

Product Stewardship Guidelines for Priority Product

Priority Product – ELTs in Scope and Table 3 – Tyrewise Scheme Comparison

TYREWISE PROJECT MANAGER – 3R GROUP LTD
12 September 2019

TYREWISE 

SOLUTIONS FOR ENDOFLIFE TYRES

Proposed Priority Products and Priority Product Stewardship Scheme Guidelines

Ministry for the Environment Consultation Document 2019

Tyrewise Product Stewardship Programme: Project Manager Submission

Released 12 September 2019

As Tyrewise Project Managers we have prepared a response to the Ministry for the Environment's Proposed priority products and priority product stewardship scheme guidelines Consultation Document using information taken from the published Tyrewise reports, meeting notes and consultation discussion viewpoints.

In addition to this, a reminder with links to the Consultation Document was sent out to 550 value chain entities that registered their interest in updates on tyre stewardship. Recipients were reminded to make their own submissions on the specific impact of the products they produce, manufacture or import, and their role as a transporters, recyclers and end users.

The Tyrewise Project Managers have provided support to interested parties who have completed their submissions since consultation opened in August 2019 and we are confident a range of views have been made available to the Ministry for the Environment team as they evaluate the submissions.

Important links that provide context to this document:

- The Submissions Document and process
- The Waste Minimisation ACT 2008

Adele Rose

Chief Executive, **3R GROUP LTD** | **TYREWISE PROJECT MANAGERS**

DDI +64 6 872 7329

MOB +64 (0) 21 3555 82

E adele@3r.co.nz

W [3R Reimagineers | Experts in Product Stewardship Solutions](#)
nz.linkedin.com/in/adelecrose

Visit www.tyrewise.co.nz to find out more about industry working together to deliver a consistent nationwide approach to the responsible disposal of tyres

Background

It is widely known that the disposal of used tyres in New Zealand is problematic. Disposal of tyres in landfill takes up valuable landfill space as well as creating issues for landfill stability and management as pneumatic tyres in particular tend to work their way back to the surface over time. Storage and tyre stockpiles also pose major health and environmental concerns as well as fire risks. Burning tyres cause air pollution from the dense and toxic smoke and ash and result in large quantities of oil effluent and run off that can contaminate water sources.

End of life tyres should be treated as a valuable resource that can be recycled into new value-added products. If New Zealand can utilise end of life tyres as a valuable resource instead of considering them a waste that needs disposal, both the environment and the economy will benefit. To do that we need structures, systems, auditing and market stimulation to ensure that the value chain works in harmony – in short, we need a regulated product stewardship scheme.

Consultation Document Page 35, Q1 (a)(b): Proposed Priority Product Declaration for End of Life Tyres

Do you agree with the proposed scope for priority product declarations for:

Q1: End of Life Tyres

- (a) All pneumatic (air filled) tyres and certain solid tyres for use on motorized vehicles (for cars, trucks, buses, motorcycles, all-terrain vehicles, tractors, forklifts, aircraft and off-road vehicles).
- (b) All pneumatic and solid tyres for use on bicycles (manual and motorized) and non-motorised equipment.

Q1 (a) Yes (b) Yes

How the Tyrewise working group calculated Tyres in Scope of their stewardship scheme

There are various ways to work out how to include products in scope or out of scope of stewardship, and an understanding of the whole value chain is required before that recommendation can be made.

There are two ways of viewing it:

1. How do tyres enter the country (across borders); or
2. What are end of life tyres attached to at the point they become end of life

Tracking how pneumatic tyres and some solid tyres come across the borders; or at the other end, what situation they are in when they become end of life, is reasonably well understood.

The data sources to determine who the first importer is whether loose or on vehicles, and the national footprint/network of generators and garages available to capture pneumatic tyres at end of life are known and available. Compare that to solid tyres (Non-pneumatic) and a small volume of pneumatic tyres such as that on toys, bicycles, wheelchairs, trolleys etc. which has a dispersed importer framework data, therefore engagement and compliance is significantly more time-consuming relative to the harm or value from resource recovery.

- For example, a toy importer does not declare how many tyres come through on trolleys or bicycles and a medical equipment importer does not declare how many tyres are imported on wheel chairs or hospital beds. Secondly, solid tyres typically reach end of life after much more comparative use than pneumatic tyres and are less likely to be discarded in illegal dumps or water ways. As they are solid, they are much less “harmful” in terms of movement in landfill or their ability to host mosquito larvae.

