



REDISA

RECYCLING AND ECONOMIC DEVELOPMENT
INITIATIVE OF SOUTH AFRICA SECT. 21 NPO

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REDISA INTEGRATED INDUSTRY WASTE TYRE MANAGEMENT PLAN

(SUBMITTED IN TERMS OF REGULATION 9, OF THE WASTE TYRE REGULATIONS PUBLISHED IN GOVERNMENT GAZETTE NO. 31901 OF 13 FEBRUARY 2009)

2. Introduction

For purposes of the implementation of the plan, a Section 21 company has been registered bearing the name REDISA (Recycling and Economic Development Initiative South Africa). REDISA enjoys the support of various Parties to the Plan (referenced below) bringing over 100 years of experience in the retail motor industry.

REDISA will have a Memorandum of Incorporation (Mol) governing its activities. An organisation controlling a project of this magnitude must have sustainability. A properly drafted Mol imposes codes of conduct and governance, and guards against narrow sectoral influences or private enterprises taking over or high jacking the aims of the organisation. This is a model that has served the RMI (Retail Motor Industry) since 1908.

The Parties to the Plan are the registered members, from time to time, of the Tyre Dealers and Fitment Association (“the TDAFA”) and the Tyre Importers Association (“the TIA”), Tyre producers (as listed in Annexure A), the informal sector, the JCCI Youth League, NAFCOG, NAAASP, and the SA Youth Economic Forum.

The RMI is a non-profit organisation whose objectives include, *inter alia* promoting, protecting and encouraging the interests of members and the motoring public by setting and maintaining proper standards of service and ethical trading conditions in the motoring industry. The RMI has recently celebrated its milestone centenary in 2008, and is strategically positioned at the forefront on all issues relating to motoring. The RMI is manned via six regional offices and approximately 100 skilled staff. This collective voice of the RMI gives considerable influence to its members.

The question raised by organisations like Business Unity South Africa’s “WHO OWNS THE CUSTOMER?” is of extreme importance to us. It needs to be noted that the majority of customer interactions, for purposes of this legislation, take place between the customer and our Tyre Dealer Network. For purposes of marketing the relevant education promoting environmental greening, there is no better platform than at Retailer level.

This plan will, at the outset, be presented to the complete RMI member base, the consumer protector’s offices, and all other related consumers via the existing framework. Once the project starts gaining momentum, the process will further roll out, via a strategic marketing campaign, to the major media houses and to the broader public by way of awareness campaigns, news flashes, and other media. These retailer members are ideally equipped to continue educating consumers on a face to face level as well as spreading the greening message at community and school meetings. Their communication mediums include websites, a monthly dealer magazine (circulation in excess of 10000 related businesses), monthly newsletters, workshops, roadshows, and newsflashes.

The vision of the Parties to the Plan is to maximise unity and opportunity in a very competitive and difficult trading environment.

2.1. Motivation for a Single Plan Approach

The Waste Management Act, in Section 28(1), addresses the case where “waste affects more than one province or where such an activity is conducted in more than one province” and in that case envisions the creation of “an industry waste management plan.” The drafters of the Act clearly anticipated the need to address national issues with holistic national plans. We drafted our plan taking cognisance thereof, but for clarity we re-state the arguments for a single plan.

The DEA is tasked with protecting the environment and public health, a key objective of government. The Waste Management Act itself declares its objectives as being to protect health, well-being and the environment.

The growth path initiative recently circulated by BUSA highlighted key fundamentals of President Jacob Zuma's objectives for a better South Africa, key fundamentals that must be considered in a project of this magnitude. The REDISA (Recycling and Economic Development Initiative of South Africa) waste tyre management plan is consistent with these objectives and can be seen to be incorporated into various areas within their plan.

The arguments for a single plan centre on the following aspects:

- Job creation
- Fostering of SMMEs and BBBEE
- Need for informal participation
- Fairness
- Effectiveness and efficiency
- Financial and audit control
- Ease of implementation
- Training and communication
- Resilience and longevity

The first two points above, job creation and fostering of SMMEs and BBBEE, are key objectives necessary to meet the social needs of the country. Nevertheless, any plan should also meet the requirements of fairness, effectiveness in fully addressing the waste tyre problem, efficiency in avoiding needless expense through standardisation and consistency, auditability and resistance to fraudulent manipulation, and minimising the impact on existing businesses. It will also be important to drive awareness to the industry and the public.

Job Creation

Multiple plans represent multiple interests and a splintered economic base. It is not reasonable to expect that each of a set of multiple plans will share or readily be constrained to observe the same overarching objectives of job creation, not least because of the economic realities. Splitting the scope of tyre collectors to limit them to sub-sectors of the waste tyre stockpile will make it harder for the smaller operators to survive: a collector arriving at a tyre dealer and, for example, being allowed only to collect tyres from one or two manufacturers will find it much harder to be viable. Consequently, the larger operators with economies of scale and better information and connections to the larger chains will inevitably squeeze out the small operators.

SMMEs will be further disadvantaged by the sheer complexity and record-keeping needed to comply with a multiplicity of plans.

A single plan can be structured from the start to maximise employment generation and the building and support of SMMEs within a BBBEE framework. The REDISA plan is so constructed.

SMMEs and BBBEE

One of the biggest hurdles for SMMEs is access to capital. Establishment of depots requires capital that SMMEs do not generally have access to, once again favouring big business.

Under the REDISA single plan, because it is a single plan that addresses the entire industry, depots will be funded by REDISA and leased to BBBEE entrepreneurs. This has the secondary advantage that should a depot fail through mismanagement – and it is inevitable that out of 150 depots some will – then it is far easier to re-start the operation with new management.

Managers of these depots can over time, as they prove themselves and become fully self-sustaining, take over full ownership of their depots.

Need for Informal Participation

Whilst in principle it is correct that the tyre manufacturers and importers must shoulder the primary responsibility for waste management, in practice it must be recognised that once the tyres leave manufacturers or importers they have no further contact with them. It is the tyre dealers who handle the tyres through their life cycle, and the management approach must fit in with the practicalities of the retail industry. Specifically, the informal sector deals with a large proportion of the scrap tyres, estimated to be at least 50% of the total so without informal sector participation, no plan will succeed: the plan must be inclusive of the informal sector, not exclusive.

The informal sector by its nature typically does not have strong representation at government level. The RMI and NAFCO are taking up representation of informal sector interests on their behalf.

The support to date for the SATRP plan from the tyre manufacturers and importers is support by default: with no alternative, given that they are under pressure to support *some* plan, they have no choice but to support that plan, but there is general recognition of the issues described herein.

Fairness

Any imposition of new regulations and taxes or levies will inevitably attract criticism and opposition, no matter how praiseworthy the aims may be. The strongest argument against such opposition is fairness. Multiple plans, unless essentially the same plan replicated in different guises, will always be seen to be unfair to one or more parties, and indeed generally will be.

The only current alternative to the REDISA plan is inherently unfair in that it groups tyres into broad size bands with a fixed green fee within each band, an approach clearly unfair to the purchasers of tyres at the low end of each band. This approach is moreover wide open to abuse, as will be discussed later, which can only lead to further perceptions of unfairness as the large operators will have many opportunities to game the system.

A single plan approach, with a simple and equitable system for apportioning the levy or green fee, will level the playing field, and simplified administration and auditing will make it far less open to suspicions of behind the scenes manipulation by the bigger participants.

Effectiveness and Efficiency

Although in some senses secondary to the goals of job creation, SMME support and BBBEE, waste tyre management is a necessity that needs to be addressed effectively and efficiently. It is not enough to pay lip service and create activity if a large part of the problem remains unsolved.

There are many importers and manufacturers of tyres, and vast stockpiles of historical waste tyres. Failing to address segments of the total waste tyre problem will only make it harder to devise ways at a later date of “mopping up” the segments that have been ignored. Multiple plans for addressing the problem would be like sending out street cleaners in separate groups: one to collect cigarette butts and crisp packets, one to collect plastic shopping bags and soft drink tins, another to collect paper, and so on. And if no group was created to pick up tins, they would rust in place.

A single, universal plan that addresses all waste tyres, from all sources, and of whatever age, is clearly more effective and efficient. It is important to note that efficiency in this context means minimising wasted cost, as in multiple trucks visiting one collection point, whilst still being designed to create decent work for as many people as possible.

Financial and Audit Control

The management of waste tyres on a national scale is a massive undertaking involving very large sums of money. Proper management of the money involved is essential, not only to avoid losses due to errors and omissions, but also to combat the inevitable attempts at misappropriation that will arise.

