



**Tyrewise**

# Processor Application

**1-3-2 GD v3 – Proposed plant**

# The purpose of this document

This Processor Application Guide sets out the mandatory and desirable criteria for applicants to become a Registered Processor for Tyrewise. The criteria are set by Auto Stewardship New Zealand (ASNZ, the Product Stewardship Organisation (PSO) which governs Tyrewise)). This guide is designed for those who are **proposing to build a plant**, and to help you apply to be a registered processor while ensuring the mandatory criteria are met, as a minimum.

There is overarching regulation in place for regulated tyres and liable parties.

Obligations are set out in Acts and Regulations, including:

- [Waste Minimisation \(Tyres\) Regulations 2023](#)
- [Waste Minimisation Act 2008](#), section 10, 12, 22
- [General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020](#)
- [Declaration of Priority Products Notice 2020](#)
- [Regulations supporting tyre product stewardship](#)

## Support during the application process

Support during the application process is essential and will be provided by the Tyrewise Scheme Manager.

We will work with you so that fully completed applications are received and submitted through to review stage.

### Contact

Trevor Tutt, General Manager Innovation | [info@tyrewise.co.nz](mailto:info@tyrewise.co.nz) | 06 872 7325 | [www.tyrewise.co.nz](http://www.tyrewise.co.nz)

## Acknowledgements

We acknowledge that financial support has been received from the Tyre Stewardship Fee, which is administered by the Ministry for the Environment to fund Tyrewise, the Regulated Product Stewardship Scheme for Tyres.

## Disclaimer

The Ministry for the Environment does not necessarily endorse or support the content of the publication in any way.

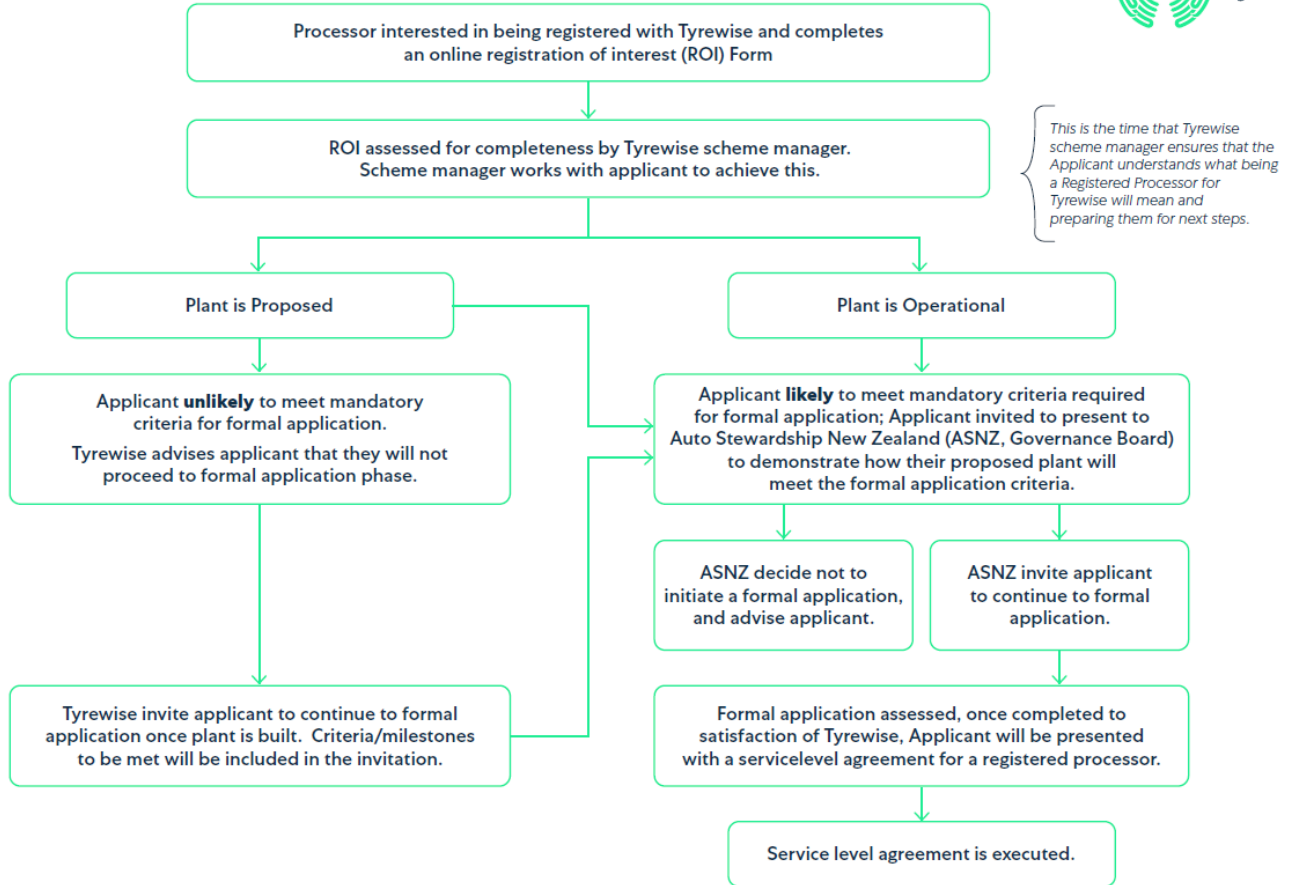
### Copyright

Reproduction, adaptation, or issuing of this publication for educational or other non-commercial purposes is authorised without prior permission of the copyright holder(s). Reproduction, adaptation, or issuing of this publication for resale or other commercial purposes is prohibited without the prior permission of the copyright holder(s).

