

# Fact sheet for MOTOR VEHICLE IMPORTERS

# New regulations for tyres

The government has now published the <u>Waste Minimisation (Tyres) Regulations 2023</u>. The regulations are made under the Waste Minimisation Act 2008. The regulations require those importing or selling regulated tyres, whether loose or attached to a motor vehicle, to act in accordance with Tyrewise, the accredited product stewardship scheme. The aim is to reduce harm to the environmental and communities by managing end-of-life tyres effectively.





### **Key Facts**

- Regulations covering the product stewardship of tyres were published in 132CR 27-Oct-2023.
- Regulations come into effect from 1 March 2024. Tyrewise will be fully operational from 1 September 2024.
- All importers and sellers of regulated tyres must act in accordance with Tyrewise, the accredited product stewardship scheme.
- Tyrewise will reduce environmental harm by managing end-of-life tyres from collection to processing.
- The current ad hoc disposal charges are replaced by a tyre stewardship fee.

- All importers are classed as Liable Parties.
- · All Liable Parties must register with Tyrewise.
- Tyre stewardship fees must be paid on all regulated tyres, whether loose or attached to a vehicle.
- Regulated tyres are all pneumatic and solid tyres for use on motorised vehicles, including cars, trucks, buses, motorcycles, aircraft and off-road vehicles.
- The fees paid must be transparently passed on through the supply chain to the consumer – in the same way as on-road costs.
- The fees on loose tyres and vehicles not for use on roads will be collected from the importer by Ministry for the Environment.
- The fees on vehicles registered for on road use will be collected by Waka Kotahi / New Zealand Transport Agency (NZTA) as part of the on-road costs at first point of registration.

# Taking responsibility for your product's environmental impact

We are all aware of the negative publicity over the years caused by illegal dumping and stockpiling of tyres, and the resulting fires and costly clean-ups. As an importer of vehicles, the Waste Minimisation (Tyres) Regulations 2023 enable you to collectively take responsibility for the tyres attached to these vehicles. This ensures we reduce the environmental harm caused when they are not effectively managed at the end of their life. Old tyres are valuable resources which can bring economic benefit to our communities and support a circular economy.

# Tyrewise enables effective end-of-life management for tyres

Tyrewise is the accredited product stewardship scheme which the regulation mandates to manage end-of-life tyres from collection to processing. Industry stakeholders, including associations representing vehicle importers, and the government, have been involved in the design of the scheme since 2012. The request for end-of-life tyres to be regulated came from the wider industry's own understanding that only a level playing field where everyone takes responsibility would create sustainable beneficial outcomes for all.

Tyres were included in the July 2020 <u>Declaration of Priority Product</u> under the Waste Minimisation Act 2008. This declaration, and the subsequent publication of regulations in September 2023, require those importing or selling regulated tyres in New Zealand, whether loose or attached to a vehicle, to act in accordance with Tyrewise.

The regulations are in effect on 1 March 2024 and Tyrewise will be fully operational on 1 September 2024.

## Regulated tyres

Regulated tyres are all pneumatic (air-filled) and solid tyres for use on motorised vehicles including cars, trucks, buses, motorcycles, aircraft and off-road vehicles. Tyres for products like bicycles and non-motorised equipment such as prams, as well as coils for retreads, will be brought into the scheme at a later date.



#### Transparent fees, transparent outcomes

The ad hoc tyre disposal charges currently faced by tyre fitters, fleet operators and the public are replaced by a set fee known as the tyre stewardship fee, which is payable on all regulated tyres.

From 1 March 2024, fees will be paid on all regulated tyres, whether loose or attached to a vehicle, as outlined in **Schedule 2** of the Regulations. The fee must be transparently passed on through the supply chain to the consumer.

From 1 September 2024, the fees will be used to provide free collection of end-of-life tyres from retailers, fitters, fleet operators, and collection sites registered with Tyrewise. These tyres will be dropped off at registered processors where they can be transformed into useful resources which support the development of a circular economy. The fee will also be used to provide incentives for domestic market tyre-derived products and tyre-derived fuel, and to fund research to stimulate the domestic market. The ad hoc tyre disposal charges must cease at this time.

Tyrewise tracking software (via a phone or web app) allows us to track tyre movements, recovery rates, and help monitor progress towards our targets and KPIs.

# Keeping it simple with a segmented fee structure

The tyre stewardship fees have been set at \$6.65 (excl. GST) per Equivalent Passenger Unit (EPU).

An EPU is based on the average weight of a new standard passenger car tyre of 9.5kg. All tyre types have been grouped according to factors such as their size and function and assigned an average EPU value. For example, on average a motorbike tyre is 0.5 EPU and a large truck tyre is 4.2 EPU.

The fee payable for a vehicle at first point of registration will be calculated by NZTA using a model that indicates average number of tyres and the size of tyres per vehicle type. The fees can be found in **Schedule 2** of the regulations.