Any plan needs to have strict controls, but the more complex a system is, the harder it is to close the loopholes that dishonest people will be looking for. In the case of waste tyre recycling, the problem is compounded by the fact that if a plan is in any way linked to the brand or type of tyre then by its very nature the evidence of fraudulent manipulation gets destroyed: shredded, crumbed or burnt tyres do not have any identity. Manipulation of records to falsify tyre quantities, for example reporting bigger tyres as a larger quantity of smaller tyres, will be almost impossible to prevent.

If there are multiple plans, there will also be differences between the plans (otherwise they are all the same plan). That will mean that people will find ways to deliberately misallocate stock to move tyres between the plans to gain advantage. It is not possible to predict now how that will be done, but we can be quite certain that it will happen.

Multiple plans would mean that every participant in the tyre industry would have to comply with multiple sets of rules and be subject to multiple audits. When one considers that there are approximately 2300 tyre dealerships nationally, the scale of the potential problem is massive, as would be the cost – cost that would be diverted from productive job and SMME creation.

A single plan based on mass of rubber is vastly easier to audit with control at every step in the collection and recycling process based simply on mass of tyre material.

Ease of Implementation

The difficulties of multiple plan financial controls discussed above imply a complex implementation plan with corresponding paperwork that retailers will be reluctant to deal with and tempted to skimp on or ignore (or deliberately manipulate).

The draft plan approach of having the green fee charged at point of sale creates an administrative burden for the retailers, both in observing the rules, and in collecting and accounting for the funds. It also necessitates constant policing from outside to ensure that all green fees charged are indeed accounted for and returned to the waste tyre management fund.

The REDISA plan applies a green fee at source: at the tyre manufacturers and importers. From this point on, participants in the tyre industry have an incentive to take part and work within the plan to remove a problem they have. This approach is simple and eliminates much of the audit and policing complexity, but can only be applied under a single plan approach.

Training and Communication

A significant success factor will be training, and the REDISA plan provides for this. Multiple plans would require multiple training programmes, at higher cost and lower efficiency.

Similarly, there will be a need to market the concept of waste tyre recovery and encouraging participation. A single plan with consolidated funding is not only more effective, but the message is far simpler and more easily communicated.

Resilience and longevity

The REDISA single plan approach produces an organisation with guaranteed viability and ready translation to related fields. There are many other sources of environmental waste that can and should be tackled on the same basis, namely that the original producer of the waste, be it electrical goods, small appliance batteries, compact fluorescent lights, and many others, should contribute towards a fund to cater for the eventual safe recycling and disposal of their goods.

It is a simple concept with a relatively simple underlying structure, which avoids affiliations with particular industry players and is structured to carry out government mandates.

In Conclusion

We submit that a multiple plan approach is fraught with complications, shortcomings, costs and opportunities for fraud. It is inefficient and cannot be fully effective. Above all, it is not consonant with primary government objectives of job creation and support of SMMEs and BBBEE.

A single plan approach as proposed by REDISA is superior in all respects.

3. DEFINITIONS

“Accreditation Card”	A measurable card for determination of compliance to various aspects as required for specific processes
“Adjudication Committee”	means a committee formed to award contracts, with or without a tender process, as appropriate.
“BEE”	“Black Economic Empowerment”
“Code of Conduct”	A code designed specifically per sector to set a medium for operators to trade at high standards, ethics and morals
“De-bead”	removal of steel beads contained in pneumatic tyres
“DEA”	Department of Environmental Affairs
“GPS”	Global positioning system
“General Waste”	Waste that is not composed of substantially complete tyres is classed as general waste.
“Green Fee”	A non-commercial fee collected by REDISA from producers, importers and equipment importers of tyres for the effective management of waste tyres
“Historical Waste Tyres”	means tyres that are waste tyres at ‘the Date’ but do not form part of a historical stock pile. They are at tyre dealers, trucking companies, retreaders and forming part of the day to day running of the industry
“Historical Waste Tyre Stock Piles”	means waste tyres which were collected before ‘the Date’ and stockpiled anywhere in South Africa
“JCCI”	Johannesburg Chamber of Commerce and Industry
“Legacy Waste Tyres”	means tyres which were at ‘the Date’ fitted to motor vehicles and sold or imported or manufactured before ‘the Date’ and are not legally waste tyres at ‘the Date’
“Metropolises”	Specific areas identified within the republic of South Africa, where the concentration/consumption of tyres is great
“Management Company”	is a company appointed by REDISA to handle all operational aspects of the plan. This company maintains strictest confidentiality on competitive information.
“NAAASP”	National African Association of Automobile Service Providers
“NAFCOC”	National African Federated Chamber of Commerce and Industry
“NCCS”	the National Centralised Computer System
“OHS”	Occupational Health and Safety
“Processor”	Any person or entity that is engaged in the commercial re-use, recycle or recovery of waste tyres

“Parties to the plan”	Bodies, Organisations in support of the plan which includes the RMI, The TDAFA, TIA, Tyre Producers (listed in Annexure A), the informal sector, NAFCOC, NAAASP, JCCI, and SA Youth Economic Forum and all their members																		
“Recycle”	the separation and processing of waste tyres for further use as new products and resources																		
“REDISA”	Recycling and Development Initiative South Africa																		
“Relevant Role Players”	Parties specifically involved in a sector of the industry																		
“RMI”	Retail Motor Industry organisation																		
“Section 21 Company”	A not for profit company																		
“Storage Sites/Depots”	A site for waste tyre storage as defined in the waste tyre regulations.																		
“Subscribers”	means any tyre producer that registers with the REDISA Integrated Industry Waste Tyre Management Plan.																		
“TDAFA”	Tyre Dealers and Fitment Association																		
“The Date”	means the date on which the REDISA Waste Tyre Management Plan is gazetted as approved by the Minister of Environmental Affairs																		
“The Plan “	means the TDAFA/TIA Integrated Waste Tyre Management Plan that is written by the TDAFA/TIA that will be represented by a Section 21 Company, REDISA.																		
“TIA”	Tyre Importers Association																		
“TDO”	Tyre derived oil																		
“Tyre Categories”	for ease of management tyres will be divided into nine different categories																		
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7	Aircraft Tyres																		
8	Earth moving Tyres																		
9	Any other pneumatic Tyres																		
“Tyre Dealer”	A Person or entity that distributes or deals commercially in tyres																		
“Tyre Producers”	means a person or institution engaged in the commercial manufacture or import of tyres and retreadable casings, and the import of vehicles fitted with tyres for distribution in South Africa																		

“Waste Tyre”	A new, used, retreaded or un-roadworthy tyre not suitable for retreading, repair or sale as a used tyre and not fit for the original intended purpose
“Waste Tyre Management”	The collection and transportation, storage and pre-processing for delivery, the funding and operational activity involved in reducing waste tyres from the environment

3.1. Subscribers to the Plan

If there is a single plan, then all tyre producers and importers will need to subscribe to that plan. REDISA has been canvassing support for the REDISA plan, and indications are that there will be widespread support for it.

Initial subscribers already signed up are listed in Annexure A.

Any tyre producer having received a registration number from DEA, in terms of part 3 of the Waste Tyre Regulation will become a subscriber to the plan.

All subscribers will have to sign a contract/agreement to govern the relationship between REDISA and the subscriber. A copy of this can be seen on REDISA’s web-site: www.redisa.co.za

All subscribers must provide to the external accounting company a monthly declaration of their tyre production (including rejects), imports and exports.

3.2. Consultation

Extensive consultation has taken place in accordance to regulation 10 with all role players, concentrating in particular on the informal sector, which at present deal with the waste tyres in South Africa. We understand very clearly that for the REDISA plan to be successful it needs a broad-based buy in of all role players. We understand that it is not enough to simply communicate the intention of the REDISA plan: we consulted all different sectors in the creation of our plan. Through our consultation in the industry it has become very clear to us that most role players believe that the REDISA plan is the only workable solution to the South African waste tyre problem. We recognised that it is vital to the success of the Plan that we consulted in particular those people who on a day to day basis handle waste tyres and receive income from waste tyres. A list of these meetings and consultations is available on request.

3.3. Parties to the Plan

The TIA (Tyre Importers Association) - an association directly representing the independent importers in South Africa.

RMI (Retail Motor Industry), whose 7300-strong membership, which incorporates Vehicle Importers, Motor bike importers, workshop associations, parts associations, panel-beating associations, etc., all of which have direct dealings with customers. (A list of the members can be provided on request.)

The TDAFA (Tyre Dealers and Fitment Association), which directly represents some 600 members, together with at least a further 1500 tyre shops nationally. We will by way of voluntary inclusion, engage all tyre dealers in the management of Waste Tyres.

