

22 August 2024

Mr Gavin Jones
Australian Competition and Consumer Commission
Level 17, Lonsdale Street
MELBOURNE VIC 3000

BY EMAIL

Dear Mr Jones

Tyre Stewardship Australia's (TSA) response to the ACCC's request for responses to specific questions dated 16 July 2024.

We refer to the ACCC's request by email that TSA addresses specific issues raised in submissions.

Please find attached our response as Schedule 1 to this letter (Response).

The Response is submitted to clarify the matters raised by the ACCC and is not intended to vary the terms of the Application.

Please let us know if you have any queries.

To discuss this submission and our work further please contact Sandra Scalise, Director, Strategic Marketing Communications [REDACTED]

This submission can be made public.

Yours sincerely



Lina Goodman
Chief Executive Officer
Tyre Stewardship Australia



Schedule 1: TSA response to specific issues

The ACCC requested that TSA addresses the following specific issues raised in submissions:

1. ***A number of interested parties are concerned that there remains insufficient clarity around the required governance structure of TSA, particularly regarding recycler representation on the Board and involvement in the Scheme.***

TSA Governance Structure

TSA has a robust governance and reporting framework in place. It meets its legal obligations and aims to meet higher standards and best practice principles.

TSA operates and reports against several legal frameworks including as a company limited by guarantee under the Corporation Act 2001 (Cth), as well the Tyre Product Stewardship Scheme (the Scheme), and Australian Government Accredited Product Stewardship Scheme. The legal frameworks and best practice initiatives under which TSA operates are outlined below in Table 1.

TSA's Board is responsible for the overall governance, management, and strategic direction, and for delivering accountable corporate performance. The TSA Board is supported by three committees that include independent members with specific and relevant expertise, that make recommendations to the TSA Board in areas such as finance and market development funding, outlined in Table 2.

In addition to its legal obligations, TSA's Board has an induction program, board performance reviews, training, conflict of interest management, and a series of Board-specific policies. TSA's operational compliance framework includes annual strategy setting, risk management, financial controls and policies and procedures, outlined in Table 3.

Recycler Representation

As outlined in TSA's submission dated 27 March 2024¹ for the past 10 years of operation, TSA's Board has had a recycling representative on its board across two appointments. Experience included previous ownership of Tyrecycle and the former Executive Director of the Australian Tyre Recycling Association. During their appointments on the board these individuals did not hold active roles within the recycling industry.

TSA has sought such appointments of individuals who were previously involved in the recycling industry but has been unable to secure those appointments. TSA continues to seek appointment of sufficiently qualified individuals who do not have active roles in the recycling industry but are able to represent the recycling industry based on their prior roles and knowledge.

Based on advice contained in the 'Landell Report', being a report on conflicts of interest and governance considerations dated 12 November 2020, as attached to TSA's submission 5 April 2024², there is a conflict of interest to have an active recycler on TSA's Board.

¹ Applicant's response to interested party submissions <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20interested%20party%20submissions%20-%202027.03.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y> (accessed 15 August 2024)

² Applicant's response to ACCC's request for further information <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20ACCC%E2%80%99s%20request%20for%20further%20information%20-%202005.04.24%20-%20PR%20-%20AA1000655%20Tyre%20Stewardship%20Australia.pdf?ref=0&download=y> (accessed 15 August 2024)

Page 12 of the ‘Landell Report’³, recommended that, in light of the potential for inherent conflicts of interests, representatives from the recycling sector be sourced from:

- i) overseas, and who are not involved in the Australian market
- ii) recycling industry experts in non-tyre related markets (Australia or overseas).

Please also refer to item 1 of TSA’s submission dated 30 April 2024⁴ for TSA’s comments on managing conflicts of interest.

The Landell Report also recommended that representatives from the recycling sector participate in TSA’s industry consultive group (ICG). Please refer to our comments below in relation to the ICG.

