



**FEDERAL CHAMBER
OF AUTOMOTIVE
INDUSTRIES**

ABN No 53 008 550 347

LEVEL 1
59 WENTWORTH AVENUE
KINGSTON ACT 2604
AUSTRALIA
PHONE: 02 6247 3811
FAX: 02 6248 7673

2 February 2024

Mr Gavin Jones
Director Competition Exemptions
Australian Competition and Consumer Commission
Level 17, 2 Lonsdale Street
Melbourne VIC 3000

Dear Mr Jones

We understand that Tyre Stewardship Australia Limited's (TSA) existing authorisation expires on 15 June 2024 and that TSA is seeking re-authorisation from ACCC to continue operating the scheme without change to the existing guidelines of the Tyre Product Stewardship Scheme (TPSS). We also appreciate that TSA has been operating for more than ten years and has directed its efforts to developing and administering an accreditation framework for the Australian end-of-life tyre (EOLT) supply chain, and to researching and developing environmentally-sound tyre recovery solutions.

The Federal Chamber of Automotive Industries (FCAI) is the peak Australian industry organisation representing over 60 global automotive brands who design, manufacture, import and sell light duty passenger vehicles, light commercial vehicles, and motorcycles in Australia. The decision to join voluntary initiatives like the TPSS is a matter for our individual members. However, as an industry association, we support our members in understanding the policy environment and we bring them together to reach industry consensus where possible. On the issue of tyre stewardship, we facilitated a discussion between our membership and the TSA executive team in November 2023.

The FCAI and our members remain concerned that despite TSA being authorised to undertake work involving the EOLT supply chain, it has been unsuccessful in engaging and working with the OEMs.

TSA often takes the opportunity to publicly express its frustration at OEMs for their lack of voluntary participation. However, FCAI believes TSA has consistently fallen short in meaningfully engaging with industry and in communicating the practical benefits that would accrue from increased participation in the current voluntary scheme. In our view, product stewardship is not about producers and importers clearing their obligations by simply paying a levy. Best practice in product stewardship allows producers and importers to participate in scheme design, operations and governance. Producers and importers should be involved in determining what benefits are targeted, what strategies and solutions are to be pursued, and where funds are to be directed.

Further, FCAI has not observed any engagement from TSA with individual brands during the past two years and TSA has shown little appreciation for the automotive industry's context during our last meeting. We feel this is further demonstrated by the absence of any reference to the automotive industry in TSA's application for re-authorisation (see schedules 1 – TSA members and 4 – interested parties) and the fact FCAI and its members have been omitted from this consultation process.

We acknowledge that it is challenging to increase voluntary scheme participation and that the automotive industry is still forming its views about product stewardship for vehicles and specific component parts.

However, we do not believe that TSA has been constructive in its efforts to date to bring the automotive industry along. To succeed, TSA must go beyond expressing its frustration in its external communications and instead increase and improve its stakeholder engagement with more patience, more consistency and a deeper appreciation of the automotive industry. Whether in a voluntary or co-regulated scheme, a successful product stewardship organisation must be able to manage conflicting perspectives and intricate stakeholder relationships.

FCAI recommends that the ACCC invites TSA in its re-authorisation to reconsider and reframe its engagement with the automotive industry. This may include the prospect of FCAI/OEM involvement in its operations (e.g. at advisory committee level) and its governance (e.g. at Board level). In parallel, FCAI will continue to support TSA in its engagement with the automotive industry.

Best regards

Richard Delplace
Director Emerging Technologies
Federal Chamber of Automotive Industries
Richard.Delplace@FCAI.com.au