NAFCOC (National African Federated Chamber of Commerce and Industry).

The Johannesburg Chamber of Commerce and Industry Youth League.

The South African Youth Economic Forum.

Members of previously disadvantaged businesses engaged in upliftment projects within the structures of the RMI trading under the name NAAASP (National African Association of Automobile Service Providers).

The informal sector: REDISA believes that the informal sector, which is currently disposing of the major portion of waste tyres in many undesirable ways, needs to be given opportunity, training and support to enter into the formal recycling processes. This sector has played a major part in forming the REDISA plan through extensive consultation. It is of importance that this sector be included and granted an opportunity to earn a living through it.

4. Projected volumes

Approximately 11 million tyres per year are currently sold locally. All these tyres (except tyres exported) will become waste tyres. The estimated mass of the tyres sold (and which in turn will become waste) is 275 000 tonnes.

The Act requires that within five years all categories of tyres must be included in the recycling or energy recovery process. However, we believe that approaching the problem selectively will create confusion, resistance and inefficiency in the collection process. The project cash flows (Annexure B) will allow REDISA to address all classes of tyres from the start, will foster acceptance of the plan and will simplify the entire administrative process.

We will therefore engage all the relevant role players in the different segments of the industry.

5. The Waste Tyre Hierarchy

The waste tyre hierarchy must be addressed with flexibility to adjust for changing technologies and supply conditions. The National Centralised Computer System (NCCS) will be central to efficient management of resources and allocation of waste tyres in the optimal manner.

For recycling, the hierarchy will be applied by giving preference to processes which:

- Produce products of a higher quality or value.
- Products which reduce imports.
- Processes which create recycled products for export or local use

5.1. Avoid

Consumer education will promote measures for improved tyre life. These include

- route planning and scheduling to reduce travel
- tyre pressure maintenance
- operating within tyre load parameters
- vehicle maintenance including wheel alignment and balancing

In year one 1000 consumers will be surveyed to establish the number of kilometres travelled on a set of tyres. A campaign run through various media will promote the benefits of regular wheel balancing, wheel alignment and tyre pressure checks. If these three aspects are properly managed tyre life can be extended by as much as 100%.

In subsequent years, consumers will be re-surveyed to determine the reach and effectiveness of the campaign and provide feedback for continual improvement of the communication.

5.2. Re-Use

Casings can be used for retreading. Every retreaded tyre provides a second life to a new tyre.

Retreading of even high-performance tyres is common practice in Europe, but seldom if ever done in South Africa, both because of the establishment costs of the relevant plant and because of consumer and dealer prejudice.

A comprehensive assessment of the retreading industry will be undertaken in the first year as a basis for devising a business plan, quality assurance standards (in collaboration with SABS) and a communication strategy to promote retreading across all classes of tyres. REDISA will in addition fund and support Research & Development at universities to adapt processes to local conditions.

Again, annual surveys and assessments will lead to continual refinement. The goal will be to achieve continual growth in the use of retreads in all tyre classes.

5.3. Recycle

The plan will promote and support the establishment of recycling facilities nationwide. The recycling facilities will be the main source of employment for the informal sector and previously disadvantaged individuals in both urban and rural areas. The collection of waste tyres to the depots and/or the tyre processors will be the main source of job creation and establishment of small businesses.

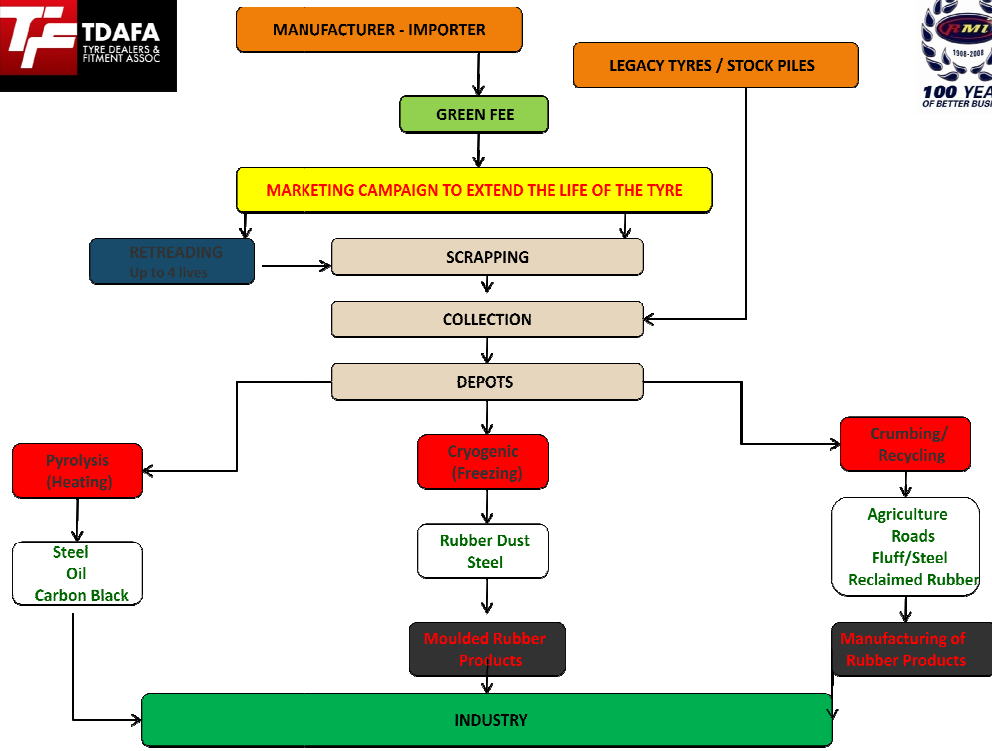
The recycling processors will be predominantly BBBEE entrepreneurs, operating where required in partnership or mentorship with more experienced businessmen. REDISA will assist with establishing these businesses, through training, financial support and mentoring.

Over time, the range of products recovered through the recycling process will be expanded to products such as oils, bricks and tiles. One of REDISA's functions will be to sponsor Research and Development at tertiary institutions, thereby both creating processes designed for South African conditions and building knowledge and expertise in the country.

Annual assessments will establish the tonnage of existing waste tyres recycled and form the success measure.

5.4. Waste Tyre Hierarchy Summary

The figure below shows the waste tyre hierarchy diagrammatically. The particular recycling processes shown are illustrative, and will evolve as the project develops.



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6. Adjudication Process

The adjudication committee will comprise:

- a certified auditor,
- two members of the management company board,
- two members of the REDISA board,
- an accountant,
- appropriate co-opted members

not exceeding eight members in total.

Adjudications will be required to be unanimous and will take into account:

- BBBEE status of the contractor
- Financial proposal
- Ability to execute
- Competencies
- Size (preference will be given to smaller contractors)
- Area of operation (preference will be given to local contractors)

The adjudication process will ensure that SMMEs are provided with support and assistance in presenting their proposals through the REDISA training and Corporate Social Responsibility (CSR) programs.

7. Identification of Waste Tyre Processors

Waste tyre processors are critical to the plan.

Potential participants will be invited to become processors and will be assisted by REDISA with the establishment of facilities.

Applicants will make application to the board of REDISA and complete an accreditation process (described further below).

7.1. Contract Award Process

An open award process will call for applications. Both the number of contracts advertised, and the scope of operations of each contract, will be managed by REDISA taking into consideration:

- Supply and demand within each grade of tyre waste.
- Supporting existing and smaller waste tyre processors.
- Job creation and establishment of BBBEE enterprises.
- Evaluation of the opportunities for re-use, recycling or energy conversion to maximise the total benefit to the country.

The centralised computer system will be a key element in managing the allocation and distribution of tenders.

Tender and adjudication processes will require declarations of tonnage and types of tyres received, specific treatment processes, the length of contracts, projected operational cost and a declaration of existing licenses/exemptions/permits to operate.

To encourage SMMEs, contracts valued at less than R50 000 p.m. will be adjudicated without a formal tender process.

7.2. Appointments

Appointments will remain valid for a period of no less than 5 years.

All appointees will be subject to review at any time.

All appointees will be bound to the REDISA contract.

Permits/licenses will be reviewed and renewed initially annually, thereafter periodically.

Existing contracts awarded before the inception of the plan will be phased out and put out to tender as and when applicable.

7.3. Declarations

Waste tyre processors will amongst other mandatory requirements declare:

- Tonnage of tyres received from transporters
- Details of transporters used
- End products (where applicable)
- Stockpiles
- Employment levels and jobs created
- Compliance to the Waste Tyre Regulations
- Compliance to Safety and Compliance as per the OHS Act.