Table 1: TSA Governance and Reporting

Obligation	Key reporting and activities
<p><u>Corporations Law</u> TSA is a company limited by guarantee under <i>Corporations Act 2001 (Cth)</i> and abides by its prescribed responsibilities.</p>	<ul style="list-style-type: none"> • ASIC registered • Constitution [available on TSA website https://www.tyrestewardship.org.au/reports-facts-figures/constitution/] • Annual General Meeting • Annual third-party financial audit • Annual Director’s Report • Annual report [available on TSA website https://www.tyrestewardship.org.au/company/annual-report/]
<p><u>Tyre Product Stewardship Scheme (the Scheme)</u> TSA is authorised by the ACCC to administer the Scheme. The associated Guidelines and Determinations provide additional requirements to:</p> <ul style="list-style-type: none"> • Publish annually the detailing of application of levied funds. • Publish annually progress of the Scheme against a set of performance measures. • Conduct an independent review every four years nominating a review to be conducted in 2022 and 2026. 	<ul style="list-style-type: none"> • Detail of application of the levied funds published in TSA’s Annual Reports [available on TSA website https://www.tyrestewardship.org.au/company/annual-report/] • Progress against Key Performance Indicators (Performance measures) published in TSA’s Annual Reports [available on TSA website] • Independent reviews conducted of the operation of the Scheme and TSA – Two reviews complete: 2017 Marsden Jacobs Associates and 2022 Arcoona Consulting [available on TSA website - https://www.tyrestewardship.org.au/news/independent-review-of-australias-tyre-product-stewardship-scheme/]
<p><u>Australian Government Accredited Product Stewardship Scheme</u> The Tyre Product Stewardship Scheme is an Australian Government accredited arrangement. Accredited arrangements are</p>	<ul style="list-style-type: none"> • Annual report to Department of Climate Change, Energy, the Environment and Water.

³ Landell Report – contained in Applicant’s response to ACCC’s request for further information https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20ACCC%E2%80%99s%20request%20for%20further%20information%20-%202005_04_24%20-%20PR%20-%20AA1000655%20Tyre%20Stewardship%20Australia.pdf?ref=0&download=y (accessed 15 August 2024)

⁴ Applicant’s response to ACCC’s request for further information https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20ACCC%E2%80%99s%20request%20for%20further%20information%20-%202030_04_24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y (accessed 15 August 2024)

for five years and commenced in March 2021 and will take the existing Scheme to 2026.	
Best Practice	
<u>ISO Information Security 27001:2022 Certified – Information Security Management System</u> TSA received accreditation in 2024, meeting requirements ensuring effective protection of confidentiality, integrity and availability of the information held.	<ul style="list-style-type: none"> Regular third-party audit program over three-year certification period, including annual surveillance audits.
<u>Modern Slavery Statement</u> While TSA is not obliged by law, it is committed to respecting human rights including freedom from modern slavery, and voluntarily follows the principles for modern slavery reporting in the <i>Modern Slavery Act 2018 (Cth)</i> .	<ul style="list-style-type: none"> TSA Modern Slavery Impact Statement, and TSA Statement of Commitment identifies TSA's areas of modern slavery risk and commitments to address these and drive impact across our sector. Supporting industry to achieve best practice, and in a global-first for waste tyres, TSA has established the Foreign End Market Verification Program aimed at providing visibility of end of life tyres and products which leave Australia for further processing or when used as a fuel source to reduce the chance of environmental or social harm.
<u>Not for Profit Principles - Australian Institute of Company Directors</u> Benchmarking against the not-for-profit organisational corporate governance principles as set out by the AICD.	<ul style="list-style-type: none"> TSA internal governance statement aligned to the AICD Not-for-Profit principles.
<u>Greenwashing</u>	<ul style="list-style-type: none"> Third party audit of TSA collateral and TSA team training on obligations to avoid greenwashing. Provide best practice resources to industry participants on how to avoid greenwashing.
<u>Carbon Neutral Organisation</u> TSA was accredited as a Carbon Neutral Organisation by Trace. TSA is taking climate action by measuring and managing our carbon emissions. Expires in 2025.	<ul style="list-style-type: none"> Annual reporting on carbon emissions and taking action to reduce and offset emissions.

