PATCOTYRES

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To
The Committee Secretary
House Standing Committee on Industry, Innovation and Science
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Dear Committee Secretary,

Please accept this correspondence as my response to the Standing Committee's questions relating to the current state of the Australian tyre industry, and the challenges and opportunities for the industry within the context of a circular economy.

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

Further regulatory complexity across tyre manufacturing, distribution, importation and retail is unnecessary and counterproductive. Additional compliance requirements would increase costs throughout the supply chain without delivering any measurable safety, environmental or circular-economy benefit.

Tyres supplied to the Australian market are manufactured in accordance with recognised international standards, undergo rigorous testing, and hold appropriate international certification. Tyres fitted to vehicles in Australia must also comply with relevant AS/NZS standards, vehicle manufacturer specifications, and the Australian Design Rules (ADRs).

Import compliance requirements are already well established and effectively enforced by Australian Border Force. These frameworks provide clarity, consistency and appropriate oversight for tyres entering the Australian market.

Policy settings should rely on existing standards and enforcement mechanisms rather than duplicating or expanding regulatory frameworks. Additional layers of regulation increase compliance costs without improving outcomes.

A levy on the importation of new tyres should not be used as a mechanism to stimulate circular-economy outcomes. In practice, levy revenue would be largely absorbed by government administration, compliance and oversight, rather than delivering material recovery benefits.

A levy adds cost and complexity to the supply chain without:

- Increasing collection volumes
- Improving material quality
- Addressing the operational realities of recovery businesses

If government is serious about sustainability and circular-economy outcomes, funding must be directed to all operators not a select few who physically collect, sort and process tyres for reuse and recycling. These businesses already deliver measurable environmental outcomes efficiently and at scale.

Diverting funds through levies and additional administrative frameworks reduces productivity, increases costs and weakens the operators responsible for delivering circular-economy outcomes. Direct support for collection and recovery is the only approach that delivers scalable, cost-effective environmental results. Otherwise, most of this money will just be consumed within the association or government department overseeing the levy.

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.**

   Reducing red tape must be a core government priority if productivity within the circular economy is to improve. Current regulatory processes remain time-consuming and unnecessarily complex, so simplification is required.

   At present, it can take three to four months to add a new customer to an existing export licence. Applications of this nature should be assessed and approved within a reasonable timeframe such as five business days, not months. Prolonged approval delays directly undermine business efficiency and commercial relationships and act as a clear barrier to trade.

   The scope of information required to add new customers to an existing export licence is also excessive. Much of the information requested relates to proprietary customer processes, not addressing environmental risk. This level of disclosure is unnecessary, increases the compliance burden, and contributes to extended approval timelines without delivering any corresponding environmental benefit.

   A key contributor to these delays is the requirement for approvals to be signed off by senior government delegates, rather than by the operational teams responsible for assessing applications. Delegating approval authority to appropriately qualified assessment teams would streamline decision-making, reduce bottlenecks, and significantly improve regulatory efficiency while maintaining appropriate environmental oversight.

   The circular economy does not operate in isolation. Australian businesses depend on access to international reuse, retreading, and recycling markets to remain commercially viable. Regulatory settings that hinder global trade in reusable materials directly weaken the circular economy and threaten the sustainability of established operators.

3. **Exploring technological advancements in tyre design, recycling processes, and alternative materials.**

   Tyre manufacturers already invest millions of dollars each year in research and development to improve safety, performance, and durability. Manufacturers of recycling and processing equipment are doing the same, continually developing advanced technologies that increase efficiency and improve material recovery outcomes.

   These technologies are already commercially available. Businesses can access proven, market-ready solutions through international trade fairs, technical exhibitions, and direct engagement with global suppliers.

   Government policy should therefore focus on supporting the uptake of existing, commercially viable technologies, rather than attempting to mandate or duplicate innovation as the private sector is already delivering effective solutions. Additional regulatory intervention risks increasing costs, slowing the adoption of new technology, resulting in reduced productivity across the circular economy.