Successful applicants will be confirmed and accordingly notified by the Board of REDISA.

7.4. Payments

The biggest inhibitor of new businesses is cash flow. REDISA will put in place processes and controls to permit rapid payment of the processors to support their businesses.

REDISA will pay promptly on confirmation of stage completion for tonnage of tyres processed.

7.5. Registration of Tyre Transporters

Equitable allocation of required transport services to previously disadvantaged communities must be ensured. Potential transporters will be assisted to register with the waste management officer in the municipality or province as required by law, complete the predetermined accreditation card and sign the relevant contract. Existing transporters will be included subject to compliance with accreditation requirements.

Preference will be given to owner-drivers who live in the areas where transport is needed.

7.5.1. Contract Award Process

In general, tender processes tend to exclude the smaller and more informal businesses, and care must be taken to avoid shutting out the very people the REDISA plan is aiming to empower. Where possible, existing operators in the area will be appointed and supported.

Where appropriate, and where it will not exclude SMMEs, a tender process will be introduced to ensure free competition. Preference will be given to existing and/or smaller waste tyre transporters and for contracts valued at under R50 000 p.m. award will be via the adjudication committee.

Tenders will require declarations of tonnage of tyres collected, the length of contracts, projection of operational costs, and a declaration of existing licenses/exemptions/permits to operate in this process.

7.5.2. Appointment

Appointments and contracts will remain valid for a period of up to 5 years.

Appointments will:

- Be subject to review at any time;
- Be contractually bound to REDISA;
- Have allocated collection sites (which allocations may change from time to time as operationally needed).

7.5.3. Review Process

Depots, collection points and recyclers will continually evaluate transporter performance via the NCCS. Transporter performance information will be monitored by the Management Company. Training session attendance will also be noted on the NCCS.

7.5.4. Non-Compliance by Transporter

A transporter not compliant with his contract, in breach of the code of conduct or with a constantly low score on performance evaluations, will be called to account by the Management Company and given two weeks to rectify the situation. Failure to rectify will result in suspension until the situation is rectified. Suspension will be recorded on the NCCS.

7.5.5. Declarations

Waste tyre transporters will amongst other mandatory requirements report on:

- Existing jobs and jobs created
- Compliance to the Waste Tyre Regulations
- Compliance to Safety and Compliance as per the OHS Act
- Transportation of all categories of tyres

7.5.6. Duties of Tyre Transporters

The duties of the waste tyre transporters will include:

- Collection of waste tyres from tyre dealers, the veldt and other public spaces, and, with the permission of landowners/landlords, tyres dumped on a site controlled by such landowner/landlord;
- The transportation of waste tyres to approved interim storage and recycling sites.

Waste tyre transporters must:

- Provide their own suitable vehicles and be responsible for all insurance and licensing of the vehicles.
- Load and offload their waste tyres in a manner that is approved by the managers of the destination site.
- Complete documentation as required by the plan to verify the mass of tyres loaded and delivered to the approved destination. This is a prime requirement for the national audit process and a condition precedent for payment. This information will be automated by the NCCS.
- Have a current account with a South African Bank into which all payments can be electronically transferred. In the interests of security, transparency and sound audit practice, no cash payments will be made.
- Be registered with SARS and abide by Labour and other applicable legislation.

Transporters will receive training in:

- Record-keeping of collections and deliveries of waste to processors or licensed storage sites to ensure that waste is delivered to legal sites or processors.
- Compliance with the relevant controls.

Prospective waste tyre transporters may approach REDISA for financial and administrative support to establish their businesses.

Accredited transporters will be listed on the NCCS and their names made available to all interested parties.

7.5.7. Payments

REDISA will pay the transporter in accordance with their contract on a per kilogram basis taking into account distance travelled. No payments will be made for unauthorised deliveries and/or collections. Payment will be by way of electronic fund transfer into bank accounts. Transporters will be responsible for all their expenses.

The system will be centrally managed through the NCCS to ensure payments are expedited: as in the case of waste tyre processors, one of REDISA's functions is to ensure prompt payment to small businesses whose cash flow is often their biggest problem.

8. Unregistered Tyre Transporters

There will be large numbers of unregistered tyre transporters who will not be visible to the formal systems. These are the individuals with trolleys and wheelbarrows.

It is anticipated that these very informal participants will collect waste tyres and feed them into the owner-drivers. These informal participants will also be permitted to deliver directly to depots subject to:

- Collectors must be able to accept electronic payment into an account or a mobile phone-based payments system
- Individual collectors will have a quota limiting the monthly weight of tyres they can deliver. Quotas can be adapted as needs become apparent and the level of response is seen.

It will be difficult to quantify the numbers of these unregistered transporters, and no attempt has been made to count them in the forecasts of jobs created, but it is believed this will be a significant spin-off for the very poor since waste tyres will become a tradable commodity.

9. Waste Storage Sites

REDISA has provisionally identified 150 cities and towns where waste storage sites will be required (see Annexure C for names and a map).

The sites will be spread over the metropolises and gradually expanded country wide. Depots will be identified via a tender process.

Sites will vary in size dependent on the concentration of consumers. Some of the larger depots will not only store tyres but also pre-process in an effort to reduce transport costs. These depots will be run as businesses and the full tender process will be applicable.

Different kinds of waste sites will be created:

- A transfer site where transporters deliver to an interim site; or
- A tyre processing site where waste is prepared for recycling; or
- A Recycling site; or
- Specialist sites for the recycling of the very large earthmover/mining/construction waste tyres; or
- Any combination of the above.

The sites will also be open to individuals who wish to dispose of their waste tyres in an environmentally friendly manner.

All storage sites must be registered with DEA. Storage sites must comply with the Waste Tyre Regulations and must supply all information as required for the NCCS.

9.1. Tender Process for Waste Storage Sites

A tender process that fosters both free competition and local participation by BBBEE businesses will be created. Tenders will be advertised dependent on supply and demand.

Tender processes will require declarations of tonnage of tyres received, specific treatment processes, capital equipment, the length of contracts, projection of operational costs, and declaration of existing licenses/exemptions/permits to operate in this process.

All sites will be required to be registered with the plan and be compliant with an accreditation card as detailed below.

A review process will be in place to renew permits/licenses, initially on a yearly basis and thereafter periodically.

9.2. Appointment

Successful applicants will be confirmed and accordingly appointed by REDISA. Contracts awarded to parties not in possession of a permit, license or exemption will be subject to the conditional provision that the permit, license or exemption is obtained. Should the permit, license or exemption not be obtained in the period provided for, the contract will be cancelled and the waste tyres awarded in terms of the contract will be once again offered on tender. Contracts will be awarded for periods of no less than 5 years.

9.3. Non-Compliance

Due processes for monitoring compliance in a fair and equitable manner will be created.

Upon determination of non-compliance, Storage Sites will have ten working days opportunity for self resolution. If no resolution takes place, the REDISA Board must be made aware within five working days. The Board will report this to DEA and institute action as deemed fit and as defined in the contractual agreement.

10. Industry Standards

The industry standards embodied in the Environmental Control legislation and by Government, will apply to all the services in the plan and as per the accreditation cards detailed below. The standards will be laid out in the contractual agreements for the various processes. Monitoring will take place via regular inspections from the Management Company. The management company will employ suitably trained investigative specialists to ensure a high level of inspectorate ability and evaluations. Inspections will be conducted at predetermined times and at the registered sites.