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	2 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Overview of Application Process

## PROCESSOR REGISTRATION PROCESS



1317CR April 24

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	3 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

## Table of Contents

.....	1
The purpose of this document .....	2
<b>Support during the application process</b> .....	2
Contact .....	2
<b>Acknowledgements</b> .....	2
<b>Disclaimer</b> .....	2
Copyright .....	2
<b>Overview of Application Process</b> .....	3
Tyrewise .....	6
Mission .....	6
Guiding principles .....	6
Regulations .....	6
How Tyrewise works .....	7
Use of the Tyre Stewardship Fee .....	7
Eligible Sale .....	8
Proof of Eligible Sale .....	8
End-of-life Tyre Volumes .....	8
Anti-competitive behaviour, Cartel Conduct .....	9
No Lobbying .....	9
<b>Representations, Warranties, Commitments of Guarantees</b> .....	9
<b>Reservation of Rights</b> .....	10
<b>Confidentiality</b> .....	10
<b>Cost of preparing the application</b> .....	10
Applicant Requirements .....	11
Qualifications .....	11
Performance Requirements .....	11
Implementation and Operational Requirements .....	13
Applicant Process .....	14
Overview .....	14
Formal Application Steps .....	14
Applicant formally advises .....	14
Move to final stage .....	15
Applicant Qualifications .....	15
1. Capability .....	15
2. Capacity .....	16
3. Commitment .....	16

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page 4 of 28</b>	
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

4.	Reference .....	16
5.	Performance Requirements .....	16
6.	Program Stability and Sustainability .....	17
7.	Environmental Results .....	17
8.	Social Impacts.....	17
9.	Legal Disclosure.....	17
10.	Implementation and Operational Requirements.....	17
11.	Formal Application .....	18
	Application Modifications.....	18
	Application Withdrawal.....	18
	Evaluation.....	19
	Concurrent Negotiations .....	19
	Appendix A   New Zealand Market Failure .....	20
	Appendix B   Tyrewise Objectives, Targets, Timeframes and Monitoring.....	21
	Appendix C   Incentive Caps by type of product per financial year .....	26
	Appendix D   Weighting methodologies, incentives to support a “pull/push” market .....	27

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b> 5 of 28	
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Tyrewise

**Tyrewise is Aotearoa New Zealand’s regulated product stewardship scheme for the management of end-of-life tyres.**

Tyres were declared a priority product under the Waste Minimisation Act 2008 in July 2020. The [Waste Minimisation \(Tyres\) Regulations 2023](#) sets key aspects such as the timeline, fees, and which tyres are regulated.

Tyrewise is the scheme which participants must act in accordance with. It is accredited by the Minister for the Environment and governed by ASNZ, an incorporated charitable trust and the recognised Product Stewardship Organisation.

Participants are those who have successfully completed their registration with Tyrewise. Tyrewise helps all stakeholders demonstrate their commitment to environmental sustainability and responsible product stewardship of end-of-life tyres.

Tyrewise is the tyre supply chain’s regulated product stewardship scheme – you’re a key part of it and we want you to feel proud of your contribution to our collective success.

## Mission

Improve the value for end-of-life tyres in cost-effective and environmentally-sound ways.

## Guiding principles

The four guiding principles of Tyrewise set out the common values the tyre supply chain must demonstrate to achieve the intentions expressed in the mission statement (above) and the objectives (following). Collaborative efforts with all stakeholders will enable success.

The guiding principles are:

- To be collaborative
- To be economically effective
- To be environmentally sound
- To operate according to best practice

## Regulations

Obligations are set out in Acts and Regulations, including:

- [Waste Minimisation \(Tyres\) Regulations 2023](#)
- [Waste Minimisation Act 2008](#), section 10, 12, 22
- [General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020](#)
- [Declaration of Priority Products Notice 2020](#)
- [Regulations supporting tyre product stewardship](#)

In context to this document they:

- Prohibit the sale of regulated tyres except in accordance with an accredited scheme (Tyrewise).
- Provide for the collection of information (whole supply chain).
- Specify the purposes to which the Tyre Stewardship Fee must be applied.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	6 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# How Tyrewise works

- Tyrewise will minimise the environmental impacts of end-of-life tyres by managing them from collection through to processing. The Tyrewise Scheme Manager manages the operational aspects of the scheme on behalf of ASNZ.
- Payments provided by Tyrewise for collection and transport will create sustainable income streams, while incentives for eligible processing and manufacturing, along with research and development (R&D) grants, will stimulate the development of innovative end uses in the domestic market. The system, and its payments, are designed to correct a market failure where manufacturers and processors experience insecure supply.
- The Tyrewise Scheme Manager will track tyres via a network of registered participants, with processes to ensure tyres are kept from illegal dumping, stockpiling, and landfilling. Tyrewise will ensure end-of-life tyres move from collection through to processors to meet demand for Tyre-Derived Fuel (TDF) and Tyre-Derived Products (TDP) - in the right quantity and the right condition, to the right place at the right time.

## Use of the Tyre Stewardship Fee

The Tyre Stewardship Fee (the Fee) is used by Tyrewise for:

- management of the scheme
- tyre collection services
- incentive payments for processing and tyre-derived product manufacture, based on eligible sale to domestic market
- research & development and community grants
- monitoring of the scheme by Ministry for the Environment (this is set at 0.48% of the fee)

This ensures environmentally-sound outcomes and a clear chain of custody.

The Tyrewise Scheme Manager, through ASNZ, will report to the Ministry for the Environment on progress. It will also publish reports showing progress against the objectives.

The Fee is considered public funds and full accountability and transparency as to its use is required. This means that recipients of the Fee must be prepared to fully disclose their costs of operations to ASNZ and the Tyrewise Scheme Manager to ensure that the Fee paid (whether payment for services or an incentive) is not more than their expenses for which payment is made.

Data traceability and reporting obligations to deliver high levels of transparency for the use of the Fee are embedded from import of regulated tyres through to use of tyre-derived fuel or products in the domestic and export markets (through the Foreign End Market Verification system).

ASNZ Trustees, with the Tyrewise Scheme Manager, have the flexibility to determine the most cost-effective solutions to recover end-of-life tyres, or to favour the most sustainable outcomes. This creates effective control over management methods of end-of-life tyres.

The Tyrewise Scheme Manager ensures tyres are collected nationwide in the most cost-effective way. The Fee is used to pay for registered transporters to collect tyres, from registered collection sites and generators, and deliver them to the nearest eligible registered processor with the capability and capacity to accept the end-of-life tyres for processing into TDP/TDF.

The incentive payments to registered processors and manufacturers are based on eligible sale to the domestic market.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	7 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Eligible Sale

Eligible sale means sale of tyre-derived product or tyre-derived fuel in accordance with the Incentive Schedule published on [www.tyrewise.co.nz](http://www.tyrewise.co.nz).