4. **Identifying opportunities to develop high-value uses for waste tyres and tyre-derived materials, including applications in construction, manufacturing, and other commercial sectors.**

   Government policy should actively support the development of higher-value applications for waste tyres and tyre-derived materials across construction, manufacturing, and other commercial sectors. Support should be directed toward initiatives that deliver genuine market outcomes, not short-term or subsidy-dependent projects.

   Businesses receiving government support should demonstrate they are commercially viable, and have long-term business models that can operate sustainably without ongoing government intervention. This ensures public investment delivers lasting economic, environmental, and employment benefits rather than temporary or artificial market activity.

   With respect to circular economy raw-material distribution, a nationally consistent regulatory framework is required for the interstate transport of reusable tyres suitable for retreading, tyre-derived fuel, and rubber crumb. While overarching environmental regulations exist at the national level, inconsistent and, at times, conflicting state and territory requirements create unnecessary regulatory complexity, increase compliance costs, and act as a direct barrier to the efficient reuse of tyres within the circular economy. Government must prioritise regulatory harmonisation across jurisdictions to remove these barriers, improve operational efficiency, and support scalable, commercially viable circular-economy outcomes.

5. **Evaluating the effectiveness of the existing circular economy models and identifying opportunities for research and development to support improved sustainable practices.**

   Rather than imposing levies on businesses already operating within the circular economy and then redistributing those funds through grant programs, the government should provide targeted R&D tax offsets to companies investing their own capital into research and development. This approach directly incentivises innovation, accelerates the development of commercially viable product streams, and leverages private-sector expertise.

   Applying levies to existing circular-economy operators undermines competitiveness, increases operating costs, and weakens the financial sustainability of established businesses. In many cases, any perceived environmental benefit is eroded by administrative overheads and compliance costs. Supporting innovation through tax-based incentives is a more efficient, market-driven mechanism that delivers better economic and environmental outcomes.

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**.

   Making product stewardship schemes mandatory is unnecessary. Businesses already invest significant time and resources into compliance, reporting, and tracking systems to meet existing environmental standards and regulatory requirements.

   Introducing a mandatory product stewardship scheme would largely duplicate processes that are already in place, adding an additional layer of administration without delivering any measurable environmental benefit. Instead, it would increase operating costs, compliance burdens, and complexity for businesses that are already meeting their obligations.

   There is also a risk that if a government endorsed association were involved in the management of a stewardship scheme, it could use its position to advance its own policy agenda and lobby for regulatory reforms, which may not align with the commercial realities or best interests of industry participants.

Under such a model, businesses could be compelled to fund policy outcomes that directly undermine their future profitability and long-term viability. This risk highlights why stewardship schemes must remain voluntary.

Voluntary participation ensures businesses retain the ability to engage constructively in policy development, express independent views, and support practical, industry led improvements without being forced to finance initiatives that conflict with their own operational realities or sustainability.

7. Investigating environmental, community, and health and safety concerns related to tyre waste and recycling operations.

Businesses operating within the tyre waste and recycling sector are already subject to stringent environmental, community, and workplace health and safety requirements. These obligations are underpinned by comprehensive licensing, regulatory, monitoring, and audit frameworks that are actively enforced.

Introducing additional layers of regulation would merely duplicate existing controls, increasing compliance costs for lawful operators without delivering any meaningful improvement in environmental or safety outcomes.

Regulatory effort should instead be directed toward identifying and eliminating rogue operators who continue to operate outside the law and without the required environmental licences. Despite the existence of a robust regulatory framework, these operators continue to access waste tyres, undermining compliant businesses and eroding the integrity of the circular economy.

We appreciate the time you have taken to consider our feedback and recommendations. If you require any further clarification on any of the responses provided, please feel free to contact us.

Sincerely,

PATCO TYRES

Justin Boyle

Director