Table 2: TSA Board Governance Framework

Board or committee type	Role and activities
<u>TSA Board</u> Board composition as outlined in the Constitution https://www.tyrestewardship.org.au/reports-facts-figures/constitution/ , including an Independent Chair.	Responsible for the overall governance, management, and strategic direction, and delivering accountable corporate performance. Operates under a Board Charter and Constitution, with responsibilities and reporting prescribed under the <i>Corporations Act 2001 (Cth)</i> , and to the Australian Securities and Investment Commission. TSA's Board is supported by three committees and an operational governance and compliance framework – outlined in this table and in Table 3.

<p><u>Finance, Risk, Audit and Governance Committee</u> A committee made up of independent subject matter experts, Board Directors, and management.</p>	<p>Operates under terms of reference. Makes recommendations to the TSA board as per the Delegations Policy and Charter.</p> <p>This Committee:</p> <ul style="list-style-type: none"> • periodically reviews the corporate governance and risk management frameworks and insurance • monitors financial performance and reporting • reviews investment of funds • ensures annual financial statements are accurate and legally compliant and meet accounting standards.
<p><u>Research Advisory Committee</u> A committee made up of independent subject matter experts, Board Directors, and management.</p>	<p>Operates under terms of reference. Considers and makes recommendations to the TSA Board on projects requesting Market Development Funds including:</p> <ul style="list-style-type: none"> • assess application against TSA Market Development Fund guidelines and associated risks of funding commitments • regular reviews of TSA's contingent liability.
<p><u>Remuneration and Nomination Committee</u> A committee led and supported by members of the Board.</p>	<p>Operates under terms of reference. Makes recommendations to the TSA Board on:</p> <ul style="list-style-type: none"> • remuneration matters • conducts CEO performance review.
<p>Best Practice</p>	
<p><u>Board Management</u></p>	<p>Board Chair and Directors complete an induction and an annual acknowledgement of policies through an online platform. TSA Board Policies include:</p> <ul style="list-style-type: none"> • Board Code of Conduct • Board Confidentiality Policy • Board Delegations Policy • Board meetings and Circular Resolutions • Conflict of Interest Policy • Role of Chair Policy • Board Charter. <p>The Board undergoes periodic independent performance reviews.</p> <p>Sample training and presentations have included:</p> <ul style="list-style-type: none"> • presentations and workshops from experts in risk, governance, and cybersecurity • presentations from recycling and other sectors including Tyrecycle, government departments and ministers. <p>Every Board meeting begins with a conflict-of-interest conversation and a statement regarding anti-competitive issues.</p>

Table 3: TSA Operational Compliance Framework

Controls	Activities
<u>Strategy Setting</u>	<ul style="list-style-type: none"> Review strategic direction and priorities aligned to TSA strategic plan.
<u>Policies and procedures</u> TSA has a register of policies and procedures that limit and guide TSA's operations, providing an essential guide for corporate compliance, risk management, and employee accountability.	<ul style="list-style-type: none"> Annual review of policies and procedures approved by the Board or TSA CEO as the responsible officer. Staff and Board Directors are required to read and acknowledge all policies on induction, and on commencement of new policies or changes to existing policies, using an online training platform, Safetrac. Completion reports are generated. Board Directors are required to review all board policies on an annual basis.
<u>Financial Controls</u> TSA has instituted a series of financial controls to mitigate risks of non-compliance with delegations or policies.	<ul style="list-style-type: none"> Financial controls are in place and reviewed as part of the independent financial audit program, including workflows in financial management systems that reflects policies and delegations, as well as a dedicated Committee reporting the Board on financial matters (Finance, Risk, Audit and Governance Committee – See Table 2).
<u>Risk Management</u> TSA has instituted a rigorous risk management framework.	<ul style="list-style-type: none"> Risk management framework includes risk matrix, policies, delegations, training and risk mitigation strategies which is regularly reviewed by TSA Board and management, with a dedicated Committee reporting to the Board on risk matters (Finance, Risk, Audit and Governance Committee – See Table 2).

