



Mr David Hatfield
Director Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Mr Hatfield

Thank you for your letter of 19 October 2012 inviting comment on the Australian Tyre Industry Council (ATIC) applications for authorisation (A91336-A91337).

The Department of Sustainability, Environment, Water, Population and Communities (the department) supports the application and the tyre stewardship scheme ATIC proposes to establish. The department also welcomes the commitment of the tyre industry to fund Tyre Stewardship Australia to administer the scheme.

Australian governments have been working with the tyre industry for a number of years to address the management of end-of-life tyres in Australia. A priority initiative under the COAG endorsed National Waste Policy is to assist industry to develop a voluntary industry-led tyre product stewardship scheme.

A model voluntary tyre product stewardship scheme developed by the Tyre Implementation Working Group (Tyre IWG - an industry-government working group) was given in-principle support by Australia's environment ministers in September 2011. The detailed Guidelines included in ATIC's application were also developed by the Tyre Implementation Working Group and are based on the model given in-principle support by governments. The department, on behalf of the Australian Government, has worked closely with the Tyre IWG and provided assistance to support this work.

Current disposal patterns of Australia's end-of-life tyres present hazards to the environment and human health and the loss of valuable resources. In Australia in 2009-10, 48 million tyre Equivalent Passenger Units (EPU) reached end of life¹. The majority of Australia's end-of-life tyres are currently stockpiled, landfilled, exported, illegally dumped or have an unknown fate.

The export of end-of-life tyres in particular has risen in recent years, increasing by over 200% between 2006-07 and 2009-10². The industry has identified increased exports as a key reason for the decline of the tyre recycling industry in Australia in recent years. The department is supportive of the scheme commencing as soon as possible so it can help to strengthen the domestic tyre recycling industry.

When end-of-life tyres are put to environmentally sound use they: reduce the demand for virgin materials in the production of goods and energy; reduce pressure on landfill space and improve the amenity of the land; and reduce the risk of fire and other health risks.

¹ Hyder May 2012, Final report, Study into the domestic and international fate of end-of-life tyres, page i

² Hyder May 2012, Final report, Study into the domestic and international fate of end-of-life tyres, page i

Draft Guidelines for the tyre product stewardship scheme were released on 20 June 2012 for a five week consultation period. Information meetings were held in all capital cities and Gladstone and were attended by more than 90 stakeholders. Twelve submissions were received.

The consultation ensured that as many stakeholders as possible across the supply chain were given the opportunity to comment on the Guidelines. Those involved included: tyre and vehicle importers, retailers, fleet operators, local governments, local government associations, state governments, Australian Government agencies, collectors, recyclers and the mining industry.

Comments from stakeholders during the consultations were generally supportive of the scheme, and of moving quickly to establish the scheme and monitoring its progress. Where appropriate, issues raised resulted in the Tyre IWG amending the Guidelines.

If you would like to discuss any of the points raised in my letter, please feel free to contact Mr Declan O'Connor-Cox, Director Product Stewardship Industry Section, on 02 6274 1460 or email declan.oconnorcox@environment.gov.au.

Yours sincerely



Dr Diana Wright
First Assistant Secretary
Environment Quality Division
13 December 2012