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**Dept of Industry, Innovation and Science**  
Australia

Date: 11<sup>th</sup> January 2026

Attn: The Standing Committee

**Re: The Australian Tyre Industry – Retreading & Recycling**

Dear Sir / Ms

Having been in the tyre industry for more than 30 years, we would like to present our views on 2 aspects of the industry, namely tyre retreading and tyre recycling, for the consideration of The Standing Committee.

**[A] Tyre Retreading Industry**

There are no new tyre manufacturing left in Australia. All new tyres sold or fitted in Australia are fully imported. To start a new tyre factory in Australia would involve investments upwards of many hundreds of millions of dollars.

What is left, and is currently in dire need of assistance, are a handful of tyre retreading facilities scattered throughout Australia.

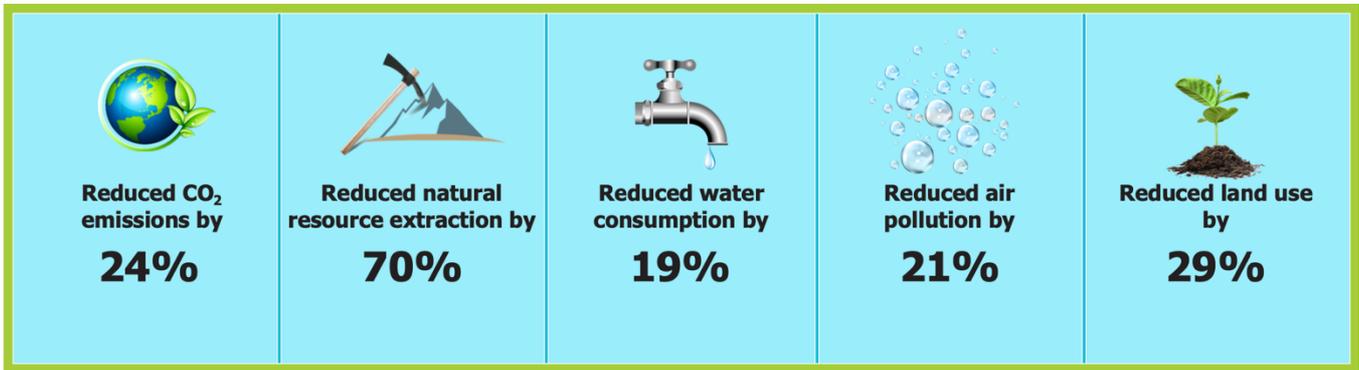
**What is Tyre Retreading ?**

Simply put, it is a manufacturing process that gives worn out commercial tyres a new life by replacing the old worn out tread with new rubber.

It is a true and tested industry, having been around for more than 100 years.

It is one of the earliest form of recycling. It is widely accepted that every truck or bus tyre you retread saves 56.5 litres of oil and 50 kgs of land fill.

A report by Golden JS, Handfield R, Daystar J and Woodrooffe J (2018) titled “Retread Tires in the United States & Canada: An Analysis of the Economic & Environmental Benefits for Fleet Operators and the U.S. Government” summarizes the environmental benefits of retreading as follows:



**What are the problems we are facing ?**

Ultra cheap (heavily subsidized) new tyres imported from China.

Countries that have imposed import duties on China made new tyres, such as USA, Europe and India, have a vibrant and thriving tyre retreading industry.

Countries that allow the importation of China made new tyres duty free, such as Australia and Malaysia, unfortunately will result in the decline and gradual closure of the tyre retreading industry.

**Why is it important to preserve what is left of tyre manufacturing (retreading) in Australia ?**

Aside from real environment re-use, recycling argument, there are important strategic reasons as well.

If there is a war in South China Sea or in Taiwan, all shipping would most likely stop for the duration of the war. Wars typically do not last forever.

In this real scenario all imports into Australia would most likely stop. People will have to get used to repairing and re-using their old TV sets, refrigerators, cars, trucks, washing machines etc. instead of buying new ones for the time being.

But with regards to tyres, what do you do if all the remaining handful of tyre retreading factories close down in Australia ?