Processing and Manufacturing incentives are only payable on eligible product sold in the domestic market, in accordance with proof of eligible sale.

## Proof of Eligible Sale

An eligible sale is defined as sale of tyre-derived product or tyre-derived fuel from registered processors or manufacturers to the domestic market as “an arm’s length transaction”. A transaction is at arm's length if the price is not affected by any relationship between the buyer and seller, or if there is no compensation or reimbursement, other than price. (Ref [www.mbie.govt.nz](http://www.mbie.govt.nz)). Related persons and companies are deemed not to be dealing with each other at arm’s length.

**Related persons** are generally those connected by blood, marriage, or adoption.

**Related companies** include those in which one company owns a significant interest in the other, or where the shareholder of one company owns a significant interest in the other company. The determination of whether an interest is significant will be at the sole discretion of the PSO (ASNZ), and reasonableness will be the key. Company/shareholder may be replaced with partnership/partner for the purposes of this definition.

Proof of eligible sale will be required before any incentive payment is made.

The requirement for an arm’s length transaction is waived when the registered participant is both a processor and a manufacturer. When the same entity is claiming both a processing incentive and a manufacturing incentive for the same product, the processing incentive is only payable once eligibility for a manufacturing incentive has also been achieved.

The obligation is on the registered participant to provide evidence that a transaction is/was at arm’s length. If the registered participant fails to meet the evidence threshold, the claim will not be considered at arm’s length and consequently will not qualify for the incentive payment.

Evidence of eligible sale requirements will be further described in any Service Level Agreement with registered participants.

# End-of-life Tyre Volumes

Through the application process, we are looking for innovation. We will consider applications based on the volume requirements for operating viable business models.

We are actively seeking to mitigate risk to Tyrewise by having more than one principal processing location in each Island, and will encourage additional lower volume processors (primary or secondary).

Each Service Level Agreement awarded will be unique, based on the needs of the processor - including volumes, incentive payments, products produced, and ready markets.

Tyrewise can, and may, provide incentives to encourage value-added processing by various product categories. It is possible a processor will also be eligible for funding from the Research and Development funding stream to support the market development of new products. If so, this would be covered by a separate application process. Overall, the total pool of incentive funding available cannot be exceeded, and must be affordable, to ensure the long-term financial viability of Tyrewise.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	8 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				



# Anti-competitive behaviour, Cartel Conduct

Anyone who runs a business in New Zealand must comply with the Commerce Act, which aims to promote competition in markets for the long-term benefit of consumers. Applicants are reminded to avoid anti-competitive practices between businesses which can undermine market competition.

One of the most severe forms of anti-competitive behaviour is called cartel conduct. A cartel is when two or more businesses which sell the same product, or provide the same services, agree not to compete. Critically, individuals and businesses who intentionally engage in cartels in New Zealand can be subject to criminal penalties.

Cartel conduct can take various forms and can include:

- Price fixing** This term refers to when parties work together to control the price of goods and services. For instance, parties may agree not to go above a certain price.
- Restricting output** Restricting output means agreeing to reduce or prevent the production of products to decrease supply and increase prices.
- Market allocating** This activity involves competitors agreeing to not be in competition with the other in the same geographical area.

ASNZ reserves the right to discontinue progressing any application, at their sole discretion, in respect of breaches of the Commerce Act.

## No Lobbying

All participating parties involved in the application process are hereby prohibited from engaging in any form of lobbying activities, directly or indirectly, aimed at influencing the decisions, judgments, or outcomes of this application process. Lobbying activities include but are not limited to:

- Direct or indirect communication with ASNZ Trustees or the Tyrewise Scheme Manager decision-makers, evaluators, or any other personnel involved in the application review process, with the intent to sway decisions in favour of any particular party.
- Offering or providing any form of gifts, favours, or inducements to ASNZ Trustees or the Tyrewise Scheme Manager.
- Any attempt to influence the process through personal relationships, political connections, or other means outside the scope of the defined evaluation criteria.
- Making false or misleading statements regarding qualifications, capabilities, or any other aspect related to the application submission.

All parties submitting applications acknowledge their understanding of this clause and agree to comply fully with its terms. Any violation of this clause will disqualify the offending party's application.

## Representations, Warranties, Commitments of Guarantees

ASNZ Trustees and the Tyrewise Scheme Manager make no, and expressly disclaims any, representations, warranties, commitments of guarantees in respect to any minimum or maximum value of incentives to be paid which are not covered in the eventual Processor Service Level Agreement.

In addition, we reserve the right to permanently, or temporarily, divert delivery of end-of-life tyres away from any processor where there are planned/unplanned operational shutdowns, unacceptably high inventory levels of end-of-life tyres, or under-processed material, high inventories of tyre-derived product or tyre-derived fuel or other low-value end products. The agreed inventory levels will be set down in the Processor Service Level Agreement.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	9 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

## Reservation of Rights

This Processor Application Guide does not commit ASNZ Trustees nor the Tyrewise Scheme Manager to select an applicant, or enter into any agreement, and we reserve the complete right to reject all applications, in whole, or in part, at any time.

## Confidentiality

All applications submitted become the property of ASNZ and will be received and held in confidence in accordance with and subject to applicable laws.

## Cost of preparing the application

The applicant is responsible for all costs it incurs in the preparation of the application.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	10 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Applicant Requirements

Together we are kaitiaki, working to end tyre waste in every community in Aotearoa New Zealand.

Set out below are the mandatory criteria established by ASNZ for a Registered Processor for Tyrewise (the Scheme) that must be met by the applicant.

Also identified are desirable criteria which, if met by the applicant, will receive due consideration.

In order not to restrict ASNZ, Tyrewise, or the applicant, the criteria have not been explicitly defined. They should, however, demonstrate how they will enable Tyrewise to meet its mission to improve the value for end-of-life tyres in cost-effective and environmentally-sound ways.

