



Mr Gavin Jones
Director, Competition Exemptions
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Ref: AA1000655

Dear Mr Jones

AA1000655 – TYRE STEWARDSHIP AUSTRALIA – SUBMISSION

Thank you for your letter of 14 December 2024 inviting comment on the Tyre Stewardship Australia (TSA) application for reauthorisation (revocation and substitution) of the national Tyre Stewardship Scheme (the Scheme).

Improved management of end-of-life tyres is an important environmental issue. The Scheme, delivered by TSA, has helped to reduce the environmental, health and safety impacts of end-of-life tyres since its establishment in 2014. The Department of Climate Change, Energy, the Environment and Water (the department) supports the reauthorisation and continuation of the Scheme due to the ongoing public benefit it provides in addressing the environmental and human health impacts of tyres.

Impacts of End-of-life Tyres

Each year 563,000 tonnes of tyres are purchased in Australia, or the equivalent of 58 million passenger tyres, generating around 450,000 tonnes of waste. Other industrial rubber products, such as rubber tracks and conveyor belts, increase the amount of end-of-life rubber products by an additional 85,000 tonnes. Sending tyres and similar rubber products to landfill impacts the environment through long degradation timeframes and through the release of harmful chemicals and plastics into the environment. Landfilling tyres also presents a missed opportunity to maximise the value of non-renewable resources.

Tyre stockpiling, onsite burial and illegal dumping have been known risks for many years. These issues are compounded by international shipping constraints, domestic market pricing, transport costs, storage pressures and low domestic demand for waste tyre derived products.

Scheme Performance and Public Benefit

The Scheme has successfully built a framework for tyre stewardship in Australia. TSA has helped identify and promote recycling markets. TSA has supported research and development, delivered trials and case studies, and developed accreditation systems for local retailers/recyclers and foreign end markets. These actions have increased knowledge in the sector and have underpinned good outcomes particularly for car, bus and truck tyres. More recently, TSA have expanded the scheme to address off-the-road (OTR) tyres. OTRs are recovered in very low numbers and present a significant opportunity for improved stewardship outcomes.

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According to TSA, the collection rate for passenger, bus and truck tyres has reached approximately 97 per cent, noting that 20 per cent of this figure are landfilled, with the remaining 3 per cent illegally stockpiled or dumped.

Despite the Scheme achievements to date, the department recognises there are some constraints. These were outlined in a 2022 independent review of the Scheme commissioned by TSA. Some of the ongoing issues are highlighted in the TSA 2023 Annual report and the Consumptions Recovery Report of 2022-23:

- Free riders: despite high collection rates for passenger, bus and truck tyres, only 57 per cent of tyre importers and 47 per cent of tyre retailers are participating in the scheme.
- Unrecovered tyres: the estimated gap in recovery of passenger, bus and truck tyres of 3 per cent represents a significant number of tyres remaining outside the recycling system, equating to around 11.3 million tyres illegally dumped or stockpiled.
- OTR tyres – collection of OTR tyres remains low at approximately 11 per cent and tyres are routinely buried on-site at mines across the country.

Government commitment to tyre stewardship

The Australian Government accredited the Tyre Stewardship Scheme in 2018 through the Accreditation of Voluntary Product Stewardship program administered under the *Recycling and Waste Reduction Act 2020* (RAWR Act). Accreditation of voluntary schemes demonstrates to business and consumers that the scheme outcomes contribute to Australia’s recycling and waste reduction objectives and to achieving a circular economy.

The Minister for the Environment and Water added tyres to the Minister’s Product Stewardship Priority List in 2022-23, with the listing maintained and revised in 2023-24. The priority list identifies the Minister’s current priorities for industry-led stewardship action. The 2023-24 listing relates to end-of-life tyres, including passenger, bus, truck, and off-the-road tyres. It also relates to rubber products such as rubber conveyor belts and rubber tracks which have similar characteristics, environmental impacts and management options to tyres. The listing identifies that the following industry action should be taken:

Action	Timeline
Manufacturers, importers, distributors and retailers must demonstrate improved and measurable product stewardship actions which could include any of the following: expanding and improving the industry-led product stewardship scheme (including through a significant decline in free riding); product design improvements and supply chain initiatives to increase durability, reparability, re-usability and/or recyclability; other supply chain initiatives that measurably support good product stewardship and circular economy progress.	By November 2024
To avoid government regulation, tyre importers not currently members of the Tyre Stewardship Scheme should commence formal participation.	By November 2024

While listing is a pre-requisite to regulating a product stewardship scheme under the RAWR Act, this is not the only possible outcome. Other outcomes may include an appropriate industry response to the actions listed, or policy or regulatory changes at other levels of government or under other legislation. More information on the priority list is at: dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list.

In 2023, Environment Ministers agreed that the Western Australian government would lead a consultation and evaluation process to inform potential policy and/or regulatory options to improve the management of end-of-life tyres across Australia. This work is ongoing with a suite of options expected to be presented to ministers in mid-2024.

Ministers will consider the findings of this work and the most appropriate pathway for improving the impact of end-of-life tyres on the environment. This could include policy or regulatory approaches, or a combination of both, including at different levels of government.

Duration of Authorisation

The TSA application (AA1000655) requests reauthorisation of the Scheme for a period of three years. The basis given for this timeframe is an anticipated period of time for government to implement the 'transition' from a voluntary to a co-regulatory stewardship scheme, which is TSA's preferred model.

Any process to regulate stewardship outcomes would be a decision for government, drawing on appropriate consultation, policy consideration and cost-benefit analysis of possible options. Given this, we consider it prudent for the ACCC to consider a reauthorisation period more consistent with the previous authorisation, rather than the three years requested by TSA.

The department considers there would be benefit in the ACCC requiring an independent review of the Scheme as a condition of authorisation, as was the case under the previous authorisation. This may serve to support a recalibration of scheme settings pending the outcome of government processes currently underway.

Support for the Scheme

There is national public interest in continuation of the Scheme. Its absence could risk negative outcomes for the sector and the health of the environment over time. For further information on this matter, please contact Rob Quinn, Director, Product Stewardship Policy

Yours sincerely



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Supply Chain Initiatives Branch
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19 February 2024