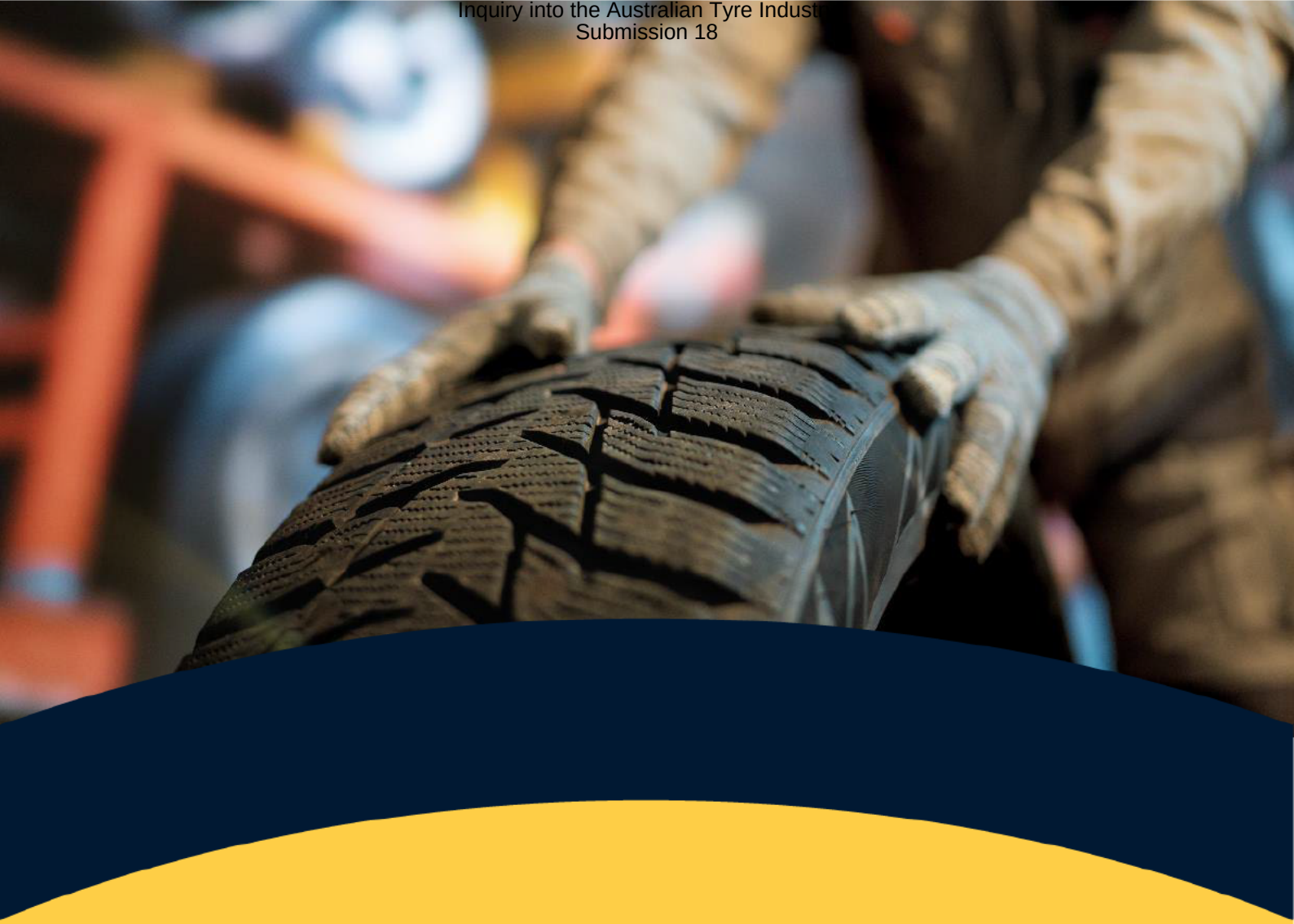

MTAA SUBMISSION

Tyre Stewardship and End-of-Life Tyre Management

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MOTOR TRADES ASSOCIATION OF AUSTRALIA

1. Introduction

The Motor Trades Association of Australia (MTAA) appreciates the opportunity to contribute to the Standing Committee on Industry, Innovation and Science's inquiry into the current state of the Australian tyre industry, and the challenges and opportunities within the context of a circular economy. This submission represents the collective expertise of MTAA's membership across automotive repair and service, tyre retailing, recycling, dismantling, and the broader automotive supply chain.

It also draws from *The Outlook for End-of-Life Vehicles (ELVs) in Australia* – a comprehensive national study delivered jointly by MTAA and the Federal Chamber of Automotive Industries (FCAI) in 2023 which was supported by a $1 million grant from the Australian Government's Product Stewardship Innovation Fund (see summary report linked here). The study identified structural and regulatory problems in Australia's handling of end-of-life vehicles and associated material streams, including tyres.