If pneumatic of tyres (Q1(a)) were declared priority product in December 2019, Tyrewise would have resubmitted its request for accredited assessment and be implemented within twelve months and would commence building on existing national infrastructure for collecting, processing with value added resource use. This is of course subject to the complementary regulatory controls that are required to enforce participation in stewardship to manage out the impact of free riders. Available in Section 23 of the Waste Minimisation Act 2008, Consultation Document, Next Steps Page 32.

This then leaves the incorporation of solid tyres (Q1(b)) into the scheme, in a managed way, at a later point. The scheme could be extended to solid tyres and funding would be available to deliver the work that would be required to develop import declaration, tracking and capture systems. Rather than a declaration of priority product for solid tyres (Q1(b)), an adjustment to the regulatory controls would all that would be required see them regulated and stewarded.

Therefore, the Tyrewise working group preference is for the scheme in principle to encompass all pneumatic tyres and some solid tyres, including off the road (OTR) and aircraft tyres, excluded from the scheme (initially) would be solid tyres and some pneumatic tyres on bicycles, toys, wheel chairs, mobility scooters, wheel barrows and other non motorised equipment.

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
<p>1.Intended objectives and outcomes</p>	<p>a) Specify the expected reduction in harm to the environment from the implementation of a scheme and/or the expected benefits from reduction, reuse, recycling, recovery or treatment of the product to which a scheme relates.</p>	<p>Tyrewise is a product stewardship scheme designed by industry. It is governed by a Product Stewardship Organisation (PSO).</p> <p>The mission of Tyrewise is to improve the value for end of life tyres in cost effective and environmentally sound ways</p> <p>6.5 Million Equivalent Passenger Unit Tyres enter New Zealand annually at last count in 2017/18. Without a structured product stewardship scheme the expectation is that only 50% of those would continue to be recycled in the absence of any framework for management and incentivising the collection and recovery of ELTs and an absence of supporting legislation to “level the playing field” and support universal access to stewardship for tyres.</p> <p>Around 3 Million of these tyres would continue to make their way to landfill, be illegally dumped at unacceptably high rates, heightening the risk of tyre fires (due to stockpiling behaviour going unchecked) and resulting in an important resource value not realised.</p> <p>In short, there would continue to be uncontrolled pathways for end of life tyres, risk to the environment through illegal dumping and tyre fires, added burdens to ratepayers for the clean-up of stockpiled tyres, loss of a valuable resource that can be transformed into valuable end products.</p> <p>The measurement of success will be detailed in the targets and objectives of the scheme to be achieved over the initial 7-year accreditation period.</p>
	<p>b) Specify the expected quantifiable waste minimisation and management objectives for the product to which a scheme relates, and the plan to achieve significant, timely and continuous improvement.</p>	<p>Setting of targets and objectives incorporated within two areas:</p> <ol style="list-style-type: none"> 1. the financial model with a target to recover volume to market from participants trending upwards from Year 1 of full operation (year 3 of implementation) at 90% to 95% by Year 7 of the first scheme accreditation period 2. In year 1 of full operation of Tyrewise, the resource recovery principals for the scheme enable per annum, a baseline of: <ul style="list-style-type: none"> • 52,000 tonnes of rubber recovered • 19,000 tonnes of steel recovered • 3,000 tonnes of textile recovered

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
	c) All schemes will be designed to incentivise product management higher up the waste hierarchy in priority order: waste prevention, reuse, recycling, recovery (materials and energy), treatment and disposal.	<p>Tyrewise has an established framework for the hierarchy of value (uses) of the end of life tyre. This is supported by policy that means that this hierarchy of value is reviewed at least every three years or in the event of material changes in the market such as a new technology for processing or end use.</p> <p>The current hierarchy of value from highest to lowest is:</p> <ul style="list-style-type: none"> • Further use - Crumb as an additive in a product • Ambient and Cryogenic material recovery • Whole Tyres • Further use - Crumb as an end use functional product • Further use – Crumb in a destructive process • Further use - Crumb in a secondary process
	d) For products containing hazardous materials: industry certification and compliance with other legislation for installation or use, maintenance, collection, transport, storage and disposal pathways.	Tyrewise will accredit suppliers/providers and audit these against the scheme quality and compliance criteria set by the Product Stewardship Organisation (PSO) and in compliance with local laws and by laws including the (draft) Disposal to Land and Movement and Storage of Tyres regulatory documents.
	e) All schemes will be designed and financed to manage orphaned and legacy products, ¹ as well as current products entering the market.	The financial model includes for setting aside 3% of its funds annually to cover orphan/legacy clean ups in a staged approach as facilities come online to process material collected, and the stockpiles are evaluated for their viability to be processed (eg tyres stored inground require cleaning before processing, tyres stored under cover and on hard stand require less clean up).
2. Fees, funding and cost effectiveness	a) The full net costs of collection and management of the priority product (reuse, recycling, processing, treatment or disposal) will be covered by producer and product fees associated with the scheme (eg, ‘producer pays’ or ‘advance disposal fee’). ²	The Tyrewise advanced disposal fee (ADF) covers the cost of collection and transport of ELTs from the national network FIS to processors. In addition to this a differential payment is available for processing. As the types of processing are many and varied including how they wish to receive the material, it is expected that the processors/end users will