## Qualifications

We are interested in what qualifies you to make this proposal. The applicant must have the capability, capacity, and commitment to deliver as proposed. Those three criteria are generally described as follows:

<b>Mandatory</b>	
<b>Capability</b>	The expertise, experience, and technology to process tyres, and to sell the products produced (tyre-derived products and/or tyre-derived fuel).
<b>Capacity</b>	The corporate and financial resources required to build and operate the infrastructure needed to process and sell the proposed volumes.
<b>Commitment</b>	The commitment to deploy the resources as required and to enter a long-term contractual relationship with ASNZ for Tyrewise.
<b>Desirable</b>	
<b>Off the road Tyres</b>	Tyrewise is required to collect and process all regulated tyres, which includes those which are classed as Off the road tyres (OTRs). These are typically larger than truck tyres. As at 1 March, 2024, New Zealand lacked the processing capability and capacity to process these tyres. It is desirable that these tyres are in scope of your processing.

## Performance Requirements

The following performance requirements enable Tyrewise to meet the long-term objectives.

<b>Mandatory</b>	
<b>Cost Reduction</b>	<p>Tyrewise is bound to ensure that the Tyre Stewardship Fee is not used on theoretical or perceived market rates. This includes ensuring that the Fee is used to incentivise the highest use/best value for processing end-of-life tyres.</p> <p>The applicant should work with the Tyrewise scheme manager to reduce, over time, the Cost of Goods Sold (COGS). The applicant will share metrics on how they will use monitoring to pinpoint inefficiencies and areas for improvement to reduce reliance on the incentive.</p>
<b>Programme Stability and Sustainability</b>	Work with the Tyrewise scheme manager to deliver on the scheme objectives, performance measures, and targets. See Appendix B

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	11 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

	Applicants must also demonstrate how they will contribute to the stability of Tyrewise.
<b>Environmental Results Maintained or Improved</b>	<p>Tyrewise is a regulated product stewardship scheme. This means that, over a 7-year accreditation period, it must deliver improved recycling targets annually from the current baseline.</p> <p>The applicant must demonstrate how their processing operation will not result in Tyrewise exceeding its overall production caps. See Appendix B.</p>
<b>Social Impacts Enhanced</b>	Processors are required to comply with the Health and Safety at Work Act 2015, the National Environmental Standard for Outdoor Storage of Tyres, and all other applicable laws and by-laws, as well as the Tyrewise Code of Participation.
<b>Legal Disclosure</b>	The Tyrewise scheme is funded by the Tyre Stewardship Fee, which is akin to use of public money. This means that there is substantial obligation to ensure that any entity that is given access to that public money through the registration process meets the disclosure and subsequent due diligence processes.
<b>Desirable</b>	
<b>Cost Reduction</b>	<p>Financial incentives paid to processors are the second-largest expenditure item for Tyrewise. ASNZ will consider applications where existing incentives would be significantly reduced, and committed to, by the processor in a Service Level Agreement. These will be evaluated using the Weighting Methodologies (Appendix D).</p> <p>Examples include innovative new product markets, or processes which require lower processor incentive rates due to efficiencies which will lower the processor's costs for production, sale, or delivery.</p>
<b>Programme Stability and Sustainability</b>	The long-term sustainability of Tyrewise will be assured through continuous product and marketing innovation. Additional value in products manufactured for the domestic market will be recognised through incentive placement. Applicants must demonstrate how this level of sustainability will be advanced.
<b>Environmental Results Maintained or Improved</b>	We expect continuous improvement in managing environmental impacts of all registered participants' operations. There is a particular focus on the reduction of greenhouse gas emissions (GHG). Due consideration will be given to recycling solutions which can achieve independently verified, significant reductions in GHG emissions.
<b>Social Impacts</b>	We recognise the value of the tyre-recycling industry to the economics and fabric of our communities. The social impacts of applications will be taken into consideration, including job creation or retention.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	12 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Implementation and Operational Requirements

New applicants are subject to all Tyrewise policies governing the operation of the scheme, as amended from time to time.

Those with a direct impact on the application process are:

- Code of Participation 1-3-1 CA
- Incentive Schedule Review Policy 26-1-7 PD
- Uses for end-of-life tyres weighting methodology 1-3-7 CR

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	13 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Applicant Process

The application process has two steps with both pre-application and formal application information requirements. The process and steps are outlined below.

## Overview

The applicant is encouraged to submit a registration of interest (ROI) to become a Registered Processor. This application can be found by clicking this link [Register Now And Get Involved - Tyrewise, New Zealand](#). A handy checklist of questions can be found here [Tyrewise-Registration-Checklist.pdf](#)

Registration takes the applicant through a discovery process about their intended plant location, capacity, markets, and stage of development. It also provides the Tyrewise scheme manager with key contact people for discussing the proposed processing operation.

It is critical you have a thorough understanding of the Tyrewise scheme before submitting an ROI. You can do this by reading, at a minimum, the following documents available on [www.tyrewise.co.nz](http://www.tyrewise.co.nz):

- Code of Participation 1-3-1 CA
- Incentive Schedule Review Policy 26-1-7 PD
- Programme Policies (Tyrewise Toolbox)
- This document

The Tyrewise scheme manager will also take you through what is required to submit a formal application for consideration as a registered processor.

Once you have completed the ROI, we will advise you on whether to progress to a formal registration application.

Please note, this process can take up to a month depending on how much information is provided at the ROI phase.

## Formal Application Steps

### Applicant formally advises.

**The applicant formally advises Tyrewise scheme manager that they wish to proceed with a formal application.**

The Tyrewise scheme manager will arrange for the applicant to present their formal application to ASNZ, demonstrating the components listed below. This will be an in-person presentation held in Auckland, typically of two hours in length. This presentation will be attended by the ASNZ Trustees, Tyrewise scheme manager, and industry technical advisor/s (non-competitive to the applicant).

A Non-Disclosure Agreement is offered to the applicant at that time.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	14 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

The applicant is responsible for convincing the panel of their capability, capacity, and commitment to deliver as proposed, that there is a reasonable opportunity and probability of achieving the mandatory performance requirements, and their compliance with Tyrewise regulated product stewardship scheme policies.

This process can take up to two months depending on preparedness of the applicant.

### Move to final stage.

Following the presentation, ASNZ may decide not to register the applicant.

If, after due consideration of the proposal as explained by the applicant, ASNZ is not convinced there is a compelling case to advance the application to its final stage, the applicant will be advised accordingly.

This decision will be final.

This process can take up to one month.

