Australian Government

Department of Climate Change, Energy, the Environment and Water

Current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy

Submission to the House of Representatives Standing Committee on Industry, Innovation and Science

January 2026

Introduction

The Department of Climate Change, Energy, the Environment and Water (the department) welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Industry, Innovation and Science's inquiry into the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy.

This submission intends to provide the Committee with an understanding of the department's role and responsibilities as they relate to the Committee's inquiry. A risk-proportionate, pragmatic approach is taken by the department to protect the environment, ensuring efficient and effective use of departmental resources.

Australia is transitioning to a circular economy

The department is the Australian Government lead on supporting the transition to a circular economy.

In 2024, the department released Australia's National Circular Economy Framework[1]. The framework provides the blueprint to double the circularity of our economy by 2025. Supporting targets include:

- Shrink our per capita material footprint by 10%.
- Lift our material productivity by 30%.
- Safely recover 80% of our resources.

The Framework identifies four priority sectors where there are significant opportunities to drive the circular economy, and where Australia has unique advantages, including industry, resources, food and agriculture and the built environment.

National collaboration

Improving Australia's ability to manage waste and the recovery of resources is an essential requirement for achieving a circular economy. Approaches to manage issues in these areas requires a coordinated approach due to the various roles of Australia's governments.

The Australian Government contributes where a coordinated national approach is needed, where it has clear legislative authority to act (such as border controls), provides funding support, and engages on international matters.

The regulation of waste and development of policies on resource recovery and recycling is primarily the responsibility of the states and territories. Local governments work within these legislative frameworks.

Collaborative national engagement on tyres has been progressed by all of Australia's environment ministers through the Environment Ministers Meeting (EMM). The department has supported work undertaken by the Western Australian Government to develop options for all jurisdictions to consider

[1] https://www.dcceew.gov.au/environment/protection/circular-economy/framework

on potential policy and regulatory actions to improve end-of-life tyre outcomes[2]. Ministers are to consider the outcomes of this work in 2026.

The department also encourages nationally consistent and environmentally sound management practices through:

- the National Environment Protection (Movement of Controlled Waste between States and Territories) Measure
- data sharing and harmonised reporting of hazardous waste data.

The department sets national environmental standards in consultation with states, territories and other stakeholders under the Industrial Chemicals Environmental Management Standard (IChEMS).

Legislation

The department is responsible for administering and implementing legislation on waste reduction, resource recovery and the safe management of hazardous materials and chemicals, where the Australian Government has constitutional authority to act.

Recycling and waste reduction

The *Recycling and Waste Reduction Act 2020*[3] (RaWR Act) is the primary Commonwealth legislation to manage waste and resource recovery. It commenced operation in December 2020, bringing together pre-existing legislation (the *Product Stewardship Act 2011*[4]) with new powers regulating waste exports, including tyres, plastic, paper and glass.

Australia was the first country in the world to regulate the export of waste streams, which has been supported by national investment in recycling infrastructure through the Recycling Modernisation Fund[5].

Prior to July 2020, Australia was exporting over 4.2 million tonnes of waste annually. Waste plastic, paper, glass and tyres made up over 30 per cent of this waste (over 1 million tonnes). In 2020, 642,464 tonnes of exported waste were expected to be subject to regulation.

The RaWR Act also provides for three product stewardship approaches:

- co-regulation, of which one scheme is in place, the National Television and Computer Recycling Scheme
- mandatory regulation, which is supporting mandatory rules for mercury in products to help fulfill Australia's international obligations under the Minamata Convention
- voluntary product stewardship accreditation, of which eight industry-led voluntary product stewardship schemes have been accredited, including the Tyre Product Stewardship Scheme.

A statutory review of the Act is currently underway. As per the statutory review's Terms of Reference, this includes consideration of limitations of current approaches to product stewardship. It

[2] National Project on Options for End-of-Life Tyres, https://www.wa.gov.au/service/building-utilities-and-essential-services/waste-management/national-project-options-end-of-life-tyres
[3] Recycling and Waste Reduction Act 2020, https://www.legislation.gov.au/C2020A00119/latest/text
[4] Product Stewardship Act 2011, https://www.legislation.gov.au/C2011A00076/latest/text
[5] Recycling Modernisation Fund, https://www.dcceew.gov.au/environment/protection/waste/how-we-manage-waste/recycling-modernisation-fund

also includes concerns around the viability, integrity and impact of stewardship schemes supported by the Act. The tyre industry has been an active participant in providing feedback for this review, which is expected to be completed in coming months.

Chemicals Management

In Australia, responsibility for regulating chemicals is shared between the Commonwealth and state and territory governments, and across portfolios. The department has direct responsibility for the:

- *Industrial Chemicals Environmental Management (Register) Act 2021* which addresses a gap in national standard setting for industrial chemicals. The Act establishes nationally consistent standards to protect the environment by managing import, manufacture, export, use and disposal of industrial chemicals.
- *National Environment Protection Council Act 1999* which allows for the creation of National Environment Protection Measures by a Council of Australia's environment ministers. The measures are national objectives designed to assist in protecting or managing particular aspects of the environment.
- *Hazardous Waste (Regulation of Exports and Imports) Act 1989* and associated regulations which implement Australia's obligations under the Basel Convention, Waigani Convention, OECD Decision of the Council on the Control of Transboundary Movements of Wastes Destined for Recovery Operations, and Imports from the Democratic Republic of Timor-Leste.