¹ Legacy products include those sold into the market in earlier years that are now obsolete or banned (eg, agrichemicals containing POPs). Orphaned products include current or recent products for which a liable producer is no longer present (eg, e-waste marketed by companies no longer in business).

² The WMA defines producers to include people who: manufacture and sell a product in New Zealand under their own brand; are the owner or licence holder of a trademark under which a product is sold in New Zealand; import a product for sale in New Zealand; or manufacture or import a product for use in trade by them or their agent.

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		stipulate how they wish to receive the ELTs and the collectors and transporters will deliver material in scope. Provision has been made in the financial model for the flexibility of application of the advanced disposal fee on a regional basis to stimulate collection in those regions and cover additional costs of transport to processors.
	b) The impact of more than one accredited scheme and opportunities for maintaining competition should be considered in terms of net cost effectiveness (including monetary and non-monetary costs and benefits).	This is understood. Tyrewise is offered as the industry product stewardship scheme; the Product Stewardship Organisation that will undertake the governance role can govern more than one tyre stewardship scheme should that come to pass.
	c) Specify plans to manage risk to sustainable scheme income, such as price volatility and leakage of materials into other markets.	<p>The income to fund the stewardship of ELTs relies entirely on payment of the advanced disposal fee.</p> <p>Good governance principals will be applied and review this at least every three years to incorporate any market changes for materials value which may result from the awarding of funds to support investment in infrastructure which may result in change the commodity value of an ELT from a negative to a positive.</p> <p>It is proposed that the Advanced Disposal Fee is not a “forever” fee and that value in the ELT will eventually support its stewardship.</p>
	d) Specify how existing and emerging technologies will be used to help track and manage product or waste throughout the supply chain (eg, bar codes, radio frequency identification (RFID), and block chain).	Tyrewise will have a Waste Tracking IT system which tracks the bookings for ELTs available for collection, actually collected and processed at various parts of the supply chain. This will be fully electronic and based on the use of bar code and RFID technology. The platform that hosts the software is SQL based therefore the aggregate data can be included into a block chain platform when it becomes available to capture national waste data (held by authorities). The IT technology is also linked to weigh scales so it can record tonnage or volumes can be entered manually. It also tracks the chain of custody of the ELT and is linked to the payment approval process for cost of service. It is a low cost, low administration technology solution.
3. Governance	a) The scheme governance entity will be independent, non-profit and represent producers and wider stakeholders, including public interest.	Tyrewise is held by a Product Stewardship Organisation (PSO) and delivered under a not-for-profit trust deed and structure. Independent trustees will be nominated that represent the stakeholders but who are at arm’s length from payment of the advanced disposal fee or benefit from payment for services. An independent chair will also be appointed. The matrix of skills to deliver good governance will be in