11. ACCREDITATION CARDS

11.1. Waste Transporter Accreditation card

Minimum Level 3 BEE Certification	y/n
Members of previously disadvantaged communities	y/n
Sign a contract	y/n
Transporter must reside in operational areas	y/n
Compliance to a Code of Conduct and Ethical Trading Practices	y/n
Verifiable Bank Account	y/n
Commitment to ongoing training & skills development	y/n
Adherence to existing Government Legislation includes South African drivers license, vehicle license and be in possession of a PDP	y/n
A commitment to service the entire geographical areas as specified in their applications	y/n
Appropriate insurance	y/n

11.2. Waste Tyre Storage Site Accreditation Card

Minimum Level 3 BEE Certification	y/n
Fire and Safety compliance certificate	y/n
Occupational Health and Safety certification	y/n
Registration with waste control legislation	y/n

Adherence to a Code of Conduct and Ethical Trading	y/n
Job Creation projections	
Projection on the quantity of tyres the site can process	
Commitment to ongoing training & skills development	y/n
Sustainable Business Plan	y/n
Will the tyres be processed? (100% for processing to 0% for Non-processing)	
Weigh Bridge	y/n
Accounting practices in line with audit requirements and linked to the NCCS	y/n
Strategic Site location close to existing railways and existing recyclers (Rating benefits for sites close to railways and recyclers)	
Sign a contract	y/n
Appropriate insurance	y/n

11.3. Waste Processor Accreditation Card

Compliance to existing environmental standards	y/n
Minimum Level 3 BEE Certification	y/n
Sign a contract	y/n
Weighbridge	y/n
Waste operators must register with the relevant provincial authority	y/n
A Business Plan showing sustainability	y/n
Fire and Safety compliance certification	y/n
Projection on value to the SA economy via export or reduction in import of raw materials. This will be measured against other processes.	
Job Creation numbers	
Volume of tyres processed	
Compliance to a Code of Conduct and Ethical Trading Practices	y/n
Commitment to ongoing skills training and mentoring	y/n
Occupational Health and Safety certification	y/n
Accounting practices in line with audit requirements and linked to the NCCS	y/n
Appropriate insurance	y/n

The storage of waste tyres by dealers and at all sites must comply strictly with the Waste Tyre Regulations of 13 February 2009.

The recycling output will be reported in a format that suits the National Environmental Statistical purpose, management and the NCCS. It will be the ultimate source of information that will measure the success of the entire waste tyre management process.

12. Recording of Waste Tyre Processing

The NCCS will provide the primary audit trail, supported where applicable by a duplicate hard copy paper trail. REDISA will provide detailed annual reports showing:

- Tonnage of waste tyres received & processed
- Material composition breakdown
- Funds collected and expended

The audit trails will cover the requirements of the National Waste Information System as well as of the relevant local authorities in the area where the activities take place. In the design of the NCCS, input from all relevant role players, including DEA, will be considered. The system will meet the requirements of recording payments due to service providers and also claims to be lodged with the Management Company.

The standard unit measure applied, which will simplify the process throughout, will be kilograms of tyres.

All Green fees collected from subscribers will be recorded.

Kilograms delivered to depots and payments therefore will be kept: i.e. records of payments to the transporter and the tonnage received by each depot. The depots will have to show by kilograms the mass of waste received and disposed of, creating a simple balancing equation. Anomalies will have to be accounted for.

This information will be recorded on the NCCS.

The following minimum information on waste tyres will be recorded daily on the NCCS:

- Collection of each load
 - Name, address and Registration Number of transporter
 - Name, address and registration number of the collection point
 - Mass and/or categories of Tyres loaded
 - Vehicle used
 - Agreed Destination
 - Date and Time Loaded
- Receipt by Storage Site / Depot
 - Name of processor
 - Received from Transporter
 - Mass of Tyres
 - Vehicle used
 - Source Dealer or Legacy or other Stockpile (specify)
 - Date and Time received
 - Date & time despatched
 - Registration number of despatch transporter
 - Product description outgoing
 - Details of destination
 - Stockholding
- Recycler
 - Date & time
 - Received from transporter
 - Origin
 - Type of product received
 - Stockholding by product
 - Output of product

The NCCS will be designed to capture the above information start to end. The system will also identify collection points and legacy sites by way of GPS locations and support site and route optimisation.

This centralised computer system will identify anomalies and variances that will trigger investigations. REDISA will provide an annual audited report containing the above information to DEA.

13. Implementation Target Dates and Timeframe

All dates will be calculated from the date the REDISA Waste Tyre Management Plan will be published in the Government Gazette as approved by the Minister of Environmental Affairs.

Invoicing of Green Fees will not be later than 3 months after the date

Waste tyre collection will begin no later than 10 months after the date and will include categories 1, 2, 3 and 5.

Waste tyre collections for the categories 4, 6, 7, 8 and 9 will begin no later than 18 months after the date. This is because of the establishment of shredding plants big enough to handle these categories of tyres.

All categories of tyres manufactured or imported into South Africa will become part of the plan and will be collected within South Africa no later than 5 years after 'the date'.

Refer to the section *Job Creation* below for job creation timeframes.

14. Estimated Costs

First year operational and inception costs are estimated to be approximately R624 million. The costs thereafter will be based on actual costs in year one and projected fluctuating variable costs, CPIX and all other influencing factors.

The plan will be financed through REDISA, established specifically for the purpose of financing the entire operation from collection to recycling of waste tyres on a national basis. REDISA will obtain its funds primarily from the levying of Green Fees from subscribers of approximately R 2.30 per kg of manufactured and/or imported tyres and casings.

REDISA will undertake the determination, imposition, collection, management, administration of and disbursements from levies paid into the fund by subscribers. The Fund will also promote and support, and, to the extent that the private sector is unable to assist, undertake the necessary actions to ensure the environmentally acceptable recycling of waste tyres.

Cost estimates will be reviewed and updated in light of operational experience.

15. GREEN FEES

15.1. Payments

The green fee levied on the subscribers will be calculated to recover the cost of the waste tyre management process. A green fee will be levied by REDISA on all tyres produced in South Africa or imported into South Africa directly or in products that contain tyres. Subscribers will have to produce monthly actual statistics on tyres produced and/or imported.

Fees levied will be per kg.

Payment terms for subscribers will be 90 days.

The funding will be specifically coordinated by REDISA.

Sensitive competitive issues will be confidentially controlled by the management company.

The cost determination factors will include:

- NCCS
- Advertising and marketing

- Collection & transport costs of both waste tyres and legacy tyres to depots
- Depots/storage handling, pre-preparation ahead of delivery
- Establishment fees for processors/recyclers
- Administration and Management Company costs
- Auditing and accounting costs
- Social responsibility campaigns
- Research & Development
- Training

The Rand per kilogram costs are calculated taking the above variables into consideration. The contribution of each subscriber to the Plan will be in direct proportion to the weight of tyres and/or casings imported and/or manufactured.

The green fee will be reviewed annually and accordingly notified to all subscribers, and is subject to change depending on actual costs and tyres manufactured and imported.

Liability will be raised on importers at the time of import clearance, and for local manufacturers at the time of manufacture. Green fees must also be paid for scrap tyres produced and not sold by manufacturers. The principle is that all tyres that must be disposed of in South Africa must be subject to payment of the green fee.

Credits will be awarded for all exports.

16. Building Awareness

The Parties to the plan have a national footprint, and, unlike other associations, are best suited to raise awareness regarding the management of waste tyres amongst its broad member base and the community at large.

The parties to the plan will actively promote awareness in relation to the management of waste tyres in various advertising mediums (including national and regional media), in their monthly magazines and monthly newsletters, and at national and regional meetings and roadshows.

Consumer awareness programs giving detail of the benefits of recycling of waste tyres via tyre dealer outlets nationally will be rolled out. Those benefits include minimising health risks such as mosquito and vermin breeding, reducing the risk of smoke from tyre burning and the associated respiratory ailments.

Programmes and competitions will be run at colleges, schools and learning centres, also within communities, churches and similar organisations, with the aim of instilling in youths and adolescents the environmental conservation message, which is critical for efficient and effective long term waste management.

The parties to the plan which act as the interface between tyres and the consumer will also actively raise awareness of the management of waste tyres.

17. Social Responsibility

The REDISA plan has as a primary focus the creation of business and employment opportunities for previously disadvantaged communities.

Specifically, the REDISA plan will avoid criminalising current waste tyre collectors, who are presently operating outside the law, by assisting them to enter the industry as respected

participants. This will be achieved by REDISA's aim of granting loans, training and mentorship to entrepreneurs in order to develop them as independent businessmen.

The previously disadvantaged, in terms of Government Black Economic Empowerment and other policies, will be favoured for the business opportunities created by the waste management plan whilst not precluding any other person from participating either individually or in partnership with previously disadvantaged people.

The role of Veterans Organisations, women's and youth leagues in identifying likely candidates from their own ranks and that of other civic groupings is crucial.

REDISA believes these actions will generate many profitable downstream industries such as moulded rubber products, chemicals and oil refinement, and service export markets with these derived products.

By attaching a Rand value to waste tyres per kilogram, REDISA will encourage people to refrain from burning tyres and rather to deliver to depots for a cash value.

There will be provision in the budget for annual contributions to social upliftment projects.

18. Integration of Previously Disadvantaged Individuals

The plan centres on waste reduction by way of creating opportunity for the previously disadvantaged.

The accreditation cards mentioned already have taken into account BEE certification and job opportunities for the previously disadvantaged. All relevant role players will be compliant and be tasked with identifying and mentoring black entrepreneurs in managing their businesses.

Transportation from Depots to recyclers will be done via the owner-driver concept.