State and territory governments are responsible for day-to-day regulation of pollution prevention and contamination management.

Export of waste tyres

Total volume of tyre exports in 2024–25 was 166,670 tonnes. Tyre export volumes for the top ten destination countries in 2024–25 and historical exports to those countries going back to 2017–18 are as set out in Table 1.

Table 1. Tyre export volumes (tonnes), all AHECCs[6], top 10 destinations

Destination	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
India	30437	52881	41187	46697	44703	36061	70101	102719
Malaysia	24322	34723	23738	30766	20124	15576	16416	37117
Japan	107	1104	225	87	1362	1097	5668	13274
Korea, Republic of	11390	8210	3291	5851	6318	177	1340	6621
USA	6783	8170	8753	7657	6706	3074	2019	2545
Spain	1811	896	1115	1476	966	556	747	1560
Singapore	2999	2440	2655	2554	1210	428	371	634
Thailand	487	133	109	215	590	466	684	552
Eswatini			20	16		63	191	395
Panama	793	653	255	196	393			259

Source: The Waste Export Data Viewer[7], which uses data provided by the Australian Bureau of Statistics.

[6] Australian Harmonized Export Commodity Classification codes
[7] Waste Export Data Viewer, https://www.dcceew.gov.au/environment/protection/waste/exports

Export regulation

The RaWR Act regulates the export of four material streams to protect the environment and human health in destination countries. Waste tyres have been regulated under the RaWR Act since 1 December 2021. The Export Waste Tyres Rules 2021[8] specifically ban the export of whole or large tyres and restrict exports to:

- processed tyres (shred, crumb, granulate, buffings)
- casings for retreading
- verified second-hand tyres for reuse

To comply with the regulation, exporters must:

- hold a Waste Export Licence
- meet processing specifications
- demonstrate environmentally sound processing at receiving facilities
- lodge a Pre-Export Declaration for each shipment
- maintain records and comply with DCCEEW and Australian Border Force monitoring

Non-compliance may result in licence cancellation, civil penalties, or up to five years' imprisonment. More information on waste export regulations can be found on the department's website[9].

Tyre export licences

As of 30 June 2025, there were 56 active waste export tyre licences. In each Financial Year, the number of licences granted was as shown in Table 2.

Table 2. Tyre export licences granted by financial year

Financial Year	Tyre Export Licences Granted
2021-22	30
2022-23	9
2023-24	18
2024-25	9

Licences can be granted for up to three years and licence holders can apply to renew their licence.

Exemptions may be granted in very limited circumstances only. The decision to grant an exemption is made by the Minister on a case-by-case basis. As of 30 June 2025, 16 exemptions for the export of tyres had been granted and three exemptions were active.

Voluntary (industry-led) Product Stewardship Schemes

The Tyre Product Stewardship Scheme (TPSS) administered by Tyre Stewardship Australia (TSA) was established in 2014 and received accreditation in 2021. TPSS seeks to reduce the amount of end-of-life tyres negatively impacting the environment via landfill, onsite burial, or illegal dumping while increasing the recycling rate of end-of-life tyres.

TSA have a strong focus on improving end markets for tyre derived products to improve circularity, including investing more than $11 million dollars in 76 projects supporting market development.

[8] Export Waste Tyres Rules 2021, https://www.legislation.gov.au/F2021L01482/latest/text
[9] DCCEEW Waste Exports, https://www.dcceew.gov.au/environment/protection/waste/exports

TSA[10] estimates that 66 percent of used tyres are recovered in some way (reused, recycled or used in energy recovery). Thirty percent of used tyres are legally land-filled (mostly in Local Government Area landfills or burial onsite at mining sites). Four percent are dumped or stockpiled.

Tyre recovery data prior to the formation of TSA in 2014 is comparatively poor. In 2006, a URS Australia Pty Ltd[11] report to the then Department of the Environment and Heritage, estimated that around 63 per cent of all end-of-life tyres were legally disposed of in landfills. This suggests that since 2005 two thirds of tyres have been redirected from landfill to being recovered. In addition to the work by TSA, infrastructure improvements in the tyre recycling sector have supported this change.

Improvement to the circularity of tyres remains challenging. While energy recovery can be considered more circular than landfill, burial or dumping, it is not recycling. Once the current 40 per cent of Australia's end-of-life tyres are burnt for energy recovery, they are removed from the circular economy as that resource is consumed and no longer available.

Sustainable Procurement

On 1 July 2024, the Commonwealth's Environmentally Sustainable Procurement Policy[12] (C-SPARC) came into effect. Australian Public Service entities and suppliers are required to comply with the policy. This includes undertaking activities to prove environmental claims.

As of 1 July 2025, the policy applies to four high-impact procurement categories. This includes for Construction Services at or above $7.5 million.