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		<p>accordance with best practice as laid out by the Institute of Directors, specially paying attention to the Commerce Commission requirements for an industry led product stewardship scheme.</p> <p>The Trust comes into effect upon the declaration of tyres as priority product, it is at that time that a review of current trustees (appointed in 2015).</p>
	<p>b) Governance should include wider stakeholders in two types of advisory groups: those including product producers and recipients of product management fees who have technical or supply chain knowledge, and other stakeholders who represent wider community and consumer interests.</p>	<p>The PSO is able to appoint advisory groups on an as needed basis – these advisory groups may include scheme participants that can give specific industry and scheme advice to both the PSO the Scheme Managers. This practice has been in place throughout the design of the scheme with an additional positive outcome being increased communication with the supply chain within a pre-competitive environment.</p>
	<p>c) Structure and accountability of the scheme governance entity will be specified. Clear mechanisms will be implemented to fully control scheme operation, manage non-compliance and report on outcomes.</p>	<p>The structure, accountability and governance responsibilities are incorporated within the Trust Deed and the policies that support the management and execution of the purpose of the Trust. This includes best practice for managing a tender process and appointing contractors, financial and legal literacy and dispute resolution. It also allows for the appointment of a Financial Provider who can undertake the black box functions – obtaining mass balance data from brand owners and providing that in aggregate form to the PSO and the Scheme Manager and managing the receipts from the brand owners and payment of services to the contracted parties who deliver the scheme. Oversight from Government is expected within this Trust and the Financial Provider due to the quantum of fees gathered on behalf of consumers. In addition to this the Scheme Manager has clear policies on what non-compliance activities need to be expedited to the PSO who in turn will expedite any requirement for government enforcement when that is understood.</p>
	<p>d) The selection process for scheme directors will be transparent, and scheme governance provisions will follow best practice guidelines for New Zealand.³</p>	<p>The selection process of scheme directors (governance) is prescribed in the Trust Deed and will be audited against Policies and Procedures which incorporate best practice guidelines for governance.</p>

³ For example, the Institute of Directors of New Zealand *Code of Practice for Directors* (www.iod.org.nz/Portals/0/Publications/Founding%20Docs/Code%20of%20Practice.pdf).

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
	e) Given the size of New Zealand’s population and market, the default expectation will be that either a single accredited scheme per priority product, or a clear platform for cooperation between schemes for efficient materials handling, will be part of the design.	Tyrewise is likely to be the single accredited scheme for ELTs within scope of being declared priority product. However, the Product Stewardship Organisation is set up so that it can be a governance platform for additional scheme(s) to join should that eventuate.
4. Non-profit status	a) Given the prominence of expected net public good outcomes, the default expectation is that all priority product stewardship schemes will be operated by non-profit entities representing key stakeholders.	Tyrewise will be governed by the Product Stewardship Organisation (PSO) which is a not for profit trust representing industry. A strong social enterprise model is also built into the Tyrewise Stewardship Scheme itself to maximise opportunities for employment particularly in regional areas. Tyrewise will be operated by contracted service providers sourced through a normal tender process.
5. Competition	a) The scheme will clearly provide for transparent, non-discriminatory and competitive procurement processes for downstream services, such as collection, sorting, material recovery and disposal.	Tyrewise policies and procedures and the purpose of the scheme itself includes for a clear and transparent tender process for all contracts to deliver the services of the scheme including scheme management, collection sites, transport and materials recovery via any number of processing opportunities. This will be managed by the PSO and its Scheme Manager (where appropriate) and its policies and processes will be available on the scheme website for viewing at any time.
	b) The scheme will ensure that no collectors and recyclers (whether existing, new entrant or social enterprise) are unfairly excluded from participation. This includes making service packages of suitable scale (whether geographically, by material or other measure) to allow both large and small providers to compete fairly.	As Tyrewise relies on the provision of regional services feeding into a hub and spoke model of processors and end users, to be successful, the scheme will be reliant on regional service providers provided by social enterprises, community collection sites, collectors and recyclers within all regions. It will also rely on the participation of garages and outlets owned or aligned to Brand Owners who have a direct relationship with the consumer purchasing the tyre whether wholesale or retail.
	c) Multiple accredited schemes will be considered if the net community and environmental benefit (including cost-effectiveness and non-monetary impacts) is likely to be improved.	This is understood.
	d) Provision will be made for regular independent audit of agreements among competitors.	This is part of the PSO function and written into the Trust Deed and will also be transparently provided as part of the initial scheme audit for accreditation as well as subsequent audits of the operational functions of the scheme at any time. Written into the contracts for service providers will also be the ability to undertake audits across a range of areas not least of which is Health and Safety as the PSO, and the Scheme Manager will be PCBU’s in most instances.

