



**BIG TYRE PTY LTD**

*The Tyre, Wheel & Rubber Track Specialists*

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**This letter is written to provide information regarding the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy.**

1. Reviewing tyre manufacturing, distribution, importation, and retail trends.

“Tyre” is a term that broadly refers to the rubber covering a wheel and within that there are several types.

- **Pneumatic tyres.** To our knowledge, there are no pneumatic tyres manufactured in Australia. There are plenty of companies importing tyres with over 50 brands of tyres currently sold in Australia.
- **Solid press-on tyres.** Big Tyre manufactures one size of solid press-on tyre for an Australian equipment manufacturer. However, this represents only a tiny fraction of this market segment in Australia. We are not aware of another other solid-press on tyre manufacturers in Australia which means well over 99% of solid-press on tyres sold in Australia are imported.
- **Solid bonded wheels.** Big Tyre, based in South East Queensland, is a world leader in the design and manufacture of solid rubber bonded wheels for heavy duty applications such as underground mining. Big Tyre sells these wheels to original equipment manufacturers (such as Caterpillar Global Mining), to dealers, and to end users. Wheels of many sizes are also imported, either fitted to the equipment or as spare parts. Solid bonded wheels are normally sold as spare parts by the equipment dealers or by specialists in that type of equipment.

2. Investigating current practices in tyre reuse, retreading, recycling, and resource recovery, including reviewing federal, state, and local regulations governing tyre production, disposal, and recycling.

- **Tyre reuse.** Numerous companies repair tyres, including Big Tyre, enabling them to be used well beyond the life of their first injury.
- **Tyre retreading.** Once a common practice in Australia, Big Tyre is now one of the few companies in Australia that continues to retread tyres. The reason that this is not done more commonly is based primarily on the cost of tyre retreading compared to the cost of tyre disposal and replacement. The retreading or rebuilding of solid bonded wheels is common practice as this is very cost effective compared to buying new wheels. Big Tyre rebuilds hundreds of solid wheels every year. However, pneumatic tyres are often buried

(by mining companies), burned, or illegally dumped. Big Tyre has the capabilities to retread pneumatic tyres for most applications including agricultural, industrial, construction, and mining. This is huge opportunity to reduce waste and to reduce imports while supporting the Australian economy. Big Tyre is proud to be already contributing in this sense, but there is room for so much more. We already have the skills and the facilities. It's just that the companies using the tyres don't have the motivation. With appropriate changes in legislation so that companies are motivated to rebuild their tyres instead of burying them, Big Tyre is ready to retread them and better serve the Australian circular economy. A more detailed explanation of what is required to deal with Australia's tyre recycling problem is presented in the next point.

- **Tyre recycling.** The problem here is that imported tyres are cheap, and recycling or retreading is relatively expensive. This is why so many tyres are disposed of illegally. The answer is actually quite simple. If the government were to impose a recycling levy on all imported tyres (based on tyre weight and payable by the tyre importers), this would serve two functions simultaneously. The cost of imported tyres would rise slightly as the tyre importers pass on this cost to consumers, making the prospect of retreading used tyres more attractive. Secondly, the government would use this levy to fund tyre recycling companies so that it was free for the public to have tyres recycled. The tyre recycling companies (this does not include Big Tyre) would then receive government funding based on the tonnage of tyres they have recycled so that they could provide this service for free. The number of tyres dumped, burned and buried would be slashed dramatically. It should also be made illegal for mines to bury their end-of-life tyres just as it already is illegal for any other business or person in Australia to do so.
  - **Resource recovery.** This is a struggling industry in Australia. In the USA, scrap rubber is sold by the tonne. Meanwhile, in Australia the resource recovery industry is so immature, that we can't give away rubber scrap. Even rubber dust (used for soft-fall playground matting, as an ingredient in bitumen, and several other applications), which is a by-product from Big Tyre as part of retreading, is something that we struggle to even give away. Once, Big Tyre used to sell their rubber dust, and now no-one wants it at all. Methods of recovery can include direct usage of the rubber as described above for the rubber dust, or energy from waste (electricity generation), or pyrolysis to extract based components such as oil and carbon black.
3. Exploring technological advancements in tyre design, recycling processes, and alternative materials.
- Big Tyre uses only high-quality rubber which means our tyre retreads last longer than many brand-new tyres. However, this value is often not seen by the buyer who is only comparing the price of new products to rebuilt products. Therefore, unless restrictions are placed on the quality of imported goods, improving tyre design is unlikely to be an

effective solution. The high-quality brands, such as Bridgestone, Goodyear, and Michelin, already invest heavily in this regard and of course their product prices reflect this investment.

4. Identifying opportunities to develop high-value uses for waste tyres and tyre-derived materials, including applications in construction, manufacturing, and other commercial sectors.
  - Big Tyre would be keen to be involved if new opportunities can be identified.
5. Evaluating the effectiveness of the existing circular economy models and identifying opportunities for research and development to support improved sustainable practices.
  - See previous comments regarding tyre recycling.
6. Considering the role of commercially viable product stewardship schemes and whether these should be made mandatory, and identifying infrastructure gaps in collection, processing, and recycling facilities.
  - Mandatory involvement in such scheme for Australian manufacturers and tyre recyclers will place a further administrative and financial burden on companies that are already doing it tough with Australia's extreme costs of labour, electricity, and rent. By funding such activities with a levy on imported tyres, the cost is distributed to all tyre uses in the country.
7. Investigating environmental, community, and health and safety concerns related to tyre waste and recycling operations.
  - Tyre waste is feared by people in this country due to the high cost of recycling and illegal dumping issues so people are fearful of using end-of-life tyres in responsible ways. For example, they would form a perfect back-drop at a shooting range to absorb bullets. They can be cut in half and filled with water for cattle water tanks on farms that last longer than any concrete tank. However, business are resistant to accepting end-of-life tyres for these applications due to concerns about costs they will incur if they have a change in circumstances and no longer want the product.

Best regards,



Daniel Loudon  
CEO  
Big Tyre Pty Ltd