

Submission to the Parliamentary Inquiry

Inquiry into the Current State of the Australian Tyre Industry and Challenges and Opportunities within a Circular Economy

Submitted by:

RubberGem (Matters Enterprises)

Western Australia

1. Introduction and Industry Experience

RubberGem has been actively recycling conveyor belts for the Western Australian mining industry for over 23 years. During this period, the business has worked closely with major resource companies to divert large volumes of rubber waste from landfill and develop higher-value reuse pathways.

Recently, RubberGem completed a major expansion with the commissioning of a purpose-built recycling facility representing an investment of approximately **\$60 million**. This facility is capable of processing **passenger tyres, truck tyres, off-the-road (OTR) mining tyres, and conveyor belts** into a range of **value-added rubber products**, supporting genuine circular economy outcomes.

Given our long-standing involvement in rubber recycling, our exposure to both domestic and international markets, and our focus on higher-value circular outcomes rather than low-value disposal pathways, we believe we are well placed to comment on the current challenges and opportunities facing the Australian tyre industry.

2. Preconditions for Investment in Tyre Recycling

For private capital to invest in tyre recycling infrastructure, particularly value-adding facilities, two fundamental conditions must be met:

1. **Reliable access to feedstock at a predictable price**
2. **Confidence that processed outputs can be sold profitably into sustainable markets**

At present, these conditions are not consistently met in Australia, particularly in Western Australia, which materially increases investment risk and discourages the development of advanced recycling facilities.

3. Landfill Access Undermines Recycling Investment

In Western Australia, **all tyre types are currently permitted to be disposed of to landfill**. This has several negative consequences:

- Tyre recyclers are forced to compete directly with landfill pricing, which is often artificially low and does not reflect long-term environmental or social costs.
- Mining and commercial generators have little financial incentive to pursue higher-order recycling options.
- Long-term investment in recycling infrastructure becomes difficult to justify when landfill remains the cheapest option.

Allowing tyres to be landfilled fundamentally undermines circular economy objectives and sends contradictory signals to investors seeking to develop advanced recycling solutions.

4. Dominance of Low-Value Tyre Derived Fuel (TDF)

Another major constraint on industry development is the prevalence of **tyre derived fuel (TDF)** as the dominant processing pathway.

Large tyre collectors are able to aggregate significant volumes and direct them almost exclusively into fuel markets. While TDF may divert tyres from landfill, it represents a **low-value, linear outcome**, not a circular one.

The dominance of TDF:

- Crowds out higher-value material recovery and manufacturing pathways
- Reduces feedstock availability for value-adding recyclers
- Increases commercial risk for investors seeking to manufacture recycled rubber products

If Australia is serious about a circular economy, policy settings must prioritise **material recovery and remanufacturing over energy recovery**.

5. Australia's Structural Cost Disadvantages

Australia is a geographically remote nation with a relatively small domestic population. As a result:

- Recycled rubber products often need to access **international markets** to achieve consistent volumes
- Australian recyclers face **significantly higher operating costs**, particularly for:
 - Energy
 - Labour
 - Compliance and regulatory overheads

These cost pressures make it difficult for Australian manufacturers to compete with imported recycled rubber products unless supportive policy measures are in place.

6. Low-Quality Tyre Imports Increase Waste Generation

The volume of waste tyres generated in Australia could be materially reduced through **tighter regulation of low-grade tyre imports**.

Low-cost, low-quality tyres:

- Have significantly shorter service lives
- Are often not retreadable
- Enter the waste stream much more frequently

In contrast, higher-quality tyres:

- Last longer
- Can be retreaded multiple times
- Support local retreading and recycling industries

Encouraging higher-grade tyre imports would:

- Reduce overall waste volumes
- Increase retreading activity
- Create skilled employment opportunities
- Support more sustainable lifecycle outcomes

7. Tariffs on Imported Recycled Rubber Products

Australian recyclers are currently competing with **imported finished products manufactured from overseas waste tyres**, particularly from China.

Examples include:

- Fitness and gym flooring
- Playground softfall
- Sports surface products
- Commercial and industrial flooring
- Car park wheel stops
- Traffic management and road safety products
- Agricultural and livestock flooring
- Anti-vibration and impact protection products

These products are often manufactured using **foreign waste tyres**, then imported into Australia at prices Australian manufacturers cannot match due to higher local operating costs.

Introducing **tariffs or local content requirements** on these products would:

- Support Australian manufacturing
- Ensure Australian waste tyres are recycled domestically
- Reduce reliance on imported recycled materials
- Strengthen sovereign manufacturing capability

8. Opportunities for Policy Reform

To unlock genuine circular economy outcomes in the Australian tyre sector, the following reforms should be considered:

- Progressive bans or levies on tyre landfill disposal

- Incentives for material recovery over fuel recovery
- Stronger product stewardship requirements tied to local recycling outcomes
- Import quality standards to discourage low-grade tyres
- Tariffs or procurement preferences for Australian-made recycled rubber products
- Government procurement mandates for recycled-content rubber products

9. Conclusion

Australia has the technical capability, industrial expertise, and waste volumes necessary to build a world-class tyre recycling and remanufacturing industry. However, current policy settings favour disposal and low-value processing pathways, increasing risk and discouraging long-term investment.

With targeted regulatory reform and market support, Australia can:

- Reduce waste tyre volumes
- Create skilled manufacturing jobs
- Retain value onshore
- Deliver genuine circular economy outcomes

RubberGem welcomes the opportunity to contribute further to this inquiry and provide additional evidence or site inspections if required.

Regards

Corey Matters

Managing Director

Website rubbergem.com | rubbergem.com.au | dairygrip.com



Sustainable Solutions: Recycling conveyor belts, OTR, truck and passenger tyres into value-added products

Circular Economy Advocate: Driving environmental, social, and economic impact

Innovative Products: Sustainable rubber compounds

Pioneering the future of sustainable rubber recycling — one product at a time.