



# RESPONSE TO THE NATIONAL END-OF-LIFE TYRES OPTIONS PROJECT

MTAA SUBMISSION

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## INTRODUCTION

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The Motor Trades Association of Australia (MTAA) appreciates the opportunity to respond to the Government of Western Australia, Department of Water and Environmental Regulation's *National End-of-Life Tyres Options Project: Discussion Paper August 2024*.

As the national automotive industry body, MTAA represents the unified voice of Australia's automotive industry, identifying and monitoring issues across all sectors, advising governments on industry impacts and trends, and actively participating in the development of sound public policy. Our focus encompasses the retail motor trades, the Australian vehicle fleet, and the mobility of local communities.

MTAA is particularly familiar with end-of-life vehicle (ELV) issues, having recently collaborated with the Federal Chamber of Automotive Industries (FCAI) to model a comprehensive ELV stewardship scheme for Australia, which included waste tyres. More details on the scheme are presented below.

In response to the National End-of-Life Tyres Options Project, MTAA agrees that a comprehensive approach is needed to address the long-standing challenge of managing end-of-life tyres (EOLT). We also concur that a regulated product stewardship scheme is the most effective option and broadly support **Option 2** as outlined in the discussion paper. However, we advocate for a co-regulated scheme, as this would better ensure that EOLTs are appropriately recovered, repurposed, or recycled.

## END-OF-LIFE VEHICLE STUDY

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In response to Australia's growing end-of-life vehicle (ELV) problem, the MTAA and FCAI undertook an in-depth study to identify a strategic pathway for enhancing automotive recycling. This initiative was supported by a \$1 million grant from the Australian Government's Project Stewardship Innovation Fund.

The study identified the need for a co-regulated product stewardship scheme to improve ELV material recovery rates, prevent interstate leakage of end-of-life vehicles, and significantly reduce waste sent to landfill.

As a next step, the FCAI and MTAA will work collaboratively with government and industry to tackle key issues such as standardisation, material recovery targets, funding models, and the establishment of a stewardship organisation. Both organisations are dedicated to partnering with all stakeholders to develop and implement a product stewardship scheme that not only addresses current challenges but also sets the stage for future advancements in automotive recycling.

In the context of managing EOLT, it is our position that the ELV scheme should align and collaborate with other existing product stewardship initiatives.

To assist us to improve environmental and health benefits relating to ELV treatment, the MTAA urges the Australian Environment Ministers to consider the report and collaborate with us to develop an industry-government co-regulatory product stewardship scheme that effectively addresses issues like EOLT.

The full report is available for review [here](#).

## MTAA RESPONSE TO OPTIONS OUTLINED IN THE DISCUSSION PAPER

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### **OPTION 1**

The existing Tyre Product Stewardship Scheme has been successful in raising awareness about the issue of EOLT and the need for sustainable handling and disposal. It has also provided valuable funding to explore opportunities for the use of tyre-derived products (TDP) and has encouraged local governments to incorporate TDP in their programs.

However, due to the voluntary nature of the scheme, it has faced limitations in advancing its objectives beyond a certain point, restricting its ability to achieve long-term sustainable outcomes. To ensure a more comprehensive and lasting impact, a regulated or co-regulated scheme would be necessary.

### **OPTION 2 – PREFERRED OPTION**

The option of a co-regulatory scheme, which addresses the shortcomings of Option 1, is the preferred option as it would make it mandatory for all imported or locally produced tyres to be included in the scheme for a fee. If designed effectively, this mechanism would eliminate illegal dumping and stockpiling of waste tyres, ensuring a controlled and responsible process for managing tyre waste from cradle to grave. This co-regulatory model is the preferred option for achieving sustainable and long-term management of EOLT.

### **OPTION 3**

A fully regulated approach managed solely by the Government would not be desirable, as it would likely result in inefficiencies and increased costs for both businesses and consumers. Without active stakeholder participation, any advancements in technology, design rules, or safety improvements would be slowed, delaying necessary adjustments to the scheme, while waiting for regulations to be reviewed and amended. This would ultimately disadvantage the consumer and hinder the scheme's adaptability to industry innovations.

### **OPTIONS 4 & 5**

Off-the-road (OTR) tyres, particularly those used in mining and certain agricultural sectors, are likely to be treated as a separate subcategory from mainstream EOLT due to the remoteness of operations, the large size of these tyres, transportation challenges, and the lack of processing facilities. While OTR tyres may fall under the broader stewardship scheme, they would require a dedicated category with a tailored fee structure reflecting their unique nature. This would necessitate the creation of a regulatory subset to effectively manage OTR tyres within the scheme.

### **OPTION 6**

Regulatory and quasi-regulatory requirements that set product specifications for the Australian market are essential to ensure that tyres meet safety, environmental, and quality standards. These standards and design rules should be developed in consultation with industry stakeholders to ensure they are both practical and adaptable to technological advancements. Ensuring compliance with these specifications will help promote the use of high-quality tyres that are durable, recyclable, and aligned with the objectives of the tyre product stewardship scheme.

## OPTION 7

The MTAA is of the view that a non-regulatory intervention approach, combined with targeted funding incentives, would not be an effective way to address specific issues within the tyre disposal and recycling industry. By providing financial incentives, businesses are not obligated, but rather encouraged, to adopt best practices, invest in innovative recycling technologies, and promote the use of TDP. This approach may offer flexibility and encourage industry-led solutions, however, in MTAA view would not entirely address the key environmental and waste management concerns.

## OPTION 8

As raised in Option 7, a non-regulatory intervention approach involving funding, communications, and government procurement, with participation from both government and industry partners, may not effectively address specific issues outside the formal implementation of the scheme.