Due to system limitations within NZTA it will be important that the entry certifier checks that the correct fee for the vehicle being registered has been applied. If fees are overcharged, there is a mechanism to request a refund from Ministry for the Environment based on evidence presented – a claims process will be available at <a href="https://www.tyrewise.co.nz">www.tyrewise.co.nz</a>.

# Capturing the fee at point of import or first registration

There are three methods defined in the regulation to capture the tyre stewardship fee:

- 1 Road-registered vehicles the fee is paid to NZTA at point of first registration as part of the on-road costs.
- 2 Off-road motor vehicles (not registered for use on the road) – the fee is paid to the Ministry for the Environment on declared imports and domestic manufacture.
- 3 Loose tyres the fee is paid to the Ministry for the Environment on declared tyre imports and domestically manufactured tyres.

You will be able to claim a refund if the vehicle and its tyres are directly shipped out to another country, ie. New Zealand port is the transshipping port.

## The role of vehicle importers

The varied structure of vehicle importer business models means that vehicle importers could have a variety of obligations depending on where and when the vehicle registration takes place. Several scenarios are provided below to help you understand these obligations:

- You are the vehicle importer, and you register the vehicle.
  - From 1 March 2024, you will pay the fee at first point of registration as part of the on-road costs. You must transparently declare the fee to your customer on the invoice/sale agreement.
- You are the vehicle importer, and you register the vehicle. You also offer a fitting service for tyres.
  - From 1 March 2024, you are responsible for paying the fee at the first point of registration as part of the onroad costs. You must transparently declare the fee to your customer on the invoice/sale agreement.
  - From 1 September, you must retain end-of-life tyres you have taken off the vehicle. You must use the Tyrewise software (phone or web app) to book free collection of end-of-life tyres. You may not charge your customer for the disposal of their old tyres.
- You are the vehicle importer, but the decision whether to register that vehicle for on-road use is made by your customer after the sale. (eg. motorbike, agricultural machinery, forestry equipment).
  - From 1 March 2024, as part of that sale transaction, you must advise your customer to self-declare the tyres on that vehicle (via a form on <a href="www.tyrewise.co.nz">www.tyrewise.co.nz</a>) if they are not going to register it for on-road use. This enables the Ministry for the Environment to invoice your customer directly for the number and type of tyres attached to the vehicle. Or;
- · You are the vehicle importer, and you know the vehicle is not to be registered for on-road use
  - From 1 March 2024, you are responsible for advising the Ministry for the Environment that you have imported a vehicle that you know will not be registered for road use. You will declare the tyres attached to the imported vehicle (via a form on <a href="www.tyrewise.co.nz">www.tyrewise.co.nz</a>) which enables the Ministry for the Environment to invoice you for the number and type of tyres attached to the vehicle. You must transparently declare the fee to your customer on the invoice/sale agreement.

If, at a later date, your customer chooses to register the vehicle for on-road use, they can use the invoice/sale agreement as proof for NZTA that the tyre stewardship fee has already been paid. You should advise your customer of the need to retain the invoice/sale agreement for this purpose.



#### Register with Tyrewise

Ensuring tyres end up where they can create value for our economy requires all parts of the tyre supply chain to register with Tyrewise, from importers and retailers to transporters and processors. This includes all importers of vehicles.

Registration allows Tyrewise to provide you with relevant information for your team and customers and communicate with you regarding your obligations. You can start the registration process at <a href="www.tyrewise.co.nz">www.tyrewise.co.nz</a>. The Tyrewise team will then visit most participants to discuss their role and obligations.

Part of the registration process includes your agreement to the Code of Practice as an importer of a regulated product. This document will be supplied to you as part of the registration process.

Once your registration is complete and the regulations are in effect, you can celebrate your part in Tyrewise with your customers and suppliers, and in any environmental and sustainability reporting obligations you may have.

#### Have input into the future of Tyrewise

Stakeholders, including vehicle importers, have been represented on the Tyrewise Working Group since its inception in 2012. From 1 March 2024, when the regulations come into effect, the Working Group will be replaced with Technical Advisory Groups.

These groups provide technical expertise and knowledge to the Tyrewise scheme managers, and to **Auto Stewardship New Zealand** (ASNZ), the not-forprofit charitable trust which provides governance for Tyrewise.

ASNZ is responsible for receiving aggregated data, contracting the scheme management and Tyrewise services, as well as reporting to the Ministry for the Environment.

There are currently six Technical Advisory Groups including one for tyre and vehicle importers. The importers group will give advice to ASNZ on innovative products entering the market which may impact on the scheme, import trends and technical advice relating to the importation declaration process and interface with NZTA and the Ministry for the Environment. MIA and VIA will be represented in this group but registrations of interest from other parties are also welcomed at www.tyrewise.co.nz

## Manaaki whenua, manaaki tangata, haere whakamua.

Care for the land, care for the people, move forward.

#### Get in touch

If you have any questions, please check out the Tyrewise website or get in touch with our team.

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