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
	e) The design process for the scheme will have adhered to guidelines on collaborative activities between competitors as issued by the Commerce Commission, including, but not limited to, applying for collaborative activity clearance from that commission (eg, Commerce Commission, 2018a, 2018b, 2018c and 2019).	The scheme design process was guided by the Commerce Commission guidelines using an independent scheme designer, and the provision of legal counsel for the establishment of the Not for Profit Trust deed and writing the roles of the Chair and Trustees. It is recommended that legal counsel is retained on the PSO.
6. Stakeholder engagement and collaboration	a) The scheme will specify how wider stakeholders will be involved in decision-making by governance group (eg, use of stakeholder advisory groups).	Covered in 3 (b) above – the scheme design complies with this design feature.
	b) The scheme will have been designed with the active engagement of stakeholders currently involved in the product end of life (eg, collectors and recyclers).	Tyrewise was been designed with the active engagement of all stakeholders and can be evidenced by the minutes of the working group meetings and consultation/presentations made with and by collectors and recyclers from 2011 to current day. A website contains all of the project reports and key information, an e-news is sent regularly to keep all stakeholders informed of progress, and open door policy is in place for any stakeholders currently involved in the management of end of life tyres, and those proposing to be, to discuss scheme interactions with the current project manager and/or the governance group.
	c) The scheme will specify how use of existing collection and processing infrastructure and networks will be maximised and new infrastructure and networks co-designed and integrated between product groups.	Tyrewise will be funded to pay providers who already offer collection sites and for the establishment of new sites. A high level of collaboration with existing infrastructure providers will be required and that includes local government. New infrastructure requirements will be understood when Expressions of Interest for commercial tender for the services to collect, transport and process end of life tyres are advertised during the implementation phase Year 0, and a picture of who wishes to participate and where they wish to participate is formalised. The financial model for the scheme allows for a gradual investment in all key areas of delivery of Tyrewise.
7. Compliance	a) The scheme will have a clear means of enforcing compliance of all participants and reporting liable non-participants to the government enforcement agency.	The PSO will be able to report non-payment of the advanced disposal fee for any distributor of product in scope (should this become a regulated scheme) to the appropriate authorities. The scheme design and financial model includes for all providers to be registered with the scheme against its guidelines and for the scheme managers to be able to audit performance against those guidelines and

Tyrewise Product Stewardship Scheme:

Comparison of actual Guidelines for the Scheme against proposed Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		<p>cease service provision with non-complying contractors following a remediation period.</p> <p>Sanctions for serious breaches or continued breaches of Tyrewise compliance policies will occur.</p>
	<p>b) The scheme will have strategies to reduce 'leakage' of higher value end-of-life products (eg, 'cherry picking' of e-waste components by informal collectors).</p>	<p>Tyrewise will not make payment for services unless evidence of activity is made in accordance with the guidelines of the contract. There are some commercial entities that use end of life tyres (such as farmers for silage pit coverage) who could end up unintentionally holding tyres that may have a higher value elsewhere however that is not expected to occur until the scheme has been operational for some years and the commodity value of the tyre has changed from a negative to a positive.</p> <p>All collections, transport and processing of ELTs will be tracked when they are made available to the scheme; no payments will be made unless the receipts and records reconcile.</p> <p>Leakage of ELTs being stewarded would be those tyres which are deemed End of Life by the depositor and made available for collection, but on sold by the next stage in the supply chain either for reuse or another purpose. Tyrewise recognised that some tyres at end of life may look like they still have wear in them (or be warrantable) however they may have been involved in a vehicle accident or have some other defect which would render them unwarrantable but only to the trained professional. In this instance the provider could be sanctioned by the PSO.</p>
<p>8. Targets</p>	<p>a) All schemes will be expected to set and report on targets that have the following characteristics:</p> <ul style="list-style-type: none"> • significant, timely and continuous improvement • benchmarked against and aspiring to attain best practice recovery and recycling or treatment rates for the same product type in high-performing jurisdictions • a clear time bound and measurable path to move toward attaining best practice • targets for new product and market development to accommodate collected materials. 	<p>The targets set for Tyrewise against a best practice benchmark taken from international schemes, include but are not limited to:</p> <ul style="list-style-type: none"> • EPU's recycled per year • Diversion of ELTs to landfill • Registration of Tyrewise programme participants (providers) • Recovery of rubber, steel and textile from ELTs • By proportion of the total fund, the amount set aside for payments made to specifically create demand pull through - % of total Tyrewise Fee (PSO portion) in year of measurement • Amnesty funding and relative success