2. TSA has advised the ACCC that it has been unable to secure further appointments to its Board of individuals who have recycling industry experience but do not hold active roles in that industry, and that TSA continues to seek such appointments. TSA also submits that it has established an Industry Consultative Group, and that its Board seeks regular presentations and engagement with industry representatives.

a) Please provide further detail about the TSA's Industry Consultive Group, including:

- i. Is the group still active?**
- ii. How often does the group meet?**
- iii. Do the views of the group have any bearing on TSA's decision-making?**

Industry Consultative Group (ICG)

The Industry Consultative Group was established and commenced in November 2018. The ICG's purpose was a forum for representatives from the tyre collection and recycling sector, as well as the broader value chain, to discuss their specific concerns about the industry with TSA.

The ICG was comprised of tyre recyclers, Australian Tyre Recycling Association, tyre retailers, tyre retailer associations, exporters of waste tyres (pre-export ban) and tyre-derived material, and TSA. ICG meetings were supported by an agenda, minutes as record of discussion and actions.

The ICG met approximately twice per year, operated for five years, with the last ICG meeting held in March 2023. The advice received from the ICG provided useful feedback from industry to TSA for the majority of its time of operation. However, the rigidity of the ICG format and the nature of the feedback received from members of the ICG meant that it was no longer serving the purpose of facilitating strong engagement with the broader industry. As a result, TSA reviewed its industry consultation and engagement model to better meet this purpose and broader industry participant needs.

Since the last ICG meeting in March 2023, TSA has implemented a more frequent and multi-level consultation and engagement program, including a three-day roundtable event in Canberra held in August 2023.

Table 4 outlines key consultation and engagement activities in 2023-2024. This includes stakeholder group meetings, individual recycler and retail store visits, webinars, industry co-ordination and support on issues like the waste export ban and shipping crisis, connecting to supplier events, identifying external funding opportunities, and supporting industry with issues as the arise.

Table 5 provides further examples of TSA'S responsiveness to industry issues. A case study example of TSA supporting the industry directly is provided in Table 6 and highlights our responsive approach.

Further, based on feedback from industry, TSA is proposing the establishment of several industry reference groups. The final form and terms of reference for each reference group will be shared with industry before the establishment of these reference groups in the new year (2025).

The views of recyclers, like the views of all Scheme participants, whether received by the TSA through the ICG or the numerous other engagement points outlined in Table 4 or elsewhere, are all carefully considered by the TSA and inform TSA's decision-making process. This will most often be seen through direct operational responses or reports and recommendations to TSA's board on the issues concerned.