C-SPARC requires reporting on the use of recycled content in Construction Services which includes the purchase of crumb rubber and tyres.

Infrastructure investment

The department administers the Recycling Modernisation Fund (RMF), a national initiative investing over $200 million into new and upgraded recycling infrastructure. The additional recycling capacity funded by the RMF supports Australia's capacity to process waste tyres, glass, plastic, paper and cardboard to avoid sending resources to landfill.

The RMF is currently supporting 14 tyre recycling facilities in urban, regional and remote locations across Australia. The Australian, state and territory governments and industry is investing $94.4 million in funding for these projects. When complete, the projects will create an estimated 105,000 tonnes of additional tyre recycling capacity and 413 jobs, including 214 ongoing jobs and 199 construction jobs.

[10] Australia tyre consumption and recovery 2023-24, https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/Australian-Tyre-Consumption-and-Recovery-2023-24.pdf
[11] Market Failure in End-of-Life Tyre Disposal, https://www.accc.gov.au/system/files/public-registers/documents/D12%2B149381.pdf
[12] Environmentally Sustainable Procurement Policy, https://www.dcceew.gov.au/environment/protection/waste/sustainable-procurement/environmentally-sustainable-procurement-policy

Recycled Content

National Framework on Recycled Content Traceability

Uncertainty about the origin, composition and quality of recycled content in Australia's supply chains undermines confidence in products and projects made with recycled materials. To address this, the Department has developed the National Framework for Recycled Content Traceability[13]. It was endorsed by all of Australia's environment ministers in 2023. It is a voluntary framework that outlines the types of data that should be collected and shared, promoting clear, accessible, and consistent information throughout the supply chain. The framework aims to:

1. increase the availability and flow of recycled content data in supply chains
2. provide clear guidelines for tracking recycled content from origin to end use
3. give manufacturers and consumers greater confidence in recycled content products and projects.

Recycled content traceability is a key enabler to support the use of recycled materials, including from tyres, in higher value applications. The framework recognises that industry is best placed to implement recycled content traceability.

ReMade in Australia

The Australian Government has committed to establishing a certified brand, ReMade in Australia[14], for Australian-made products and projects that contain recycled content.

ReMade in Australia aims to:

1. strengthen consumer confidence in, and demand for, Australian made recycled content products
2. drive an increase in demand for Australian recycled content and Australian recycled content manufacturing.

By providing a nationally recognised and trusted certification label, the ReMade in Australia scheme will help build awareness of and confidence in recycled content products and projects. This supports the development of higher value applications for recovered materials, including tyre materials. Products and projects will need to meet certification rules to be eligible to use the ReMade in Australia logo.

As of December 2025, certification rules for the scheme were under assessment by the Australian Competition and Consumer Commission. Subject to that assessment, the ReMade in Australia scheme is expected to open to businesses in early to mid-2026.

[13] Recycled Content Traceability, https://www.dcceew.gov.au/environment/protection/waste/recycled-content-traceability
[14] ReMade in Australia, https://www.dcceew.gov.au/environment/protection/waste/recycled-content-traceability

Research

The department is supporting research into tyres through the National Environment Science Program Phase 2 (NESP 2).

NESP 2 is a multi-year research program funded by the Australian Government that supports all levels of government and decision-makers to deliver on their environmental commitments. The objectives of the NESP 2 program are achieved through co-designed applied science with a focus on practical and evidence-based solutions and strong engagement with the Traditional knowledge of First Nations communities[15].

The applied research for NESP 2 is delivered through four research hubs. The Sustainable Communities and Waste (SCaW) hub is led by the University of NSW and is focused on supporting sustainable communities and facilitating the transition to a safe circular economy[16]. The Hub's research on tyres includes:

- Understanding microplastics from tyre wear – like the tyre dust that washes off roads into stormwater.
- Developing guidance for safe re-use of end-of-life tyres
- Improving the circularity of tyres and exploring opportunities for value recovery

Further information is available on the NESP website[17].

The SCaW hub has conducted research on the chemical composition of waste tyres and the potential for those chemicals to leach out of products made of recycled tyres. A series of factsheets and scientific papers on this research has been published on the SCaW hub website[18]. The SCaW hub has also investigated microplastics released from synthetic turf and tyre particles released through tyre road wear. A series of scientific reports and fact sheets on this research is also available on the hub website[19].

[15] National Environmental Science Program, https://www.dcceew.gov.au/environment/environment-information-australia/nesp
[16] NESP – Sustainable Communities and Waste, https://www.nespsustainable.edu.au/
[17] NESP – Waste and Circular Economy, https://www.nespsustainable.edu.au/about/waste-circular-economy
[18] Impact Priority 3 - Hazardous waste and pollutants, https://www.nespsustainable.edu.au/research/impact-priority-3-hazardous-waste-and-pollutants
[19] Impact Priority 2 - Plastic and waste materials, https://www.nespsustainable.edu.au/research/impact-priority-2-plastic-and-waste-materials#:~:text=Project%201%3A%20Understanding%20Microplastics