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Our Ref **139972/1 NT.pm**
Your Ref **A91336-A91337**

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Monday, 26 November 2012

Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Attention: Jaime Martin

BY EMAIL: jaime.martin@accc.gov.au

Dear Ms Martin

**AUSTRALIAN TYRE INDUSTRY COUNCIL
APPLICATION FOR AUTHORISATION (A91336-A91337)**

We refer to your letter of 13 November 2012 and subsequent e-mail of 14 November 2012 providing us with the interested parties' submissions concerning the above application.

We are instructed by our client to respond generally to the interested party submissions, noting the overall support for the application and the Tyre Stewardship Scheme (TSS).

ATIC welcomes the support of industry and government and is confident that the TSS will succeed in its goals, particularly in light of the support it receives.

ATIC does, however, wish to make comments specifically in relation to the submission by Green Rubber Pty Ltd dated 5 November 2012. ATIC takes the view that the involvement of the mining industry in the TSS will indeed be a future goal, and an important one. However, in order to properly facilitate the introduction of the mining industry into the TSS, careful scoping, research and negotiations must first be undertaken.

It is for this reason that the TSS guidelines have been drafted in such a way as to promote the inclusion of the mining industry in the future. It is envisaged that with the authorisation of the TSS will come the ability to include mining industry representatives in the future.

ATIC notes that it is not appropriate for private interests to be involved in the development or the management of the TSS, which is intended to be a not for profit enterprise, managed by Tyre Stewardship Australia (TSA), a not for profit organisation. As such, care must be taken to ensure that the TSA Board remains impartial and without inbuilt conflicts of interest that derive from private interests.

ATIC also wishes to respond to the submission made by the Federal Chamber of Automotive Industries (FCAI) dated 26 October 2012. In particular, ATIC agrees that the TSS will need to be robustly audited and notes that the TSS Guidelines

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specifically provide for auditing and verification of participants. ATIC also confirms that the TSS itself will be audited annually.

ATIC also agrees with the FCAI that it would be undesirable for "double-charging" to occur along the supply chain. ATIC notes the example given of a \$5.00 levy charged in the ACT to "ensure (tyres) are ultimately recycled properly". ATIC submits that the \$5.00 charge currently imposed by some operators has no positive impact and has proven to be unsuccessful in achieving change. One of the purposes of the TSS is to embark on a nation-wide education campaign focussed on the public as well as industry participants, so that effective use of the levy is achieved, and double-charging is gradually phased out.

Finally, ATIC agrees with the FCAI that there are currently reports from recyclers within the industry who state that they have insufficient supply of end-of-life tyres. This is one of the purposes of the TSS and ATIC seeks to address this issue over the long term through the implementation of the TSS.

ATIC welcomes the opportunity to provide these further submissions in support of the TSS. On its behalf, we submit that the overwhelming outcome of the interested party submissions supports the public benefit claims made by ATIC in respect of the TSS and demonstrates the support that exists within the industry and government for the TSS to be implemented.

We look forward to discussing this with you further and invite you to contact us should you have any further queries.

Sincerely

A handwritten signature in black ink, appearing to read 'N. Tebbey', with a long, sweeping tail stroke extending to the right.

NICHOLAS TEBBEY

Supervising Director GERALD SANTUCCI