Table 4: Key Scheme Participant Consultation in 2023-2024

<p><u>Canberra Roundtable Meetings</u></p>	<p>Held in Canberra from Tuesday 8 August to Friday 11 August 2023. The roundtable meetings brought industry stakeholders together to discuss international schemes, share recycling industry knowledge and to discuss barriers and opportunities for Australian tyre stewardship.</p> <p>The roundtable meetings were held with the following stakeholder groups:</p> <ol style="list-style-type: none"> 1. accredited recyclers, Australian Tyre Recyclers Association, collectors and retailers 2. tyre importers (voluntary contributors to the Scheme) 3. commonwealth, state, and territory government 4. local government. <p>Each meeting included a presentation and Q&A from the following international stewardship and industry professionals:</p> <ul style="list-style-type: none"> • Rosemary Sutton, Executive Director, Tyre Stewardship British Columbia (TSBC) • Adele Rose, Chief Executive Officer, Tyrewise, New Zealand
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	<ul style="list-style-type: none"> • Federico Dossena, General Manager, Ecopneus, Italy • Neil Bansal, Regional Vice President, Liberty Tire, Canada (commercial collection and recycling based British Columbia). <p>These same presenters delivered a webinar to members of the Waste Management Resource Recovery Association of Australia.</p>
<u>Direct Recycler & Collector Engagement</u>	<p>TSA regularly meets (on-site and off-site) and has regular conversations with recyclers and collectors nationwide canvassing issues facing their business and the industry, market development support, research and resources and assisting them meet their reporting requirements.</p> <p>Recyclers have also presented directly to TSA's Board. And the TSA CEO has presented to Australian Tyre Recycler's Association forum.</p> <p>Several times each month, TSA communicates directly with all participants, including collectors and recyclers, via electronic direct mail (eDM). Topics have included:</p> <ul style="list-style-type: none"> • Accreditation information – businesses newly accredited, business suspended and annual certification and stickers. • Corporate reports – such as publishing TSA's annual report. • Industry reports and market updates – such as publishing TSA industry data, global data insights and TSA and other relevant research findings. • Commercial opportunities – available grant funding, expressions of interest for tyre-derived materials and end markets. • Regulatory updates – changes to legislation affecting the industry, supported by educational material as required. • Events and conferences – sharing invitations to events and conferences both hosted by TSA and broader industry. <p>Engaged by TSA, Landell Consulting, a specialist probity and governance organisation, has commenced a confidential consultation process with all recyclers participating in the Scheme. An initial survey is currently with recyclers and will be followed by one-on-one interviews. The consultation will inform TSA's engagement and support of the recycling sector ensuring it is of value to recyclers, timely and effective.</p>
<u>Off-The-Road Mining Tyre and Conveyor Belt Sustainability Forums (Focus on mining sector and recyclers)</u>	<p>Since its first OTR mining forum in August 2023, TSA has hosted five OTR mining forums in Perth for mining company representatives in Western Australia. One forum has been hosted in Sydney for NSW based mining representatives and was supported by the EPA NSW. A further forum is scheduled for Queensland in November 2024.</p> <p>In the OTR mining forum, collectors and recyclers have had the opportunity to showcase their offering to mining companies, enabling direct commercial connections between mining companies, collectors and recyclers to be established privately outside of the forum. This has resulted in recyclers successfully gaining contracts, and ongoing conversation towards better outcomes for end-of-life mining tyres.</p>
<u>Recycler/Collector Webinar (National)</u>	<p>TSA produced a webinar in May 2023 for participants to discuss emerging themes around product stewardship.</p>
<u>Queensland TSA Rubber in Roads and Infrastructure Workshop</u>	<p>TSA recyclers were invited to present to the Queensland state and local government road engineers in February 2023, a significant procurer of crumb rubber through building roads and infrastructure. The workshop included site tours to recyclers and a retread facility.</p>

<u>Industry Breakfasts</u>	TSA hosted networking and industry development events currently hosted in Perth for recyclers and retailers based in Perth with local government and other industry professionals.
<u>Next Gen Rubber Summit</u>	International symposium event for industry (including recyclers) based in Melbourne and simultaneously online nationally.
<u>Consultation with Contributors</u>	Annual meetings with financial contributors to the Scheme to provide an update on programs and risks.