If ASNZ has been convinced that there is a compelling case, and that a full and thorough consideration of the applicant’s proposal is warranted, ASNZ may decide to progress the applicant to the final stage. A letter advising progression to the final formal application phase will be sent to the applicant. This may outline requirements ASNZ wish to include from the presentation. These will be outlined in writing and will include the expected date for delivery of the final stage application.

## Final Application Information Requirements

The following information must be submitted as a formal application pack to ASNZ using the Tyrewise - Form Processor Applications - Proposed Plant - 1-3-5 F which can be found on <https://www.tyrewise.co.nz/tyrewise-toolbox/> and then scroll down to For Processors and Manufacturers

The applicant is invited to add any detail they deem necessary to fully explain their proposal and to convince ASNZ that it meets all mandatory criteria.

Similarly, the applicant is also encouraged to provide information on its ability to meet the desirable criteria.

Note that the following may be modified if not appropriate to the applicant’s proposal.

### Applicant Qualifications

#### 1. Capability

- a) Include your contact details, proposed location of processing plant, and any contact information for partners which will be involved in the processing operation.
- b) Provide background information on your company and any partners.
- c) The year the processing plant is to be established.
- d) Corporate ownership and hierarchy, including identifying any arm’s length relationships which may be applicable to this application.
- e) Area of operation (if national, state that).
- f) Strategic intent/direction for processing operation.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	15 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

- g) Area of recognised expertise in the domestic market (generally) and specifically for the processing plant.
- h) Detail your experience in tyre recycling, including specific expertise, size, revenues, and geographic coverage.
- i) Describe your experience in the design, development, implementation, and operation of a recycling solution, including sourcing and processing raw material through to product marketing. The information provided should demonstrate how this experience is relevant to Tyrewise.
- j) Explain your understanding of the unique challenges and issues in working in the recycling sector and how you propose to address them, such as where supply of raw material exceeds supply. Describe your experience, using real examples, of working with multiple stakeholders in the recycling sector.

## 2. Capacity

- a) Provide evidence of your organisation’s current financial stability and solvency.
- b) Demonstrate your capacity to design, build, implement and operate processing services at the scale needed to be viable. Specifically demonstrate that you have the people, processes, technology, and infrastructure to delivery as proposed.
- c) Confirm that you do not need to be a registered processor to secure financing for the operation proposed.

## 3. Commitment

- a) Confirm, and elaborate on, your commitment to deploy your resources as required to achieve the performance targets proposed, and your willingness to enter a long-term contractual relationship with ASNZ/Tyrewise at fixed processing incentive rates for (x) years.

## 4. Reference

- a) References may be required; supply any references of relevance to the application.

## 5. Performance Requirements

- a) Describe any innovations you are proposing which will allow you to operate at programme incentive rates which are significantly lower than today.
  - a. Processing innovation
  - b. Product innovation
  - c. Market innovation
- b) For each of your proposed products, confirm the volumes you must produce and sell, and the incentive rates you would require, to be viable and sustainable. Explain how the rates you are requesting align with your operating costs.
- c) Identify the volume of end-of-life tyres, by tyre category, you need to support the incentives you are requesting.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	16 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				



## 6. Program Stability and Sustainability

- a) Confirm your plant design capacity. What are your long-term capacity plans?
- b) Provide your assessment of the impact of new competition for tyre-derived product/tyre-derived fuel supplies on programme stability and sustainability, and environmental results. How will these mandatory requirements be assured?
- c) Identify the size, stability, and diversity of the markets for the proposed products.

## 7. Environmental Results

- a) Confirm the percentage of rubber in each tyre-derived product as listed in Appendix C (capped incentives per year).
- b) Provide as much information as possible to support the relative GHG efficiency of your proposed operation, as compared to other tyre recycling operations.

## 8. Social Impacts

- a) Identify and substantiate the number of new jobs created, or the impacts on existing jobs, if any.
- b) Identify the hazards and risks to human health and safety typically associated with the tyre recycling industry. What steps will you take to mitigate those risks?

## 9. Legal Disclosure

- a) The applicant must disclose any past, current, or pending court actions, including but not limited to any pending litigation, regulatory investigations, or compliance issues, civil, criminal, statutory offence, or administrative proceedings. This includes any actions involving the applicant or its directors, or key personnel.
- b) The disclosure should include:
  - a. The nature of the proceedings.
  - b. The parties involved.
  - c. The current status and any outcomes, if applicable.
  - d. Any perceived impact on the applicant's performance as a Registered Processor
- c) Failure to disclose legal proceedings may result in disqualification from the application process or termination of any resulting Service Level Agreement.

## 10. Implementation and Operational Requirements

- a) Provide a project plan which outlines the key stages, steps, and milestones in the implementation of your proposal.
- b) Provide a high-level, pro-forma financial forecast from the implementation phase through the first two years of full operations.
- c) Describe your ability to manage risk through implementation and ongoing operation phases.
- d) Confirm that your proposal supports Tyrewise objectives and targets, as currently defined in Appendix B.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	17 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

## 11. Formal Application

Detailed below are the expectation for both the applicant and ASNZ/Tyrewise.

1. The applicant submits the formal application.
2. ASNZ will return incomplete applications.
3. ASNZ will confirm acceptance of complete application.
4. ASNZ conducts its review of the complete application.
5. During the review period, ASNZ will notify the applicant by email where additional information is required. The applicant will be required to submit any additional information within the timeframe prescribed by ASNZ.
6. ASNZ may, at its sole discretion, require stakeholder input or independent expert advice to further validate information submitted in the application, within the bounds of commercial confidentiality.
7. Upon completion of its review, ASNZ advises the applicant and the Ministry for the Environment, in writing, of its decision to deny or approve the application. ASNZ decision is final.
8. If approved, the applicant will be issued a letter setting out the conditions of the approval and mandatory time periods to be met for first approval.
9. If denied, the applicant will be issued a letter of confirmation.
10. Upon fulfilling the conditions of approval, the applicant will execute the current Processor Service Level Agreement with ASNZ to become a registered processor.

## Application Modifications

If submitted prior to the agreed submission date, amendments to a submitted application will be accepted if received in writing, by mail or email to [info@tyrewise.co.nz](mailto:info@tyrewise.co.nz), prior to the agreed submission date. All amendments must be endorsed by the applicant who submitted the proposal.

