



To the Australian Government

House of Representatives

Tyre Industry Consultation Committee

Canberra, ACT – Australia

Subject: Contribution to the Consultation on the Tyre Sector and the Strategic Importance of Tyre Retreading in the Circular Economy

Dear Committee Members,

As a company operating in the Australian market and a global leader in the tyre retreading sector, we are submitting this contribution to the consultation conducted by the House of Representatives on the challenges and opportunities in the tyre sector, with particular attention to reuse, retreading, recycling and resource recovery practices.

We believe this strategic initiative has potential to guide future legislation, aiming to promote solutions aligned with the principles of the Circular Economy, reduce waste, and strengthen the economic competitiveness of the transport sector.

Vipal Rubber has been developing tyre retreading solutions for over 50 years and is present in over 90 countries across five continents. We lead the commercial tyre retreading segment in Latin America, with a 38.6% market share, and in Brazil – the world's second-largest tyre retreading market – with a 44% market share. We keep a global structure comprised of 7 industrial units, 10 administrative units, 14 distribution centers, and a broad network of over 220 authorized retreaders in Brazil, totaling more than 280 in Latin America. Our operations are supported by continuous investments in research, development, and quality control, carried out in 13 in-house laboratories, where we conduct approximately 28,000 technical tests per year.

In Oceania, we have been operating for over 18 years, with consolidated presence in the Australian market. We operate throughout the tyre retreading ecosystem, including urban passenger transport, waste collection, and OTR (Off-the-Road) vehicles, as well as in the segments of passenger and commercial tyre repair and retreading. Leading players in the development of rubber compounds with a portfolio that includes innovative solutions for electric vehicles and hybrid compounds for mixed applications, we are recognized by fleet operators, independent retreaders, and governmental and transport institutions as a reliable supplier with technically robust solutions aligned with contemporary demands for efficiency, safety, and sustainability.



From a technical standpoint, tyre retreading is a widely proven, safe, and reliable practice. The process allows for the reuse of the casing—the tyre's main structural asset—allowing for an extended service life with performance and safety levels equivalent to those of a new tyre. In heavy-duty applications, a retreaded tyre can travel approximately 220,000 kilometers with a single retreading, compared to about 120,000 kilometers for a new, unretreaded tyre.¹ It is worth highlighting that in Australia this would prevent premature disposal, which currently reaches 67 million tyres per year.

From the perspective of the Circular Economy, the benefits of retreading are substantial. The process demands significantly fewer natural resources than the manufacture of new tyres, resulting in estimated savings of up to 70% in inputs such as oil and water. Life cycle studies also indicate reductions of approximately 24% in CO₂ emissions, 21% in air pollution and 19% in water² consumption. Each retreaded commercial tyre represents an average saving of 57 liters of oil, while retreaded passenger tyres save about 17 liters, directly contributing to the mitigation of environmental impacts associated with non-renewable resources.

In addition to environmental benefits, tyre retreading generates positive economic and social impacts. For fleet operators, the cost per kilometer driven can be up to 57% lower³, and the acquisition cost of a retreaded tyre can be up to 70% lower than that of a new tyre.⁴ Added to these factors is the positive social impact, with the generation of qualified local jobs and high rates of reuse and recyclability of waste from the production process.

International experiences demonstrate the potential of tyre retreading as a structuring public policy. In New Zealand, the Tyrewise program formally recognizes retreading as an instrument to reduce and postpone waste disposal, including industry representatives on its official committee and adopting a fee when purchasing new tyres, with no additional cost at the time of disposal. In the United States, legislative proposals discuss granting tax credits to companies that use retreaded tyres and requiring their partial adoption in government fleets.

Given this context, we understand the current Australian approach, focused mainly on recycling, could be strengthened through the explicit recognition of tyre retreading as a priority practice within the hierarchy of the Circular Economy. We also note and are concerned about the growing entry of low-cost, low-yield tyres into the country, whose rapid obsolescence increases the volume of waste and generates unfair competition for high-performance retreaded tyres, harming environmental and economic efficiency objectives.

¹ Source: Ernst Young, “The socio-economic impact of truck tyre retreading in Europe”, 2016.

² Source: Ernst Young, “The socio-economic impact of truck tyre retreading in Europe”, 2016.

³ Source: ABR - <https://abr.org.br/dados-do-segmento>

⁴ Source: Ernest & Young Report - www.etrma.org/wp-content/uploads/2019/09/201611-ey_retreading_lr.pdf



Based on our technical experience and work in the Australian market, we recommend that this Committee consider:

- the formal recognition of tyre retreading as a strategic Circular Economy practice;
- the inclusion of representatives from the retreading sector in the committees and governance bodies of the tyre sector;
- the evaluation of tax or fiscal incentives for the use of retreaded tyres in commercial and public fleets;
- and the definition of guidelines that promote the quality, performance, and durability of tyres sold in the country.

We reaffirm our willingness to collaborate technically with the Australian Government and this Committee, making available data, studies and expertise to support the formulation of effective, balanced public policies aligned with international best practices.

Yours faithfully,

Adalberto Fernandez

General Manager of Vipal at MERO

Vipal Rubber
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