Table 5: Responsiveness to Industry Issues

<u>Supporting sector in lead up to the waste export ban (2021)</u>	<p>In the lead up to the Federal Government’s waste export ban, TSA held a webinar with recyclers and collectors and with the commonwealth department to help recyclers better understand their obligations and have dialogue with government.</p> <p>TSA also conducted segment by segment communication plans to ensure the industry was ready for the changes and impacts. Information packs were provided to the following sectors:</p> <ul style="list-style-type: none"> • retailers • agriculture • commercial landlords • local government. <p>In addition, TSA provided each state and territory with a risk assessment for consideration in the lead up to the Ban Plan.</p> <p>TSA also collaborated with the Australian Tyre Recyclers Association, preparing the Federal Government with specification for their consideration on the waste export ban. This was followed by a joint conversation with the then Assistant Minister for Waste prior to the final legislation banning exports being released.</p>
<u>Issues facing industry raised with TSA</u>	<p>Examples of industry issues raised with TSA, and summary of our response to support industry, include:</p> <ul style="list-style-type: none"> • Shipping crisis – collectors and recyclers unable to ship tyre-derived material overseas and therefore reducing their collections, in turn causing a backlog of end-of-life tyres with retailer stores: <ul style="list-style-type: none"> ○ Met with recyclers, collectors and retail stores to understand the issues ○ Developed a guide to support retailers find pathways for the end-of-life tyres ○ Engaged with shipping company peak bodies, EPA and other government bodies to reduce the level of disruption to the industry. • Illegal dumping & rogue operators – TSA is notified of illegal dump sites and rogue operators canvassing retailers: <ul style="list-style-type: none"> ○ Work with state EPA bodies, local government and other compliance bodies to identify, report and deal with illegal dumping and rogue operators ○ Deliver educational campaigns through social and traditional media to highlight the issues with illegal dumping and rogue operators ○ See case study provided in Table 6. • State Government blocking tyre end-of-life tyres entering Victoria, where significant tyre recycling occurs:

	<ul style="list-style-type: none"> ○ Work across state government bodies to understand and rectifying end-of-life tyre pathway to Victorian-based recyclers.
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Table 6: Case Study of TSA Responsive Support to Recyclers

TSA provides assistance to all Scheme Participants including recyclers, collectors and tyre retailers. Scheme Participants have a direct line to TSA when they need assistance or advice.

Following is a recent case study that illustrates how TSA stands behind accredited tyre collectors and retailers acting swiftly and comprehensively to minimise potential risks to individual businesses and the broader sector; co-ordinating with relevant government bodies and other third parties; and advising on preventative measures. Ultimately, this helps the sector maintain the highest standards of end-of-life tyre management and trust in the Scheme and tyre recycling sector.

This is not an isolated event and in past experiences, similar behaviours are in-keeping with the characteristics of rogue operators. Where, in the worst-case scenario, tyres are collected, often for a discounted fee, from tyre retailers and then illegally dumped or stockpiled, while the rogue operator walks away with a profit.

S&J Australian Scrap Tyre Disposals (S&J Aust) is a prominent collector in Queensland’s end-of-life tyre recovery industry. It is known for its commitment to environmentally responsible collection of tyres. S&J Aust has been TSA accredited since 2015, the earliest days of the Scheme’s operation.

Issue

On 7 August 2024, S&J Aust encountered a significant problem when a company purporting to have a very similar business name was approaching TSA Accredited tyre retailers claiming it was both a sub-contractor of S&J Aust and accredited by TSA. The company was attempting to have tyre retailers pay them a fee for collecting their end-of-life tyres.

TSA’s swift and comprehensive response, outlined in the case study below, underscores its commitment and ability to support accredited Scheme participants. By addressing the issue with prompt communication, engagement with regulators, and strategic guidance, TSA played a crucial role in safeguarding S&J Aust’s reputation and the operations of all the tyre retailers that could have been impacted.

The case study highlights the value of TSA’s support to accredited participants when issues arise.

TSA’s Rapid Response

Within 7-hours of being notified by S&J Aust, TSA:

1. Checked the business’ status, including:
 - a. Searching TSA databases.
 - b. Performed an Environment Authority license search.
 - c. Conducted an in-depth web search for the entity.
2. Issued an electronic direct mail (EDM) notice to all potentially affected TSA accredited businesses and clients of S&J Aust. The notice warned of the business’ alleged behaviour, and:
 - a. Corrected the alleged false claims that the company was a subcontractor for S&J Aust and TSA accredited.