## Application Withdrawal

An applicant may withdraw an application, without prejudice, providing a written request is received by mail or email before the closing date. Advice of withdrawal must be endorsed by the applicant who was the recipient of the invitation to proceed.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	18 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

## Evaluation

All applications will be reviewed and evaluated by the ASNZ Trustees and their reviewers. Their intention is to progress applications which best meet the needs of Tyrewise, the regulated scheme.

Applicants will be assessed on delivery of the Application Qualifications 1 – 10. No set weighting is placed against any one criterion, except for the weighting methodologies used to determine incentive payments if the product produced is not already on the published incentive schedule.

The successful applicant will have demonstrated:

- their willingness to meet all scheme requirements.
- their willingness to work with Tyrewise in a collaborative partnership.
- a focus on producing higher-value end products.
- their shared understanding of the importance of the financial viability of both the processor and Tyrewise
- a commitment towards transparency and reporting of operations / sales data and financial statements, as required by Tyrewise.
- the importance of continuous improvement and efforts towards finding cost efficiencies for Tyrewise; and
- their ability to operate within the requested annual volume of end-of-life tyres.

## Concurrent Negotiations

ASNZ may enter concurrent negotiations with one or more top ranked applicants. During negotiations, ASNZ may request additional information from applicants to reach an agreement. It may also request application improvements from each applicant. If this process is undertaken, the applicant will be invited to revise its initial application based on these negotiations.

This process is usually triggered by one or more of the following:

- the need to confirm assumptions under which their application was developed.
- conducting whatever due diligence is deemed reasonable and necessary under the market conditions prevalent at the time
- proposing revisions to an application based on the results of any activities discussed during the evaluation process
- or provision of more specific and detailed applications in areas identified during the evaluation process

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	19 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Appendix A | New Zealand Market Failure

As at 1 March 2024

Prior to Declaration 2019	Post Declaration 2020 onwards
There is no level playing field for all industry participants	Remains
There is a lack of supporting legislation for the transport and storage of end-of-life tyres (ELTs)	Addressed through National Environmental Standard for Outdoor Storage of Tyres
Lack of secure supply of ELTs for processors “at the right product, in the right quantity and the right condition, to the right place at the right time for the right customer at the right price”	Remains
Disparate sector where undercutting each other is common practice	More established network of end-of-life tyre collectors, processors, and some emerging end-market solutions. Increase in integrated supply chain.
“Environmental/Disposal” fee charged to customers by retailers does not remain with the tyre for management at end-of-life	Some change as increased pressure on tyre supply chain to be transparent and sustainable.
Stockpiling to excess and illegal dumping cost ratepayers to clean up (fires, liquidation)	Remains

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	20 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

# Appendix B | Tyrewise Objectives, Targets, Timeframes and Monitoring

These objectives are applicable to all registered participants. They set out what Tyrewise will achieve (i.e., what difference the scheme will make to New Zealand and New Zealanders) and the measures we will use to show the scheme is on track. In addition, these objectives describe specifically what this Code of Participation should achieve.

<b>Objective</b> <i>Describe the tangible outcomes your scheme is trying to achieve</i>	<b>Target</b> <i>Measurable values that show progress towards objective</i>	<b>Timeframe</b> <i>Realistic and achievable timeframes</i>	<b>Monitoring targets</b> <i>Describe how you will measure and monitor the targets</i>
<b>1. Transparent and accurate reporting of tyre movements and financial transactions (waste tracking and payment systems).</b>	<p>The Scheme Manager will effectively manage the Tyrewise software (waste tracking tool) which is made up of the waste tracking system and the scheme participants payment system to:</p> <ol style="list-style-type: none"> <li>Provide a high-quality service to users.</li> <li>Record information about mass balances including materials flow from collection to reuse.</li> <li>Transparently provide this information to the Ministry and the Public (in aggregated form if required to protect commercially sensitive information).</li> </ol>	<p>Baseline measurement is nil.</p> <p>First year of the scheme the public dashboard is available which is a graphical representation of ELT movement through the supply chain from collection to processing updated at the end of each working day.</p> <p>The first quarterly report will have been delivered fulfilling reporting requirements by the scheme to the Crown.</p> <p>Through the balance of the accreditation period (7 years) high quality standards of data collection and reporting should be maintained.</p>	<p>The use of the dashboard will be evidenced by website analytic reports.</p> <p>Use of recorded data about mass balance information including materials flow from collection to reuse (and the associated payments) will be used support Objectives 1, 4, 5 &amp; 6 including the shift in volume from TDF (low value use on the waste hierarchy to TDP (manufactured products at the top of the waste hierarchy).</p>
<b>2. Tyre transportation volumes</b>	<p>Registered tyre transporters will transport via established <u>but registered</u> collection networks (e.g., tyre retailers, transfer sites and generators) and/or new registered collection services (e.g., community collection centres).</p> <p>Registered tyre transporters will deliver ELTs to registered tyre processors.</p>	<p>Baseline is nil.</p> <p>First year of the scheme more than 17,000 tonnes of ELTs will be delivered to registered processors by registered transporters.</p> <p>By year seven of the scheme, more than 60,000 tonnes of ELTs will be delivered to registered processors by registered transporters (<i>based on projections used for the Financial Model Nov 2023</i>)</p>	<p>Measurement is via the Tyrewise software (waste tracking tool) and scheme participants payments system records actual volumes transported and actual payments made for transport.</p> <p>The public dashboard runs off the Tyrewise website giving a graphical representation of tyres transported through to processing updated at the end of each working day.</p>

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	21 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