The entire supply chain in Australia would stop because there are no new tyres being imported and there are no tyre retreading factories to recycle and re-use the worn out tyres.

This is going to be a real problem.

**What is the Solution ?**

We propose that Australia impose a “tax” on all tyres imported into Australia regardless of its origin. This way we are not singling out any particular country, which could cause a trade war.

The funds raised by this tax should go to :

1. Every retread factory based on their sales units, and
2. Every transport operator based on their retread purchased units.

This data is easily available, and it financially incentivize every transport operators that chooses a retread, wherever possible, over a new tyre.

## **Conclusion**

Under this system, no one is hurt or worst off. For example, the transport operator may pay \$50 more an imported new tyre. But if they also buy a retread tyre, they will be getting \$50 rebate from the government, so they are left essentially cashflow neutral.

And because there is always going to be more tyres imported, than the number of tyre retreads sold, there will be surplus of “tax” collected, part of which can be used to assist the remaining tyre retreading factories.

Most importantly, we are preserving and supporting what is left of a highly strategic Australian tyre manufacturing (retreading) industry and in the process we encourage more tyres being re-used and recycled.

Lastly, this proposed system does not cost the government anything at all, and we believe is a politically popular move.

## **[B] Tyre Recycling Industry**

The current laws regulating this industry does not make sense at all. The current laws ban export of baled tyres, but allows export of tyre chips (under 150 mm).

It is a noble pursuit to want to be able to process locally all the waste generated in Australia. However, we must take note of the harsh realities shaping the Australian tyre industry:

- 1) Steady population growth, meaning increased cars and other vehicles on the road and increased transportation of goods, which will increase tyre usages,
- 2) With the influx of ultra cheap (heavily subsidized) new tyres from China, no body wants to retread and re-use tyres anymore,
- 3) Often these ultra cheap new tyres do not last very long, thereby generating even more waste tyres,

4) The increased use of EV vehicles, which will wear tyres out quicker due to its instant and increased torque.

All these factors will undoubtedly cause the number of end-of-life (waste) tyres to increase exponentially. There is no way Australia can process or recycle internally all the waste tyres generated.

The current laws allowing the shredding or cutting tyres down to 150mm and exporting them as TDF (tyre derived fuel) is not really the solution. Shredding or cutting tyres down to 150mm requires a lot of energy (electricity). Electricity is not something Australia has an abundance of. We are better off using what surplus electricity we have into something more profitable and strategic, like data centers.

Due to high electricity, maintenance and operating costs, these local tyre shredding companies often cannot survive on its own, and requires government subsidies in the form of grants or research funds etc in order to survive.

Why are we wasting Australian tax dollars in subsidizing these operations.

The best and most efficient way of exporting surplus waste tyres, that Australia cannot effectively process, is through baling of tyres. The baling process is very simple and uses very little electricity.

Why is there a distinction between shredded tyres (tyre chips) and baled tyres ?

Why is Australia allowing the export of shredded tyres (tyre chips), but not baled tyres ?

Ultimately both shredded tyres (tyre chips) and baled tyres are going to be “burned” under controlled conditions in order to extract energy.

If the Australia government is concerned about how these shredded tyres (tyre chips) or baled tyres are handled and processed overseas, then independent audits, by acceptable international bodies, should be conducted, and only those plants that pass the acceptable environmental standards should be allowed to purchase Australian shredded tyres (tyre chips) or baled tyres.

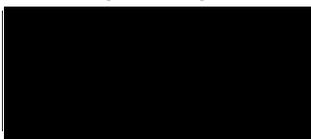
## **Conclusion**

It is impossible for Australia to effectively recycle and re-use all its waste tyres generated. That being the case, we should allow for the export of both shredded tyres (tyre chips) and baled tyres, but only to those overseas' factories that pass acceptable environmental standards.

We also attached a short presentation about our Company for your reference.

Thank you for this opportunity.

Yours faithfully  
NBR Tyres Pty Ltd



Chin Han Tan  
Director

*Use NBR Retreads for a Greener Australia*