- b. Reminded TSA accredited retailers of their commitment to use only TSA accredited collectors and recyclers.
 - c. Reconfirmed that S&J Aust. remained TSA accredited and their commitment to the Scheme.
3. Informed relevant government regulators in Queensland.
4. Provided guidance and support to S&J Aust on managing potential impacts on their business, including public relations strategies, customer communication, and legal considerations.
5. Offered ongoing support to help S&J Aust prevent similar issues in the future. This included advice on monitoring industry operators and maintaining open communication with clients.

3. Interested parties have again raised concerns that TSA’s public representations that “Australia’s dumped tyre pile is getting bigger” appear unsubstantiated. Could TSA please provide evidence to support this claim, and whether TSA intends to address or elaborate on this claim publicly.

TSA has substantiated its assertion that tyre dumping is increasing in Schedule 1 of its submission dated 7 August 2024, as below:

‘In 2018-19 (reported in the [2020 Used Tyres Supply Chain and Fate Analysis Report](#)⁵), 2-3% of all used tyre generation represented 1.16 - 1.71 million equivalent passenger tyre units (EPU). In 2023, 2-3% of used tyre generation represented 1.36 - 2.04 million EPU, indicating overall, dumping has increased by between 200,000 and 330,000 EPU. This increase in tyre dumping was validated by the reports of tyre dumping through Snap Send Solve (reporting App) and by local and State government enforcement officers through their ‘on the ground’ experiences’.

As mentioned, TSA’s position at the time of reporting that tyre dumping is increasing has been validated by multiple sources, for example, by the findings of the [Waste Enforcement Association Australia](#)⁶.

Unfortunately, illegal waste dumping continues to impact public and private land managers across the country.

TSA commissioned respected consultants Blue Environment⁷ to research the cost of illegal dumping to local governments and other land managers.

The research indicates that in 2022-23 the:

- Estimated financial cost of cleaning up dumped tyres by local governments was \$6.5 million.
- Estimated (average) cost per tyre cleaned up was \$22.
- Estimated number of dumped tyres cleaned by local governments was 300,000.
- Estimated financial cost of cleaning up dumped tyres on state land managers was \$2.4 million.

⁵ TSA, Used Tyres Supply Chain and Fate Analysis Report <https://www.tyrestewardship.org.au/reports-facts-figures/used-tyre-supply-chain/> (accessed 15 August 2024)

⁶ Waste Management Review, Australia’s dumped tyre pile is getting bigger <https://wastemanagementreview.com.au/australias-dumped-tyre-pile-is-getting-bigger/> (accessed 15 August 2024)

⁷ Blue Environment, Stockpiling and illegal dumping of tyres: cost to local government and others <https://www.tyrestewardship.org.au/wp-content/uploads/2024/06/Stockpiling-and-Illegal-Dumping-Report-Apr-24.pdf> (accessed 15 August 2024)

- Non-market (amenity) costs of dumped tyres were \$100 million.

TSA is preparing for the release of its *2024 Used Tyre Supply Chain and Fate Analysis*, which will provide updated insights into illegal dumping.

Please also refer to the submission by the [North Queensland Regional Organisation of Councils⁸](#) to the ACCC, as an expression of the lived experience of illegal tyre dumping in the region.

4. The ACCC’s draft determination notes that the Arcoona report recommended that TSA should consider amending its Guidelines to replace the current EPU method of calculating the levy with a weight-based method, suggesting that such a change appears to be within TSA’s power. Is TSA considering changing the current EPU levy to a strict weight-based levy?

TSA refers to Schedule 1 of its submission dated 7 August 2024⁹ and response to the submission by Tradefaire International Pty Ltd.