Tyres occupy a unique position in Australia's circular economy landscape. They are essential for transport safety and economic activity, yet they generate one of the most challenging waste streams – large, complex, and resource-rich, but often undervalued and poorly tracked at end-of-life.

Despite positive progress achieved by Tyre Stewardship Australia (TSA) through its voluntary scheme and research program, this activity alone cannot resolve the issue of dumping, stockpiling and exporting of end-of-life tyres (ELTs). Further, Australia continues to miss major opportunities in retreading, high-value recycling, and domestic manufacturing using tyre-derived materials.

A national response is required. MTAA's position is anchored around three core priorities:

1. The transition to a co-regulated and mandatory stewardship scheme, capable of eliminating waste tyre collection costs (which we understand provides tangible benefits to members under New Zealand's Tyrewise program), and free-riders. The stewardship operator should be appointed through an open and transparent competitive tender process.

2. The incentivisation of heavy vehicle tyre retreading pathways, such as for construction vehicles, trucks, buses and military vehicles.

3. The integration of tyre stewardship into a broader nationally consistent ELV scheme, ensuring tyres are not treated as an isolated waste stream but as part of a coordinated automotive materials recovery framework.

The existing Tyre Product Stewardship Scheme has achieved measurable improvements in the integrity and visibility of tyre recovery markets. However, the limitations of a voluntary model, most notably free-riders, inconsistent participation, and unstable funding, have become increasingly apparent.

A co-regulated and mandatory model is now essential to protect industry, support recyclers, and deliver the national consistency required for long-term circularity. MTAA would be pleased to participate in further discussions regarding developing such a model for Australia.

2. The Australian tyre market

Australia's tyre market is shaped by a defining characteristic: almost all tyres are imported. Without domestic manufacturing, Australia cannot influence product design, quality standards or recycling-readiness upstream. Instead, policy must work through stewardship, procurement, and national regulatory levers to drive better downstream outcomes.

The dominance of low-cost imports has weakened the economics of retreading and shifted market behaviour toward disposable product cycles. Fleets that once reliably retread casings multiple times now replace tyres outright, shortening the lifespan of each casing and significantly increasing waste volumes. This shift has reduced resilience in domestic retreading supply chains and contributed to workforce decline in specialised retreading operations.

The rise of online tyre imports has further disrupted the market. These imports often circumvent local retail channels and therefore avoid voluntary stewardship contributions. Commentary from TSA highlights that Australia does not currently have equivalent tyre quality benchmarks to the European Union for instance, making the market potentially more vulnerable to poorer quality imports that wear out faster and place additional pressure on end-of-life management.[1]

Electrification impacts

Electric vehicles introduce new pressures. Due to higher torque, heavier batteries, and different loading behaviour, EVs typically wear tyres faster than internal combustion vehicles. International studies suggest wear rates up to 20–50 per cent higher.[2] As Australia's vehicle fleet transitions, end-of-life tyre volumes will continue to grow, and the composition of ELTs will evolve. Tyres engineered for EVs contain modified compounds and reinforced structures, which may present new challenges for recycling, material separation, and recovery. Integrating tyres within an ELV stewardship architecture allows policymakers to address these challenges proactively.

[1] Drive. *Australia swamped with cheap and poor-quality tyres due to lax rules, experts say*. Available at: https://www.drive.com.au/news/australia-swamped-with-cheap-and-poor-quality-tyres-due-to-lax-rules-experts-say (accessed 12 January 2026).
[2] Automotive World. *Inside the not-so-hidden issue of higher tyre usage in EVs*. Available at: https://www.automotiveworld.com/articles/inside-the-not-so-hidden-issue-of-higher-tyre-usage-in-evs/ (accessed 21 November 2025).

3. New Zealand's Tyrewise program

New Zealand's Tyrewise scheme provides a practical example of a regulated approach to managing end-of-life tyres at a national level. Established under the Waste Minimisation (Tyres) Regulations 2023, Tyrewise is a mandator and co-regulated product stewardship scheme funded through a stewardship fee applied at the point of import. The scheme was designed to address long-standing issues of illegal dumping, stockpiling and inconsistent disposal practices by creating a nationally consistent framework for tyre collection and recovery.

Early implementation of Tyrewise has demonstrated strong collection performance and broad participation across the tyre supply chain. The scheme has established a nationwide network of registered collection points, transporters and processors, providing free or low-cost disposal options for businesses and the public. By removing the reliance on voluntary participation, Tyrewise has significantly reduced free-riding and improved transparency and accountability across the system.

