

Submission on the Terms of Reference - *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*

December 2025

About WALGA

The Western Australian Local Government Association (WALGA) is an independent, member-based, not for profit organisation representing and supporting the WA Local Government sector. Our membership includes all 139 Local Governments in the State.

WALGA uses its influence, support and expertise to deliver better outcomes for WA Local Governments and their communities.

We advocate to all levels of Government on behalf of our Members, and provide expert advice, services and support to Local Governments.

WALGA's vision is for agile and inclusive Local Governments enhancing community wellbeing and enabling economic prosperity.

Acknowledgement of Country

WALGA acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including Boorloo (Perth), on the land of the Whadjuk Nyoongar People, where WALGA is located and we acknowledge and pay respect to Elders past and present.

Introduction

WALGA welcomes the opportunity to comment on the Terms of Reference for the Australian Parliament'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*.

The House of Representatives Standing Committee on Industry, Innovation and Science will inquire into, and report on, the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy, with reference to:

1. Reviewing tyre manufacturing, distribution, importation, and retail trends.
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.
3. Exploring technological advancements in tyre design, recycling processes, and alternative materials.
4. Identifying opportunities to develop high-value uses for waste tyres and tyre-derived materials, including applications in construction, manufacturing, and other commercial sectors.

5. Evaluating the effectiveness of the existing circular economy models and identifying opportunities for research and development to support improved sustainable practices.
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.
7. Investigating environmental, community, and health and safety concerns related to tyre waste and recycling operations.

WALGA supports the Inquiry, as the cleanup, management, recycling and disposal of end of life tyres often becomes the responsibility of Local Governments and their communities to manage, requiring significant financial and physical resources.

This Submission has been developed with reference to WALGA's Advocacy Position on Product Stewardship and previous Submissions on Tyre Stewardship Australia.

This Submission provides information on current challenges with end of life tyre management and the importance of mandatory Product Stewardship.

Background

In managing end of life tyres, waste providers and Local Governments are constrained by high collection costs, limited recycling options and transport costs to processors, along with the cost to recycle the material. Lack of widespread, accessible and affordable disposal options for community members leads to activities such as stockpiling and illegal dumping, creating environmental and health risks and amenity issues within communities.

Tyres are among the most common illegally dumped materials managed by Local Governments at significant cost, with a 2024 study showing collectively, Local Governments across Australia were paying around \$6.5million a year to clean up inappropriately disposed end of life tyres.

Regional Local Governments are further disadvantaged by limited collection and recycling opportunities, higher costs to transport tyres to processors, and limited resources to monitor and manage illegal dumping of tyres across large geographic areas.

Regional Local Government feedback shows the consolidation model, where infrastructure is established or expanded for the purpose of consolidating and transporting material to Perth and Peel, is not supported as a priority. The preference is for the creation of precincts within the region to facilitate waste being received and processed locally to maximise benefit to local communities, or a series of small individual processing facilities in key areas.

To support local processing and end markets for recovery and reuse of tyres, industry investment in the regions must be encouraged through incentives and planning.

The recovery of tyres is further constrained by limited markets for tyre-derived material, with the sale price of the material produced not covering the initial costs to collect, transport and process the tyres.

Product Stewardship

The Australian Tyre Product Stewardship Scheme (the Scheme) was launched in 2014 under the administration of Tyre Stewardship Australia (TSA). In September 2024, the Scheme was re-authorised by the ACCC for a further three years.

The Scheme has made some progress in increasing recovery of tyres and conducting market development research and projects since its establishment. However, it has fallen short of achieving its potential due to its voluntary status, which has led to a range of issues including insufficient participation, 'free-riders' participating in but not contributing to the scheme, and limited incentives for investment in higher order processing infrastructure.

Recovery of tyres has fluctuated over the past several years, in some years dropping significantly while dumped tyres have increased, indicating the scheme is not achieving its goals by shifting the responsibility of tyre disposal on to communities and Local Government.

The voluntary nature of the scheme means further progress is limited and membership is not incentivised past companies' own motivations to contribute. This has been acknowledged both by TSA and by the ACCC during the Scheme's re-authorising assessment in 2024.

The Scheme is currently reporting recovery rates of 87% for car, bus and passenger tyres and 20% for off the road (OTR) tyres. In comparison, regulated schemes in Alberta and British Columbia, Canada report rates of 97% for on-road tyres and 78% for OTR tyres.

WALGA has a clear [advocacy position on Product Stewardship](#) which states effective product stewardship schemes hold characteristics including covering the entire cost of collection and recycling, having equitable coverage including regional and remote locations and no additional costs to consumers when the product is disposed of post consumption.

Establishment of a co-regulated or mandatory scheme with all producers/importers contributing and which covers all costs associated with tyre recycling is required to meet the targets set by the Scheme. This will provide greater opportunities for collection, recovery and recycling of end of life tyres by removing the financial impost on businesses and service providers including Local Government and the wider community.

Flow on effects will enable TSA to be better resourced to undertake market research and development and provide financial support to service providers and tyre collectors to provide the collection, transport and recycling of tyres without significant out of pocket expenses.

Under a mandatory scheme model, TSA would be enabled to deliver key benefits including:

- Addressing illegal dumping of tyres and empowering Local Governments to proactively manage illegally dumped tyres within their communities.
- Increasing reuse and recovery opportunities for regional/remote areas, keeping waste close to source of generation to limit transport and processing costs.
- Greater engagement with and support to Local Government sector to fully cover the cost of tyre collection, transport and recycling
- Greater focus on market development for tyre derived products.

Conclusion

WALGA considers that a primary focus of the Inquiry should be on the necessary steps to establish a mandatory product stewardship scheme which fully covers the costs of collecting, transporting and processing tyres for recovery. A fully funded and effective scheme will enable the administrator to continue increasing recovery of tyres, including in regional and remote areas, while supporting the development of processing infrastructure, end markets and providing support to Local Governments to proactively manage illegally dumped tyres within their communities.