Recyclers are also BEE compliant.

The plan actively promotes and will enforce this as a priority concern.

19. Job Creation

Attaching a value per kilogram to waste tyres provides small entrepreneurs and the previously disadvantaged an opportunity to earn income by delivering tyres to the 150 depots throughout South Africa. REDISA aims to specifically identify these smaller operators, provide the relevant training and create business opportunities by awarding them specific collection points, thereby ensuring sustainability.

The Plan can sustainably create up to 10 000 jobs, as described below:

<i>Description</i>	<i>Number of opportunities</i>	<i>Jobs created</i>
150 depots	150	1800
Shredding businesses	3	30
Potential of 50 different recycling operations	50	1000
Small transporters	4000	7000
REDISA Head office		200
Total		10'030

Notes:

150 depots are set up

Each depot conservatively averages 40 transporters
 This equates to 6000 owner drivers
 Add at least one assistant per owner driver = 12000
 Approximately 12 staff per depot = 1800
 Management fund employees= 200
 50 recyclers employing at least 20 staff = 1000

This conservatively totals 15000 jobs, from which subtract the currently employed, estimated at approximately 5000, effectively creating 10000 new jobs. Every collector, recycler and depot will be registered with REDISA. Part of their reporting will request employee data to verify the projections on jobs created.

19.1. Timeframes

The estimated rate of job creation is:

	ea.	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL						
Head office	200	1	200				1	200					
Depot	12	3	36	27	324	40	480	40	480	40	480	150	1800
Recycler	20	2	40	8	160	12	240	14	280	14	280	50	1000
Transporter	1.75	300	525	600	1050	800	1400	1200	2100	1100	1925	4000	7000
Total Jobs			801		1534		2120		2860		2685		10000

Note that the above figures exclude any estimate of numbers of informal collectors.

20. Training

Mandatory training at no cost to trainees will be provided on a quarterly basis to all drivers and their crews, accounting and management staff at depots, tyre shops and all other contractual role players. Undergoing regular training will be a necessary component of maintaining accreditation.

This is an ongoing endeavour in the spirit of educating the previously disadvantaged. 1% of all monies collected will be allocated to training.

21. Consumer Education

It is clear to the relevant role players that the consumer is the owner of the largest quantity of waste tyres in South Africa.

The marketing campaign will amongst other responsibilities promote via the various communication media the advantages of recycling, keeping one's environment clean, and effective tyre management tips to extend tyre life. 3% of all funds collected will be allocated to market the Plan.

The plan provides for ongoing monitoring of job creation in the various processes.

The fund will establish a full-time training committee to deal with training and skills development matters throughout the cycle of waste tyre management from the collector to the drivers to the small business owner to the depots to the recyclers.

The approach of the Parties to the Plan is to develop their candidates into independent businessmen that will compete in local markets and international export markets.

Supporting the creation of well-rounded astute businessmen and women is the cornerstone of a successful economy. The plan will contribute to this goal.

Continued mentorship by relevant role players will take place to further reinforce the development of successful entrepreneurs.

22. Auditing and Reporting

Auditing will be done via the NCCS which will keep accurate records on logistics, support, and accounting of all waste tyre movement throughout the process. These reports, generated at various frequencies, will provide information for the Management Company to audit at any time. The management of the plan will be REDISA's responsibility.

The NCCS will identify collection points and legacy sites by way of GPS locations and provide decision support systems to optimise routes and waste tyre site developments. This system will identify anomalies and variances that will trigger investigations as and when needed.

The plan will be audited in terms of all existing legal and IFRS requirements.

All movement of waste tyres, from import and/or manufacture of new tyres and casings to final recycling or other disposal, will be documented and mass-flow balanced and reconciled with levies paid to REDISA:

- mass of tyres delivered to the depots;
- mass of tyres processed in the depots;
- mass of tyres delivered to recyclers;
- mass of tyres processed by recyclers;
- mass of finished products.

This ensures uniformity, ease of reporting and transparency.

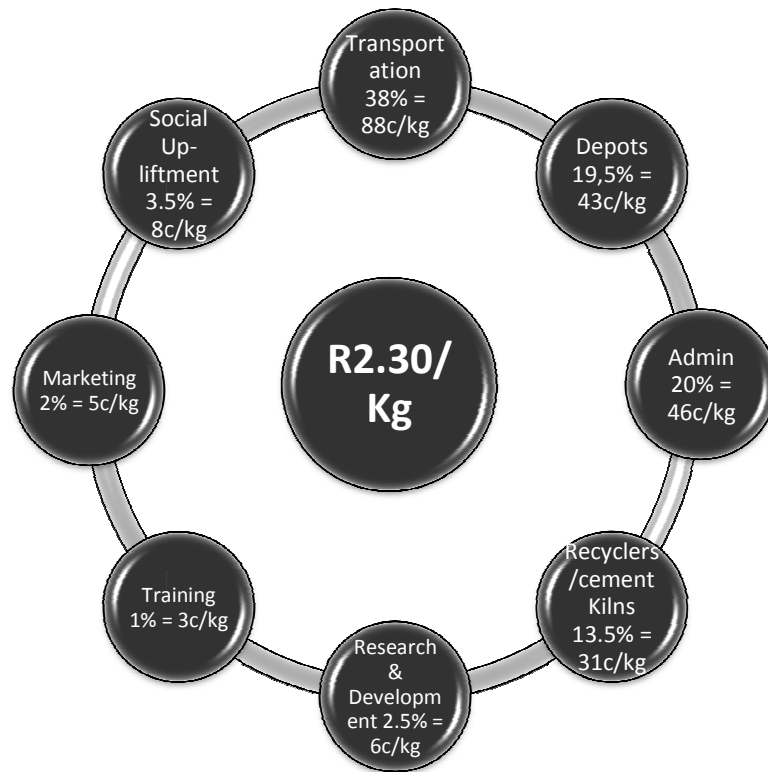
The operations of all recyclers and processors will also, at their cost, be audited in terms of the Companies Act and other applicable legislation

The reporting on the operations of the Management Company will be controlled by REDISA.

Expenses will be audited by way of rand/kilogram as per the example illustration below:

23. Initial Cost Allocations

Initial cost allocations will be allocated as per diagram below. Experience throughout the years will then allow REDISA to break down cost allocations to per kg charged and will be shown more detailed.



24. External Auditors

REDISA will appoint external auditors for a period of 5 years through tender. The external auditor will amongst other aspects audit:

24.1. Items to be audited

24.1.1. Subscribers

Ensuring that all manufacturers and importers in South Africa are paying the same and are part of 'the Plan';

All documentation supporting the import and manufacture of tyres

Invoicing and payment of Green Fees

24.1.2. Transporters

All documentation pertaining to the collection and delivery of waste tyres or processed waste tyres

All documentation pertaining to the invoicing for the transportation and the payment

24.1.3. Waste Tyre Depots

All documentation supporting waste tyres received, waste tyres sent out.

Processes are in accordance with the REDISA contract.

Waste tyre inventory estimations are correct

The appropriate insurance policies are in place and the rules of the policy being adhered to.

The depot operates with all permits and licences

24.1.4. Waste Tyre Processors

All waste tyres received

Products produced

Processors are in accordance with REDISA contract

Waste tyre processors inventory estimations are correct

Processor operates with all permits and licences

24.1.5. External Management Company

Managers of REDISA within accepted accounting standards

Compliance with the management contract

Handles all information confidentially

Supplies monthly management accounts

Supplies annual reports to the Department of Environmental Affairs

24.1.6. Nationalised Centralised Computer System

Evaluate processes

Audit information

Audit input procedures

Audit security

24.1.7. Adjudication Committee

The auditing company is part of this committee and ensures proper governance

Ensures that preferences are given to the previously disadvantaged and localised businesses

25. Non Compliance by Contracted Party

Should the external auditing company find anybody in breach in his obligation to REDISA or to the Department of Environmental Affairs it will bring these findings to the attention of REDISA management and the party in breach within 48 hours. After being informed by the auditors or management company of any breach, REDISA will have to give in writing the offending party 14 days to rectify the situation. Should the offending party fail to rectify the situation, REDISA has to inform the Minister and give 30 days notice to cancel any contracts. In addition REDISA may find other remedies available to it by law.

26. External Management Company

REDISA will outsource the management of its operations. We chose this way of operating to ensure confidentiality through separation of functions. It is of vital importance to the competitiveness of the entire industry.

The external management company will be appointed for a period no less than 5 years. This term is necessary to ensure a high level of skills and continuity. To attract good management staff there has to be job security.