Programs already exist that encourage government procurement, provide business grants, and promote public awareness through targeted advertising. These initiatives can continue to support sustainable practices and innovations without requiring integration into the broader tyre stewardship scheme. However, without regulatory intervention, the MTAA's view is that this approach will result in minimal positive outcomes towards addressing the issue of managing EOLTs.

## KEY CONSIDERATIONS:

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### > **Not for Profit Structure**

The scheme should operate as a not-for-profit arrangement, developed through a collaborative partnership between stakeholders and the Government. Its goal should be to achieve a cost-neutral, cradle-to-grave sustainable tyre waste management solution.

### > **Transparent Fee Structure**

The fee structure should be tiered by tyre category and fully transparent, with a fixed term subject to CPI adjustments. The structure should also allow for periodic review to reflect potential reductions in fees based on gains from TDP sales. The levy should cover the full cost of EOLT collection, especially for tyre retailers in regional and rural areas. A well-structured levy is essential to avoid the risk of imposing additional costs on these retailers while importers and manufacturers benefit from a streamlined process. The *Waste Minimisation (Tyres) Regulations 2023* in New Zealand provides a strong foundation for the Australian Government to consider, as it has shown positive results in creating a level playing field for waste tyre recycling.

### > **Cost-Free Collection for Consumers**

The scheme should ensure that all EOLTs are captured, at no additional cost to the consumer, with the cost covered at the point of purchase.

> **Exclusion of Business Incentives and Technological Funding**

The scheme should not be used to fund incentives for businesses to invest in new developments, nor to educate or fund new technologies and start-up enterprises. This is the responsibility of Government programs, not the stewardship scheme.

> **Off-The-Road (OTR) Tyres**

OTR tyres in regional areas require a tailored approach to encourage collection. Further consultation with OTR tyre retailers, the MTAA, and mine site operators is necessary to better understand and address the barriers to OTR tyre collection.

> **Product Quality and Environmental Risk**

The discussion paper touches on tyre fires and disease risks, but MTAA believes greater emphasis should be placed on the quality of tyres. Low-quality, low-cost tyres significantly contribute to environmental harm, generating more particulate matter, increased waste volumes, and offering little recycling value. Encouraging the use of high-quality tyres that are durable and more recyclable would reduce these risks. We suggest that tyre manufacturers and importers be incentivised, possibly through levy reductions, to supply high-quality products.

> **Waste Hierarchy: Avoidance, Reduction, and Reuse**

While the paper addresses the issue of waste, it should place a stronger emphasis on the avoidance of waste as the most preferred option. Selecting tyres that last longer and are more recyclable is an achievable goal. Avoidance and reduction should be prioritised, with manufacturers encouraged to produce tyres that have a longer life cycle and less environmental impact.

> **Tyre Re-treading**

MTAA supports re-treading heavy vehicle and off-the-road tyres for any future scheme. Reusing waste tyres through re-treading can extend the lifecycle of tyres and reduce emissions and resource use dramatically.

Collectors should be incentivised to assess appropriate tyres for re-treading, presenting suitable carcasses to re-treading businesses for reuse, before being considered for recycling. Incentives for retreaded tyres would ensure a more competitive market and help preserve this valuable industry in Australia.

Only suitable heavy vehicle and equipment tyres, that have been assessed for retreading should be included in the scheme. Retreaded tyres used for on-road applications must be retreaded in accordance with the National Heavy Vehicle Regulator, Vehicle Standards Bulletin 6, version 3, Section 5 Wheels, Tyres and Hubs.

> **Current Tyre Stewardship Framework**

The current voluntary scheme, while valuable in funding research, has not substantially reduced the cost of tyre collection or driven significant investment in recycling infrastructure. A regulated or co-regulated

scheme should focus on incentivising investment in recycling technologies that produce high-value Tyre-Derived Products (TDP).

> **Government Procurement Policy**

Government procurement must play a pivotal role in increasing demand for high-order outcomes from TDP. This extends beyond direct procurement to include tenders and contracts that prioritise the use of TDP in public projects such as roads, playgrounds, and metal products. This will increase the value of TDP and foster local manufacturing.

> **Electric Vehicle (EV) Tyres**

EV tyres represent a higher-value product due to their construction, but they also produce more particulate matter due to the high torque and weight of EVs. Careful consideration is needed when setting levy values for EV tyres, ensuring only the most efficient products are imported and recycled. Poor-quality EV tyres would exacerbate waste and environmental issues.

> **Consumer Benefit and Adaptability**

The scheme should provide a benefit to consumers, with costs paid in advance at the point of purchase, and it must be adaptable to accommodate new entrants in the industry.

> **Red Tape Minimisation**

It is essential for the Government to recognise the need to minimise unnecessary red tape and regulatory burdens on businesses, ensuring that compliance costs are kept to a minimum, aside from required measures.

The Government should also play a proactive role in providing incentives to encourage the export of TDP. Where opportunities exist, it should facilitate the supply of processed waste materials to various industries, both domestically and for export. This includes meeting legislative requirements for TDP to be used as a fuel source in sectors with sustainable practices, such as steel and cement manufacturing.

## CONCLUSION

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MTAA welcomes the National End-of-Life Tyres Options Project and supports a co-regulated product stewardship scheme that ensures long-term, effective management of EOLT. We urge the Government to prioritise high-quality, durable, and recyclable tyres, encourage tyre re-treading, and create policies that support local recycling industries. By adopting a holistic, regulated approach, Australia can better manage its tyre waste and reduce the environmental and health impacts associated with EOLT.



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