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		<ul style="list-style-type: none"> • Education campaigns and their relative success • Monitoring and measuring compliance against objectives • Health and Safety KPIs
	b) Results against targets will be publicly reported at least annually.	An annual report will be published and available in accordance with the Charities Commission; the scheme Product Stewardship Accreditation report will also be published annually and publicly report.
	c) Material collection, recovery and disposal rates will be measured against one of the following: <ul style="list-style-type: none"> • actual trend data, if the scheme has pre-existed as a voluntary scheme • the average aggregate weight or count of products sold into the market in the previous three reported years • another specified method where market entry information does not yet exist. 	Mass balance data is currently available through use of some of the customs codes for import data and through NZTA for the tyres on vehicles. Work still needs to be done on loose tyre parallel imports and/or private imports which are not captured through customs however this is considered to be a minor volume of the overall percentage of tyres entering New Zealand. As tyres come in a range of rim sizes and uses the measurement of an EPU as being an average tyre weight of 9.5kg (Equivalent Passenger Unit) has been used to calculate number of tyres; additionally, tyres once they are collected and definitely as they are processed are reported in weight as tonnes.
	d) Plans will be specified for review, adjustment and reporting on performance targets preferably annually and no less than every three years, taking account of changes in the market, natural events and technology.	The PSO will review Tyrewise annually which will include a review of all targets and objectives prior to setting operational budgets for the coming year. This informs any areas of performance that focus needs to be applied to financially and operationally and consider new technology becoming available, new operators or changes to operators in the market and impact of any acts of god.
	e) A clear distinction will be made between funding arrangements and market capacity to manage both potential high volume legacy and orphaned product collections in earlier years and ongoing continuous improvement of collection rates.	The Tyrewise financial model is based on an advanced disposal fee – the fee is paid for by brand owners / first importers upon the sale of the tyre or first registration of vehicle. Therefore, 100% of the funding comes into the programme in the initial years while less volume is available for recycling. This funding is used to cover the implementation costs of Tyrewise and to support infrastructure investment where it is identified. Tyrewise and the underpinning financial model have an implementation phase Year 0 – 3 which will enable a slower start-up of collection material while processing capacity comes to market.

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		<p>Currently, market research shows there is enough capacity to meet nearly 50% of the volume of ELTs by weight, with future capacity coming on line over the ensuing one - three years, critically in the South Island and Lower North Island.</p> <p>As capacity comes on line the collection rates can increase as result of marketing activities; there is known legacy and orphaned ELTs in high volumes nationally and these will be managed region by region as capacity comes on line.</p>
	f) Performance targets will include measures for public awareness of scheme participant satisfaction and a record of response by the scheme to concerns raised. This will be made available to scheme auditors.	This is understood and an essential indicator for the PSO for operational delivery excellence.
9. Timeframes	<p>a) The timeframe within which an application for accreditation or reaccreditation of the priority product scheme is expected to be made after declaration of priority product is as follows:</p> <ul style="list-style-type: none"> • priority product categories with existing accredited voluntary schemes (eg, refrigerants, agrichemicals, farm plastics, packaging): within one year from the date of priority product declaration • priority product categories with accreditation proposals that have been developed through a multi-stakeholder consultation process including, as a minimum, producers, local authorities, major users, existing collectors and recyclers (eg, tyres): within one year from the date of priority product declaration or the date of proposal completion, whichever comes later • other priority product categories: within three years from the date of priority product declaration. 	<p>Tyrewise is an industry designed and led product stewardship scheme ready to submit its accreditation under the new regulatory guidelines once tyres are declared priority products.</p> <p>A refresh of the financial model and cost benefit analysis that underpins the design of Tyres is currently being undertaken and this will inform what the quantum of the advanced disposal fee will be required at launch.</p> <p>Tyrewise will be operational within 12 months of submitting the accreditation application.</p>
	b) Within the accredited seven-year period, at least one full review will be undertaken of scheme costs and effectiveness. The results of reviews and proposed scheme amendments to improve cost effectiveness will be reported via the annual reporting process.	This is anticipated and the full review is recommended/likely to occur at three-year intervals.
10. Market development	a) The scheme will have a research and development budget to develop new recycled products, encourage transition to circular product and recycled product materials design, and cooperate with other stakeholders to enhance onshore infrastructure.	3.5% of the advanced disposal fee is initially proposed to be set aside for research and development. There is nothing to suggest that % could not increase over time as markets for material use establish. It will have guidelines around the distribution of the fund and could be a

Tyrewise Product Stewardship Scheme:

Comparison of actual Guidelines for the Scheme against proposed Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		mix of contestable funding, scholarships and direct contracts with infrastructure providers.
11. Performance standards, training and certification	a) The scheme will have clear means for ensuring adequate training and certification of all people recovering and managing a product throughout its life cycle, to ensure best practice in prevention and reduction of harm to people and the environment.	This will be built into the contract of the Scheme Managers who will be responsible for ensuring that all providers are adequately trained for the provision of the contract. This will include compliance with Health & Safety Legislation as a PCBU, dangerous goods certificate and handling (should that be required) and environmental management plans for collection, transporting and processing sites.
	b) Any relevant standards for best practice will be referenced in training, supplier accreditation and monitoring (eg, AS/NZS 5377 for e-waste collection and processing). The scheme will participate in the development and revision of relevant standards.	This is expected.
	c) The scheme will have clear chain of custody arrangements for monitoring processing of materials and reduction of harm, both onshore and offshore, including annual reporting of findings.	This will be clearly articulated in the providers contracts and monitored and enforced by the Scheme Manager. This will be reported on quarterly to the PSO and annually as part of the accreditation report.
12. Liability and insurance	a) The scheme will have clear chain of custody arrangements for monitoring receipt and processing of materials and reduction of harm, both onshore and offshore, including annual reporting of findings.	This will be clearly articulated in the providers contracts and monitored and enforced by the Scheme Manager. This will be reported on quarterly to the PSO and annually as part of the accreditation report. The PSO will also be insured commensurate with the liability exposure of its Trustees.
	b) The scheme will ensure that liability of parties is clear for each stage of product and materials handling, and adequate insurance for liability is in place at each stage of the process.	The financial model accounts for the appropriate insurance cover for liability of the PSO. Contracts with providers will include evidence of liability insurance and this will be monitored by the Scheme Manager.
13. Design for environment	a) The scheme will contain financial or other incentives for diversion of collected products to highest and best resource use, weighted for applications higher up the 'waste hierarchy' (in priority order: reduction, reuse, recycling or composting, energy recovery, safe treatment and disposal).	Yes, reference Design Feature 1 (b) and (c)

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
	b) The fees paid by a producer to a collective scheme will, as far as possible, be linked to actual end-of-life treatment costs of their products, such as through variable or modulated fees.	The financial model is built from a ground up basis from information and evidence provided by existing collectors, transporters and processors and those that procure their services. The advanced disposal fee quantum has taken into account all costs for collection, transporting and processing of ELTs with respect to how different rim sizes are managed. Tyrewise is a “push” and “pull” model which stewards the tyre through the supply chain with incentives placed at all points within the chain to facilitate this.
	c) The scheme will facilitate good communication, feedback and incentives between designers, manufacturers, sales and marketing teams, distributors, retailers, consumers, collectors, recyclers and end disposal operators, to inform improved design of products and systems.	A communications plan has been written for Tyrewise. It identifies the comprehensive marketing and communication activities required to successfully create and maintain awareness of a product stewardship programme for ELTs throughout the supply chain.
	d) The scheme will fund initiatives to improve circular resource use by reducing the ‘end-of-life’ components of the product(s) and improving design for reusability and recyclability of the priority product(s).	The circular economy principals are incorporated into the hierarchy of value for the treatment and processing of ELTS. As tyres are manufactured offshore the scheme will be limited in how it can influence improved design for reusability and recyclability. However, it is understood that this is a global challenge and New Zealand will certainly participate in this as result of the Brand Owners responsibilities and influence.
14. Reporting and public accountability	a) The scheme will provide for clear, regular and open reporting and communication with stakeholders.	This is planned for and already occurring. The Tyrewise website hosts material about the previous projects, a regular e-news keeps interested parties updated on progress both in New Zealand and material news from offshore, the stakeholder working group are in regular communication and opportunities to talk about stewardship of ELTs are taken up in every instance.
	b) Annual reports will be made public. These will include measurement of outcomes and achievement of targets, fees collected and disbursed, and net cash reserves held as contingency.	The Tyrewise annual report will include this information as will the website transparently disclose achievements against objectives and targets.
	c) Provision will be made for regular independent financial, compliance, enforcement and environmental audits of scheme performance.	The PSO will be responsible for appointing an independent auditor to audit compliance with their fiduciary duties and it is expected that as this will be a regulated scheme, the Ministry for the Environment will also appoint an auditor. The PSO will audit (or make provision to audit) the Scheme Manager for performance of its contract which will include their oversight of contractor compliance with the scheme against contractors’ guidelines and environmental management plans.