26.1. Responsibilities

The management company will:

- Manage REDISA's financial affairs
- Monitor compliance
- Supply consolidated management accounts and reporting
- Manage all REDISA's operational issues
- Implement and manage the National Centralised Computer System
- Report to DEAT on an annual basis on all aspects of the plan

26.2. Compliance Monitoring

Failure to abide by the terms of the contract between the subscriber and REDISA will be non-compliance, in particular but not limited to:

- Failure to provide monthly declarations within 2 working days of due date.
- Failure to declare fully all tyres manufactured, imported or exported.
- Failure to pay green fess by due date.

The management company will report within 2 working days any actual or suspected non-compliance to REDISA, whereupon REDISA will:

Instruct the management company to resolve the matter telephonically with the subscriber;
or

Instruct the external auditors to arrange an audit of the subscriber. Audit costs will be paid by the subscriber if non-compliance is established; or

If non-compliance is established and not rectified within 14 days of written notice being served on the subscriber, give the subscriber 60 days notice of de-registration.

27. Best Environmental Practice

The plan will follow the dictates of Environmental Management legislation which details the accepted and approved practices. REDISA will be working very closely with environmental bodies and DEA to ensure consistent and ongoing improvement to the waste tyre industry.

The Research and Development department, under the auspices of REDISA, will also be active in providing other processes applicable to our environment. REDISA will appoint a panel of experts whose sole responsibility will be to supervise and control activity within Research and Development.

REDISA will support the relevant authorities in their quest to ensure that the legal practices are followed.

28. Historical Waste Tyre Stockpiles

All historical waste tyre stockpiles will be identified by .

- Categories of waste tyres
- Details of the stockpile owner
- Registration number with DEA if applicable
- Physical address of the stockpile/ GPS Co-ordinates
- Estimation of the number of tyres per stockpile

This report will be produced annually.

If ownership can not be established those historical waste tyre stockpiles details still will be captured.

All historical waste tyre stockpiles will be registered with the Department of Environmental Affairs.

Existing stockpile owners in terms of part 3, section 8 (3) of the Waste Tyre Regulation are responsible for the preparation and funding of abatement plans, must comply with all aspects of the legislation and the Plan. Their waste tyre responsibility still exists and through negotiation REDISA will provide environmentally friendly options for these owners to deal with these tyres.

Transfers from privately owned historical waste tyre stockpiles will not qualify for any payment by REDISA.

29. Legacy Waste Tyres and Historical Waste Tyres

REDISA will as soon as it starts collecting waste tyres also collect legacy waste tyres and historical waste tyres. It will be impossible to differentiate between tyres which were imported or manufactured and paid for after 'the Date' and 'legacy waste tyres' and 'historical waste tyres'.

REDISA will control this process through it's NCCS. Transporters will only be paid for tyres which they have been authorised to collect. Depots and recyclers will not be allowed to accept tyres which have not been specifically authorised by REDISA through the NCCS.

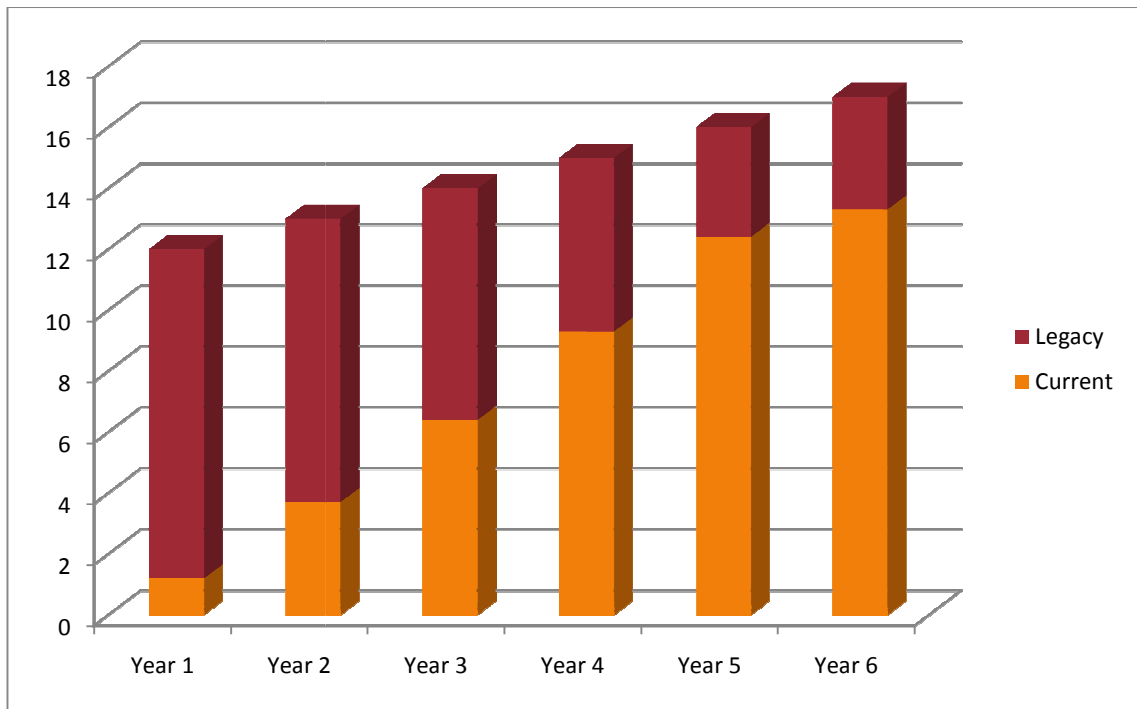
30. The Abatement of Historical Waste Tyre Stockpiles

REDISA will concentrate first on avoiding that new waste tyre stock piles are being created and will deal with legacy waste tyres and historical waste tyres as soon as it starts collecting waste tyres.

The first 2 years of the plan will be spent to build capacity with waste tyre processes. As soon as sufficient capacity is available REDISA will allocate this capacity towards the abatement of historical waste tyre stockpiles.

Because of this we do not foresee addressing historical waste tyre stockpiles sooner than 2 years after 'the Date'.

The illustration below shows a reducing factor graph illustrating how REDISA envisages getting rid of the legacy tyres and stockpiles within this plan.



Total Number of tyres paid for in five years is 87 Million Tyres
 Actual tyres collected and paid for is 46.3 Million.
 Total paid for still in circulation is 40.7 Million Tyres

31. General Waste

REDISA will not be responsible for the collection or disposal of general waste or tyre remnants. Where REDISA at its discretion does collect or dispose of general waste or tyre remnants, it may levy a charge.

32. Tyre Dealer Responsibility

Tyre Dealers are required to complete all relevant information on the NCCS. They can only release waste tyres to registered waste tyre transporters.

Tyre Dealers must register with the Management Company as subscribers to the Waste Tyre Management Plan. They must then accordingly display in their respective reception areas the predetermined Code of Conduct, bearing a registration number and statement of compliance to the process. The Code of Conduct must also provide details of REDISA in the event of disputes or as a point of contact.

In our experience, for effective implementation and operation it is vital for Tyre Dealers to take ownership of this plan. Through the RMI and TDAFA we already have similar structures in place for compliance with various other legislation, whereby the association becomes the relevant inspectorate.

Tyre Dealers must release all waste tyres to registered transport contractors; source or brands of tyres must not limit collection and recycling.

Tyre Dealers must categorise tyres by general type prior to collection and ensure that a supervisor signs the relevant collection notes.

Non-Compliance will result in non-collection of waste tyres.

33. Confidentiality

All role players' information will remain confidential with regard to contact information, finances, quantities collected and delivered, sizes of tyres and any other competitive information. The external accounting and management company appointment will be for a period no less than 5 years. Their responsibility and direct reporting line will be to REDISA, providing all relevant operating and financial information on a monthly basis.

34. Disclaimer

Please note that this is a proposal with figures and information based on current research and available details. Figures should therefore be viewed as estimates only. Final negotiations and information will be taken into account to amend the relevant clauses once the proposal has been accepted and further details obtained.

REDISA will not be liable for any consequential, direct or indirect losses and/or damages of whatever nature that might occur to any subscriber, transporter, tyre dealer, waste tyre processor or any other person who has enrolled in the REDISA Plan that arise in connection with the implementation of the REDISA Waste Management Plan.