As provided in the aforementioned submission of 7 August 2024, TSA’s Application for Authorisation seeks to keep the current Scheme Guidelines unchanged to minimise disruption to the industry while the government is actively consulting and reviewing options to achieve stronger outcomes for end-of-life tyre management, including through redesigning the Scheme.

This process commenced with the addition of tyres to the Minister’s Product Stewardship List in 2022/23, and again in 2023/24. Further to the listing, the Environment Ministers’ Meeting has tasked the WA Government to develop an options paper that will consider how to best strengthen outcomes for end-of-life tyres. The expectation is that this paper is delivered in the final part of 2024.

Possible changes to the levy can and should, in TSA’s view, be analysed as part of the likely future (regulatory change) impact analysis process currently being considered by government. If the government does not make changes to the Scheme under the regulatory review process, TSA proposes to consider if a review of the levy is appropriate.

Whilst there are varying views for a change of the levy, TSA is cognisant that the current voluntary Scheme means that around half the tyres imported into Australia are not paying any levy.

5. Interested parties noted the need for more consistent and transparent reporting by TSA. Please respond to the following particular issues:

a) DCCEEW noted that the ACCC’s suggested metrics for reporting data at Attachment B) would likely improve the transparency and consistency of TSA’s data reporting.

⁸ North Queensland Regional Organisation of Councils submission to ACCC <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20North%20Queensland%20Regional%20Organisation%20of%20Councils%20Inc%20-%202001.02.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y> (accessed 15 August 2024)

⁹ Applicant’s response to interested parties submissions <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20interested%20party%20submissions%20-%2007.08.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y> (accessed 15 August 2024)

TSA is working to finalise its 2024 Used Tyre Supply Chain and Fate Analysis Report which will be the most thorough presentation of data since the release of the previous iteration of this report in 2020. In the in between years, TSA produced annual fact sheets¹⁰ to provide updated national high-level data on tyre consumption, end-of-life tyre generation, recovery, and disposal.

Regarding DCCEEW's comments, it is important to note that the table was a template provided by the ACCC for the purpose of gathering information for its consideration.

TSA already reports on many of the metrics presented in the table in our annual report, which also includes KPI data. TSA is committed to continuous improvement and will consider alternative reporting presentation formats to increase the accessibility and transparency of its data and reporting, including engaging with feedback in submissions by DCCEEW and interested parties.

b) A few interested parties submitted that TSA should be required to report on 'collection' rates for used tyres as a specific, individual reporting category, as distinct from recovery and landfilling.

As tyre stewards, TSA maintains that the fate of used tyres (whether they are recovered such as recycled, or unrecovered such as sent to landfill) is much more important and instructive, than whether they have simply been collected. At the present time around 20% of the passenger tyres that are collected are sent to landfill, which should not be represented as a sustainable outcome, or obfuscated by a 'collection' rate that conflates recovered and unrecovered fates as equivalent outcomes.

TSA will continue to report fate by the recovered and unrecovered categories, as this reports on the most important outcome, being whether the fate of a tyre is resource recovery or not.

TSA will continue to report on the percentage of end-of-life tyres generated that were collected by Scheme accredited participants. This is in line with the reporting of other stewardship schemes and is useful to understand the activity of Scheme accredited collectors who are committed to sustainable outcomes for end-of-life tyres. Noting that this figure is an existing aspirational KPI related to TSA's aim to increase participation in the voluntary Scheme.

TSA will also commit to providing a representation that shows all fates annually, as opposed to every few years, in a manner that stakeholders can largely align with their own definitions. For example, an entity may choose to describe and title for their own purposes a summed-up rate composed of tyres that are collected but unrecovered (e.g., landfill) with those that are collected and recovered - by both accredited and non-accredited entities and call that a collection rate. TSA asserts that this example is not something that TSA should report.

...

End.

¹⁰TSA Tyre Consumption & Recovery Fact Sheet
<https://www.tyrestewardship.org.au/handbooks/tyre-consumption-recovery-fact-sheet/> (Accessed 15 August 2024).