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
	d) Scheme plans will address the following: data availability, especially when several PROs (also known as a PSO) are in competition; materials' traceability; precise definition for data collection and reporting (eg, recycling rates and operational costs).	Policies and procedures are in place for the methodology of the collection of mass balance data, all data will be available in aggregated form to ensure that there is no breach of the Commerce Act. Materials traceability will be delivered by the Waste Management software. Should there be multiple PROs/PSO's then a data sharing agreement would be a logical provision to have in place.
	e) The scheme will have mechanisms in place to protect competitive information relating to detailed operational costs (eg, 'black box' data collection by third party with aggregate reporting).	The PSO will appoint an independent financial provider to receive sales declarations for product within scope of the scheme and invoice the advanced disposal fee and collect funds as a result of this declaration. They will also manage the funds and provide aggregated data to the PSO and the Scheme Manager.
	f) Scheme performance measures will be harmonised between schemes as far as possible.	At this stage it is not envisaged to have multiple stewardship schemes for the collection, transport and processing of ELTs within scope however should there be, then performance measures would be put in place by the PSO.
15. Public awareness	a) Branding and clear information on how and why the scheme operates will be easily available at point of distribution (intercompany) and purchase (consumer), point of waste product collection and online, and a link to the online information will be on the product or product packaging.	Tyrewise has a communications strategy for publication and raising awareness of the Programme to ensure that audiences are aware of why a stewardship programme for ELTs is necessary that Tyrewise is widely supported and driven by the industry itself, and how to engage with Tyrewise either as an industry member or a consumer. It will utilise the relationships that Tyrewise has with major industry participants, leveraging their own channels wherever possible to maximise penetration and resource efficiency.
	b) The scheme will provide for transparent product stewardship fees at point of purchase.	Tyrewise will require transparent disclosure of product stewardship fees. It recognises that this may take different forms whether it is a B2B relationship, wholesale transaction or retail transaction. It will be enforced by the PSO.
	c) The scheme will ensure that consumer labelling standards for the product are complied with (eg, under the Hazardous Substances and New Organisms Act 1996 for hazardous substances).	The labelling guidelines will comply with any relevant standards and regulations for the industry per product.
	d) The scheme will regularly measure and report on public awareness and scheme participant satisfaction, and improvements made accordingly.	Baseline surveys undertaken by the Scheme Manager for the PSO will be undertaken regularly as one of the tools to evaluate effectiveness against campaigns. Brand Owners themselves will also be involved in

Tyrewise Product Stewardship Scheme:

Comparison of **actual** Guidelines for the Scheme against **proposed** Guidelines for a Priority Product Scheme (regulated under the Waste Minimisation Act).

Design feature	Proposed Waste Minimisation Act 2008 (WMA) section 12 guidelines for priority product scheme accreditation	Guidelines for Tyrewise Product Stewardship Scheme
		the public awareness of their scheme and it is likely they will be involved in satisfaction surveys with their own customers.
16. Monitoring, compliance and enforcement	a) The scheme will have a clear means of enforcing compliance of all participants and reporting liable non-participants to the government enforcement agency.	Covered in 3 (c) above. The scheme will be able to respond to this more fully when the process for reporting to the government enforcement agency is understood.
	b) The scheme will have strategies to reduce 'leakage' of higher value end-of-life products (eg, 'cherry picking' of e-waste components by informal collectors).	Covered in 7 (b) above.
	c) The Government will enforce WMA regulations.	This is understood, agreed with and ties in with 16 (a) above
	d) Revocation of accreditation is possible under WMA section 18 if reasonable steps are not being taken to implement the scheme, and the scheme's objectives are not being met or are not likely to be met within the timeframes outlined in the scheme.	This is understood and agreed with
17. Accessible collection networks	a) The scheme will provide for an end-of-life product collection system that is reasonably accessible for all communities generating that waste product, whether metropolitan, provincial or rural.	Tyrewise will facilitate and work with a range of collection systems relative to where the ELTs are made available for collection (rural, commercial, garages, at home, at large generation sites such as Fonterra).
	b) Collection will be free to the public (fully funded by the scheme) for all products covered by the scheme.	Collection of the ELTs in scope of the scheme are fully funded by the Tyrewise and will be free to the public (and in fact all consumers whether commercial or public).
	c) Collection will be based on the product, not proof of purchase.	Collection is based on the product
	d) Collections will, as far as possible, share infrastructure and public information with other collection schemes in the area.	Yes, covered also in 2 (b) and 6 (c) above. As well, some of the brand owners, garages and generators may share collection services within their regions especially in smaller, rural areas as this reflects the desire to put the consumer at the top of the process.