At the same time, early experience from Tyrewise highlights important considerations for Australia's scheme design. Collection volumes have increased rapidly, placing pressure on existing processing capacity and underscoring the need for ongoing investment in recycling infrastructure and domestic end markets.

While Tyrewise has introduced funding mechanisms to support innovation and market development, these elements are still evolving. These early outcomes provide valuable insights into both the strengths and implementation challenges of a mandatory national tyre stewardship scheme.

4. Reuse, retreading, recycling and resource recovery

Tyre retreading

Globally, retreading represents an effective circular solution for tyres, offering substantial environmental and economic benefits. Retreading preserves around 70 per cent of the material and embedded energy of the original casing. It reduces lifecycle emissions, extends tyre life, and provides significant cost savings – value propositions well suited to freight, mining, public transport, and heavy-vehicle fleets.

Retreaded tyres undergo controlled manufacturing processes that apply safety and quality standards comparable to those used for new tyres. Retreading is not suitable for passenger vehicle tyres but best suited to heavy-duty tyres used on trucks, buses, construction equipment and military vehicles, where casings are designed for multiple life cycles.

Heavy-duty tyres can be retreaded multiple times, significantly extending their service life. For organisations operating large vehicle fleets, this can translate into substantial cost savings.

However, retreading is less suitable for passenger vehicles. Passenger car tyres are typically manufactured with lighter and thinner materials, limiting their capacity for retreading. As a result, while retreading remains highly effective for heavy-duty and fleet applications, it offers fewer benefits for standard passenger vehicles.

Retreading in Australia is in long-term decline with factors including:

- The prevalence of low-quality imported tyres that cannot be safely retreaded

- An increase in affordable, good-quality tyres that challenge the viability of fleet retreading practices
- Erosion of fleet retreading mandates and industry-wide familiarity with retreaded products
- Skills shortages as specialised retreading technicians retire
- Absence of government procurement leadership
- Insufficient differentiation within the stewardship system, which currently tends to treat retreaders and low-value recyclers similarly

MTAA believes retreading should be incentivised under an Australian mandatory ELT scheme. It aligns directly with the ELV report's emphasis on retaining the function of materials wherever possible, particularly in non-metal automotive components.

Recycling and resource recovery

Australia currently possesses a diverse but fragmented tyre-recycling landscape. Activities range from mechanical shredding and crumbing operations to cement kiln energy recovery, civil engineering applications, and specialised downstream manufacturing. Despite this breadth, the sector remains constrained by significant differences in regulation across jurisdictions, inconsistent environmental licensing conditions, variable operator standards, and highly volatile end-markets.

A coordinated program is required to support the development and expansion of commercial markets for tyre-derived by-products, including recovered carbon black, steel, and oils. Establishing viable end-markets is critical to ensuring the long-term sustainability of domestic processing and reducing reliance on export pathways.

Civil engineering applications, such as rubberised asphalt, lightweight fill, retaining wall blocks, and drainage layers, represent stable, high-volume market opportunities, particularly when supported through targeted government procurement frameworks. Likewise, emerging polymer-rich manufacturing streams, including conveyor belting, shock-absorbing surfaces, moulded rubber products, and industrial flooring, provide further avenues for the utilisation of tyre-derived materials. However, these sectors require long-term feedstock certainty, nationally consistent performance standards, and regulatory clarity to facilitate investment and scale.

These challenges are consistent with the findings of the ELV report, which identified substantial inconsistencies across states and territories in the management of key waste streams, including rubber, plastics, textiles, and glass.

5. Strengthening penalties and enforcement for illegal tyre dumping

Illegal dumping and stockpiling of end-of-life tyres (ELTs) continues to undermine the integrity of Australia's tyre management system. As identified in the ELV stewardship analysis, weak and inconsistent enforcement across jurisdictions allows non-compliant operators to exploit gaps in regulation, avoid safe disposal costs, and distort the market for responsible recyclers. The report notes that in comparable automotive waste

streams, up to 90 per cent of operators have historically been non-compliant with environmental and OHS regulations, reflecting the systemic risks created by fragmented oversight.

Current penalties for illegal tyre dumping differ significantly across states and territories, with fines often far below the economic advantage gained from avoiding legitimate collection and processing fees. As a result, dumping and unlicensed accumulation remain financially attractive for rogue operators.

To address this, a nationally consistent enforcement approach is required, including significantly higher penalties, escalating sanctions for repeat or commercial-scale offences, and mandatory cost-recovery powers enabling governments to recoup clean-up and remediation costs from responsible parties. These measures mirror the stronger regulatory settings that underpin successful international ELV schemes and are necessary to create a level playing field in Australia.

