

**Australian Tyre Industry Council applications for authorisation A91336-A91337 –
proposed national Tyre Stewardship Scheme**

Record of oral submission from Federal Chamber of Automotive Industries (FCAI)

26 October 2012

FCAI: Phil Allan

ACCC: David Hatfield (Canberra)
Jaime Martin (Melbourne)

Time: 10am

The Federal Chamber of Automotive Industries (FCAI) provided an oral submission to the Australian Competition and Consumer Commission (ACCC) in relation to the above mentioned application for authorisation.

FCAI made the following points in relation to the proposed Tyre Stewardship Scheme:

- FCAI's membership comprises all global car manufacturers which have a presence in Australia.
- The FCAI Board has been involved in discussions about the development of an industry tyre stewardship scheme for several years.
- FCAI does not propose to become a member of the scheme itself. Instead, it will be up to its individual members to decide whether to become signatories to the scheme.
- The FCAI considers the operational details of the scheme will need to be developed further by Tyre Stewardship Australia. However, the FCAI acknowledges the intent of the scheme to reduce landfill and exports of end of life tyres, which are then (unsafely) burned to generate energy.
- FCAI submits the following with regards to the scheme:
 - participation of manufacturers in the scheme may be at a slower rate than envisaged in the authorisation application
 - there is ongoing discussion about whether it is preferable for the scheme to be funded by a membership fee, rather than a levy
 - the levy is currently proposed to fund the operation of Tyre Stewardship Australia, once formed. It will be critical to monitor the use of the funds generated by the scheme – particularly whether it will continue to provide benefits once the scheme is up and running
 - the scheme will need to be robustly audited in order to maintain the integrity of the scheme and
 - an undesirable outcome of the scheme would arise if there was 'double charging' along the supply chain to fund it.

- FCAI understands that within the ACT at least there is already a \$5 or so charge per tyre to ensure they are ultimately recycled properly.
- FCAI understands that recyclers currently report that they have insufficient supply of end of life tyres.