarity from Proponents:			
<ul style="list-style-type: none"> • Requests for clarity by plan owners must be made in writing to the Department • Written requests will also be received and reviewed by the Department • Please send an email to Mr Anben Pillay APillay@environment.gov.za for such requests 			
Written comments from interested and affected parties:			
<ul style="list-style-type: none"> • Written comments on the plans should be submitted to Ms Mamogala Musekene MJMusekene@environment.gov.za; Environment House, 473 Steve Biko Street, Arcadia, Pretoria or Department of Environment Affairs, Private Bag X 447, Pretoria, 0001 			
The deadline for all written commentary is 7th June 2018			
<ul style="list-style-type: none"> • 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 • Special meeting will be held between the 5th and 7th June 2018 • After receiving written comments by the closing date (7th June 2018), the Department will consolidate all written comments, which will then be sent to the plan owners • Comments received will also be published on the DEA website • Plan owners will be expected to respond to comments by addressing, upgrading or re-adjusting their plans within a specified timeframe • Once plans are re-submitted to the Minister, the Department will analyse the responses and compile a register against written comments • A final adjudication/review of the plans will be undertaken • Based on all above inputs and processes, the Minister will make a decision and publish a notice in a gazette 			