35. Annexure A: Confirmed Subscribers

Importers signed up already with the REDISA Plan

Ameen Vally	ARCH Import & Export
Craig Hutchinson	STAMFORD Tyres
Imraan Minty	NATRIC Motors cc
Ridwan Motan	A1 Wheel & Tyre
Dave Mills	TIREPOINT Tyres
Robbie Perold	BOLAND Bikes
Mr Akoon	AKOON Enterprises
Gaff Sayed	RAYAN International
Mike Stradford	KWIKFIT Head Office
Dave Evans	S A Tyre Distributors
Anees Osman	Island View Distributors
Renier Botha	LOMBARD Group of Companies
E Thomas	Thomas Tyres Group
D Osborne	Sharmon & Campbell
J Laskarides	BANDAG Head Office
Mark Pitout	Marks Tyres
Marco Els	GLOBAL Import Export
Derick Oosthuizen	FASTRAK Trading 570cc

36. Annexure B: REDISA Cash Flow

See accompanying **Annexure B REDISA Cash Flow.xls**

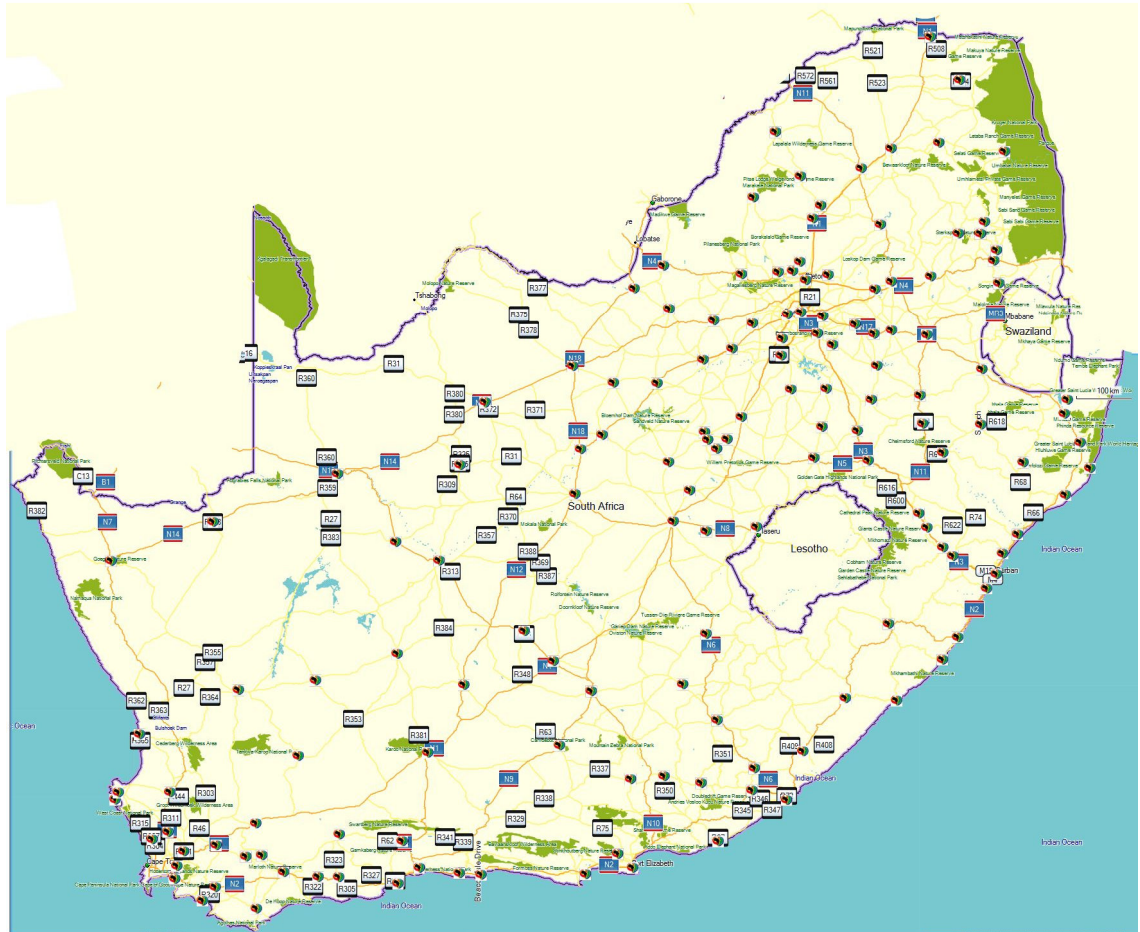
37. Annexure C: Waste Tyre Depots

1	Aliwal North	51	Knysna	101	Richard's Bay
2	Amanzimtoti	52	Kokstad	102	Riversdale
3	Atlantis Town Centre	53	Kroonstad	103	Robertson
4	Balfour	54	Kuruman	104	Rustenburg
5	Barberton	55	Kwadukuza	105	Sabie
6	Beaufort West	56	Ladismith	106	Saint Lucia
7	Bedford	57	Ladybrand	107	Saldanha
8	Bela-Bela	58	Lamberts Bay	108	Sasolburg
9	Belfast	59	Leandra	109	Schweizer-Reneke
10	Bethal	60	Lephalale	110	Sebokeng
11	Bethlehem	61	Lichtenburg	111	Secunda
12	Bloemfontein	62	Lydenburg	112	Somerset
13	Botshabelo	63	Mafikeng	113	Somerset East
14	Bredasdorp	64	Malmesbury	114	Somerset West
15	Brits	65	Marble Hall	115	Soshanguve
16	Bultfontein	66	Marydale	116	Soweto
17	Butterworth	67	Mbombela	117	Springbok
18	Caledon	68	Middelburg EC	118	Springs
19	Calvinia	69	Middelburg MP	119	Standerton
20	Carletonville	70	Mkuze	120	Stellenbosch
21	Carnarvon	71	Modimolle	121	Strand
22	Christiana	72	Mokopane	122	Stutterheim
23	Cleveland	73	Molteno	123	Sutherland
24	Cullinan	74	Montagu	124	Swellendam
25	De Aar	75	Mooi River	125	Thabazimbi
26	Dundee	76	Mossel Bay	126	Thohoyandou
27	Durban	77	Mthatha	127	Tongaat
28	East London	78	Musina	128	Touwsrivier
29	Ermelo	79	Newcastle	129	Tzaneen
30	Estcourt	80	Odendaalsrus	130	Uitenhage
31	Fort Beaufort	81	Oudtshoorn	131	Ulundi
32	Frankfort	82	Paarl	132	Upington
33	Ga-Rankuwa	83	Phalaborwa	133	Vaalwater
34	George	84	Piet Retief	134	Ventersdorp
35	Graaff-Reinet	85	Pietermaritzburg	135	Victoria West
36	Graskop	86	Piketberg	136	Virginia
37	Hanover	87	Plettenberg Bay	137	Volksrust
38	Harrismith	88	Pofadder	138	Vrede
39	Heidelberg GP	89	Polokwane	139	Vredenburg
40	Heidelberg WC	90	Port Alfred	140	Vryburg
41	Heilbron	91	Port Edward	141	Vryheid
42	Hennenman	92	Port Elizabeth	142	Warden
43	Hermanus	93	Port Saint Johns	143	Warrenton
44	Hluhluwe	94	Port Shepstone	144	Welkom
45	Howick	95	Postmasburg	145	White River
46	Jeffreys Bay	96	Potchefstroom	146	Williston
47	Jozini	97	Pretoria	147	Witbank

48 Kimberley
49 King Williams Town
50 Klerksdorp

98 Prieska
99 Queenstown
100 Reitz

148 Wolmaransstad
149 Worcester
150 Zeerust



38. Annexure D: Roll-Out Plan

Roll-out plan for the 150 depots and 200 new businesses to be created

REDISA has supplied NAFCOC with a provisional list of 150 locations of depots to be established throughout South Africa. NAFCOC members, who are usually influential business people in their community, will then identify appropriate business partners within the plan. This roll-out will be performed in cooperation with NAFCOC and all our other partners, such as JCCI and the SA Youth Economic Forum, to ensure that all the different aspects of the plan will be reviewed by the correct people.

The primary sections of the plan are as follows:

<u>Description</u>	<u>number of opportunities</u>	<u>Jobs created</u>
1. 150 depots	150	1800
2. Shredding businesses	3	30
3. Potential of 200 different recycling operations	50	1000
4. Small transporters	4000	7000
5. REDISA Head office		<u>100</u>
Total		9.930

We are in the process of creating a distribution pack, which will be distributed via NAFCOC and other black organisations.

By the time the Minister has signed the plan we will have created a list which will have names of applicants placed next to each business opportunity. Obviously REDISA will not be able to deal with all of these opportunities at the same time and will seek the assistance of existing government organisations to create business plans and help all these entrepreneurs.

We estimate that this project will be completed two to three years after the plan's inception date.