<p><b>3. Take-back service (tyre collection network)</b></p>	<p>Nationwide collection sites, being both existing established services (e.g., tyre retailers, transfer sites and generators) will receive tyres from their own activities / services provided to customers, and new collection services (e.g., community collection centres), will receive tyres from consumers at up to 5 tyres per visit. This is to provide a free and accessible take-back service. All tyres received by collection services will enter the scheme via registered transporters (as specified in Objective 2).</p>	<p>First year of the scheme</p> <p>By 1 March 2024 the scheme will have registered all tyre retailers who are taking back end of life tyres – expected to be more than 6,000.</p> <p>By 1 September 2024, all sites will be registered, and an accurate baseline measurement will be reported that will constitute baseline national coverage.</p> <p>Forecast year one risks of tyre leakage down-stream is said to be 10% of tonnage available to Tyrewise (6,200 tonnes).</p> <p>By year seven of the scheme risks of tyre leakage down-stream of collection sites will have been managed to 5% of tonnage available to Tyrewise (3,100 tonnes).</p>	<p>Tyrewise will quantify the number of tyres received at collection sites for the purposes of:</p> <ul style="list-style-type: none"> <li>• Future market analysis (Obj. 6)</li> </ul> <p>Identifying and reconciling tyre leakage down-stream of collection (refer to Risks and Mitigations).</p> <p>Annual reporting that demonstrates nationwide free and accessible take-back service.</p>
<p><b>4. Tyre processing volumes</b></p>	<p>Fee incentive payments will be made to registered tyre processors to support the processing of tyres into tyre-derived products (TDP) or tyre-derived fuel (TDF).</p>	<p>Baseline is nil.</p> <p>During the first year of the Tyrewise scheme incentive payments for more than 14,000 tonnes of tyres into tyre derived products / fuel (TDP or TDF) will have been paid out.</p> <p>By year seven of the Tyrewise scheme incentive payments for more than 60,000 tonnes of tyres into tyre derived products / fuel (TDP or TDF) will have been paid out annually.</p>	

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	22 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

**5. Accurate budget estimation, spending, and forecasting.**

**Costs of recoverable activities under Tyrewise per EPU cannot exceed the Tyre Stewardship Fee set at \$6.65/EPU based on revenue collected on regulated tyres.**

The PSO will report on budget spends to support annual operational costs and develop future annual budgets demonstrating how and where the Fee will be spent in successive years of the scheme to support the mission statement of Tyrewise “Improving the value for end-of-life tyres in cost effective and environmentally sound ways.”

For year 1 the ratio of expenditure / EPU is forecast to be:

PER EPU data	\$	6.65	%
Year		1	1
Governance	\$	0.18	3%
Enforcement	\$	0.04	1%
Management	\$	0.34	5%
Promotion/education	\$	0.32	5%
Collection Payments	\$	0.08	1%
Transport Payments	\$	3.61	54%
Processing Payments	\$	1.49	22%
R&D and Community Development	\$	0.60	9%
	\$	6.65	100%

Future budgets shall be formally captured in an annual Variation [of the Deed of Delivery between the Crown and the PSO] to be developed towards the end of Year 1.

By Year 7 with market stabilisation, efficiencies and investment in market infrastructure the ratio of expenditure / EPU is forecast to be:

PER EPU data	\$	6.65	%
Year		7	7
Governance	\$	0.17	3%
Enforcement	\$	0.04	1%
Management	\$	0.32	5%
Promotion/education	\$	0.15	2%
Collection Payments	\$	0.08	1%
Transport Payments	\$	3.57	54%
Processing Payments	\$	2.16	32%
R&D and Community Development	\$	0.17	3%
	\$	6.65	100%

\*Source Financial Model – Nov 2023

**THESE FIGURES ARE BASED ON AN AVERAGE PER ACTIVITY AND ARE NOT A PRICE LIST. THERE ARE NO PRICE PER EPU PAYMENTS MADE.**

- Transport payments are based on tender.
- Incentive payments are based on the incentive schedule

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page 23 of 28</b>	
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

<p><b>6. Market Growth and Investment Strategy.</b></p>	<p>Tyrewise will work towards the future development (i.e., Years 2+) of a Market Growth and Investment Strategy to ensure that any investments improve upon the national tyre management network. It will detail the proposed expansion of Aotearoa New Zealand’s end-of-life tyre market from the status quo to a robust national network and domestic economy *</p> <p><i>*Reference the Tyrewise Business Plan – Nov 2023 for detail on the envisaged domestic economy.</i></p>	<p>Year 1 activities include:</p> <ul style="list-style-type: none"> <li>• Measurement of baselines to track progress from the status quo.</li> <li>• All assessments and reports to the Ministry should consider how Tyrewise plans to use the information collected by the Scheme to continue to grow New Zealand’s ELT market, so as to be formally captured in the Market Growth and Investment Strategy in future years of the Scheme’s operations.</li> </ul> <p>Tyrewise will receive applications and proposals for market development grants such as R&amp;D grants, community or infrastructure investments, though no grants will be offered in the first year and any grants subsequent to the first year will be subject to availability of funds collected from the Fee.</p>	<p>Delivery of the Market Growth and Investment Strategy.</p> <p>Tracking against the vision for the robust domestic economy for end-of-life tyres as expressed during the scheme design process and captured in the Tyrewise Business Plan – Nov 23.</p>
<p><b>7. Participant awareness/satisfaction:</b></p>	<p>Survey (intended to be conducted annually) will be conducted across all registered participants and stakeholders to gauge satisfaction of the services received from or provided to Tyrewise (e.g., the waste tracking system, incentive payments). This survey(s) should also clarify the capabilities, sentiment, and make-up of the regulated community.</p>	<p>Baseline awareness/satisfaction measurement nil.</p> <p>By the end of the first year of the Tyrewise Scheme initial survey conducted which will cover 6 months of operations (from 1 September 2024 to 28 February 2024).</p> <p>This will be used to establish a baseline for each community of registered participants.</p>	<p>Surveys continue to demonstrate an upwards trend in awareness/satisfaction measurements against the baseline established in the first year.</p>
<p><b>8. Compliance and audits.</b></p>	<p>Robust compliance processes will be established to mitigate risks.</p> <p>Annual audits of any registered participant of the scheme that undertakes tyre movements (e.g., tyre retailers, collection sites, tyre transporters and tyre processors) will be conducted to ensure that registered participants comply with the</p>	<p>During the first six months of the Tyrewise Scheme from 1 March 2024 to 31 August 2024, compliance processes in draft will be firmed up as they are put in place in readiness for operational launch 1 September 2024.</p>	<p>Identified non-compliance with tyre importers loose and on vehicles (sale not in accordance with the scheme) are expedited to the regulator (MfE) through an agreed process.</p> <p>Quarterly compliance reports show gradual reduction of non-compliance as</p>

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page 24 of 28</b>	
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				



	Waste Minimisation (Tyres) Regulations 2023, policies of Tyrewise such as the Code of Participation and any local bylaws and relevant National Environment Standards.	By year seven compliance reports should be by exception after seven years of scheme operations.	regulated participants engage with Tyrewise.
--	---	---	--

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b> 3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b> 25 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.			

## Appendix C | Incentive Caps by type of product per financial year

Tyre Derived Fuel, Tyre Derived Product (including engineered solutions) market caps per year for incentive payments per eligible sale to the domestic market.

Year	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7
	1 Sept 24 – 31 Mar 25	1 Apr 25 – 31 Mar 26	1 Apr 26 – 31 Mar 27	1 Apr 27 – 31 Mar 28	1 Apr 28 – 31 Mar 29	1 Apr 29 – 31 Mar 30	1 Apr 30 – 31 Mar 31
<b>Tonnes available for recovery on which Fee has been paid</b>	<b>56,023</b>	<b>56,240</b>	<b>58,340</b>	<b>59,828</b>	<b>60,064</b>	<b>60,303</b>	<b>60,544</b>
Tyre Derived Fuel TDF1 and TDF2 (T)	22,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Tyre Derived Materials Processed from Feedstock:</b> Varying sized crumb used as end use functional product or as raw material for a secondary process e.g., Mulch, Landfill Engineering, Equestrian Arenas, Civil engineering, Tyre Derived Aggregate							
<b>BALANCE Tyres in Engineered Solutions / Tyre Derived Products</b>	<b>34,023</b>	<b>26,240</b>	<b>28,240</b>	<b>29,828</b>	<b>30,064</b>	<b>30,303</b>	<b>30,544</b>
Tyres in Engineered Solutions Whole Tyres TW1							
Rubber Powder TDP1							
Rubber Granulate Uncoloured TDP2							
Rubber Chip TDP3							
End use / Fabricated products TDP4							
Rubber Granulate Coloured TDP5							
Carbon Black TDP6							

<b>CONTROLLED RECORD</b>	Tyewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page 26 of 28</b>	
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

## Appendix D | Weighting methodologies, incentives to support a “pull/push” market

The use of incentives from the Tyre Stewardship Fee is to support and generate demand for recycled rubber products generated from recycled rubber content as an output from processing waste regulated tyres. Tyrewise uses these incentives as the main mechanism to encourage investment by the market to resolve market failures, and to increase the value of tyre derived material up the waste hierarchy.

The incentives are weighted using a methodology which considers cost efficiency (e.g., economic, minimum feedstock required), and resource recovery effectiveness (environmental, social, other) against what is currently being produced in New Zealand. In future it will include what market we want to stimulate (future product). The weighting process is undertaken across the supply chain to ensure a range of views and expertise are factored into the aggregated score.

The methodology for creation of ranking and weighting for beneficial end use of ELTs in the domestic market (1-3-7 CR) can be found on [www.tyrewise.co.nz](http://www.tyrewise.co.nz). From 1 September 2024, the following score per process guides the incentive schedule.

<b>CONTROLLED RECORD</b>	Tyrewise - Guide - Processor Application - 1-3-2 GD v3- Proposed Plant.docx	<b>Effective Date</b>	1 March 2024	<b>Version #</b>	3
<b>Authorised by</b>	ASNZ Trustees & Tyrewise Scheme Manager CE	<b>Review Date</b>	As required	<b>Page</b>	27 of 28
<b>Warning</b>	This document when printed is uncontrolled. The current version of this document is available online.				

**Tyre Processes Table: Possible in New Zealand (last review July 2019)**

Alternative Processes for ELTs	Products within each process	Environmental					Economic						Social Rating	Waste Management Hierarchy	Total Score
		Are there limitations on the types of tyres that can be processed?	Will the process fulfil all the International, National and Local legislative requirements?	Will the process create a reduction in the use and/or import of virgin materials or products in New Zealand?	Will (or does) the process completely recycle (eliminate) all materials derived from the ELT?	Will (or does) the process create any environmental hazards and / or emissions whilst being undertaken?	Is there market demand for the end use product in New Zealand?	Is the market for the end use product viable and expected to continue in the long term?	Is the ELT market large enough to sustain the process?	Is the process self funded? I.e. revenue generated from the end use market covers the cost of processing the ELT.	Could the processing improve existing infrastructure?	Will the processing be in a geographic location which is close to a significant volume of the ELTs?			
		AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	AGGREGATED SCORE	
<b>TW 1</b> Whole Tyres	Used tyres for reuse, Retread, Civil Engineering (Baled - Retaining Walls, Temporary Roads, Sea Embankments), Farms	2	3	2	4	4	2	3	4	3	2	4	4	30	<b>67</b>
<b>TDF 1</b> Further use – Shred in a destructive process	TDF (Cement Works, Pulp and Paper, Power Generation, Industrial Boilers, Tyre Manufacture), Mining, Carbon and Steel Recycling (Foundries, Steel Works)	5	3	5	5	2	5	5	5	2	4	5	6	10	<b>62</b>
<b>TDP 1</b> Ambient and Cryogenic material recovery	Varying sized crumbs with either an ambient or cryogenic finish.	5	3	5	4	4	5	5	5	2	3	3	6	20	<b>70</b>
<b>TDP 2 &amp; 5</b> Further use - Crumb as an additive in a product	Moulded Products, Adhesives, Artificial Turf (Sports Grounds), Sporting Arenas, Rubber Asphalt, Concrete	5	4	5	3	3	5	5	5	2	4	5	7	20	<b>73</b>
<b>TDP 3</b> Further use - Crumb as an end-use functional product	Mulch, Gardens, Landfill Engineering, Equestrian Arenas, Civil Engineering	5	3	3	3	5	3	3	5	2	1	5	4	20	<b>62</b>
<b>TDP 6</b> Further use - Crumb in a secondary process	Pyrolysis (Oil, Char - Carbon Black, Energy, Blended Diesel Fuel)	5	3	2	3	2	2	3	5	2	3	5	6	20	<b>61</b>
Devulcanised Compounds	Not in NZ market.	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>NA</b>