Improved enforcement must be paired with better visibility of tyre movements. The ELV report emphasises the critical importance of national tracking, evidence-of-destruction processes, and authorised treatment frameworks to close leakage points in the waste chain. Applying similar principles to tyres, including mandatory tracking from point of generation to final recovery, would make penalties enforceable, reduce opportunities for regulatory evasion, and ensure that tyres cannot easily disappear into unregulated channels. Strengthening penalties and enforcement is therefore an essential pillar of a modern, co-regulated tyre stewardship scheme that protects responsible recyclers and safeguards environmental outcomes.

6. Expanding government investment in tyre-recycling infrastructure

Australia's recycling capacity for tyres remains constrained by gaps in the national processing network, especially in regional and remote areas. The ELV report highlights the structural challenges created by Australia's geography, noting low population density, long transport distances, and the relocation of dismantling and waste-handling operations to outer-urban or regional zones. These conditions create significant barriers to cost-effective, high-value waste processing.

To enable higher-value tyre-recovery pathways (e.g., crumbing, TDR production, civil engineering feedstocks, and advanced recycling), Australia requires new and upgraded recycling facilities strategically located to reduce transport distances and improve access for regional and remote generators. The ELV stewardship modelling identifies that new physical infrastructure is required to support greater recycling and recovery, and that costs should be shared between industry, government, and other stakeholders to ensure economic viability. This is directly applicable to the tyre sector, where processing capacity gaps increase reliance on long-haul transport, raise disposal costs, and heighten the risk of illegal dumping.

Targeted government investment programs aimed at creating markets for by-products that leverage existing programs such as the Recycling Modernisation Fund, state circular economy funds, or future co-investment arrangements under a co-regulated tyre stewardship scheme, would unlock significant economic and environmental benefits. Regional facilities would reduce transport emissions and costs, improve compliance by providing accessible legal disposal options, and create local jobs in recycling, logistics, and advanced manufacturing.

7. Technological advancements and future pathways

International tyre manufacturers are investing heavily in bio-based rubber alternatives (including guayule and dandelion rubber), higher recycled content, modular tread designs, RFID-enabled smart tyres, and design changes to improve recyclability. Without domestic manufacturing, Australia's direct influence is limited. However, stewardship and procurement settings can drive demand for higher-value, recyclable, and retread-ready tyres in the Australian market.

Emerging recycling technologies, such as advanced devulcanisation, high-purity recovered carbon black, and high-grade pyrolysis outputs, have significant potential but remain capital-intensive. A nationally regulated scheme can provide the market certainty these technologies need to commercialise at scale while government plays a role in generating essential demand.

A modern circular economy framework should prioritise high-value applications that deliver resource efficiency and economic benefits. High-value tyres have a role in reducing waste and should be a consideration. That said, if retreading is not a viable or practical option, the following pathways should be considered:

- Civil engineering applications where tyre-derived aggregates offer durability and safety
- Advanced manufacturing using rubber powders or composites
- Innovative polymer recovery streams capable of re-entering industrial supply chains

Tyres should not be relegated primarily to low-value outcomes such as energy recovery or undifferentiated shredding unless higher-value pathways are not viable. A regulated scheme can help steer the market by linking financial incentives to circularity outcomes.

8. A co-regulated stewardship scheme

A co-regulated and mandatory stewardship scheme remains the only credible pathway to achieving national consistency, eliminating waste tyre collection costs, free-riders, and establishing a stable, long-term funding base. Industry feedback gathered through the Western Australian Government's 2024–25 Options Paper reinforced this direction, highlighting broad support for a regulated model.

MTAA's submission to the Options Paper advocated for a co-regulated scheme, and we welcome the conclusion that such a model was "the most capable option" for addressing Australia's tyre stewardship challenges. However, it remains unclear what subsequent steps have been taken to progress this recommendation, and timely government action is now essential.

However, scheme design matters. A poorly structured system, particularly one that imposes artificial gate fees or prescriptive compliance rules, could unintentionally harm existing recyclers by undermining commercial viability, crowding out established operators, or failing to account for regional transport costs.

MTAA's members express strong support for a regulated approach, provided it is designed to enhance, not distort, competition and to elevate recovery outcomes. Recyclers consistently highlight several areas of potential concern under a co-regulated scheme:

- Market distortion through artificial fee-setting, which could undercut established operators or encourage subsidised entrants
- Overly prescriptive compliance rules that restrict commercial flexibility, innovation, or the ability to negotiate contracts and pricing
- Insufficient support for regional and remote logistics, where transport is the single largest cost for many recyclers
- Cashflow pressures if the scheme relies on slow payment cycles, long verification processes, or costly audits
- Misaligned incentives that unintentionally favour low-value recovery over retreading, devulcanisation, polymer recovery and other high-value activities
- Administrative burden that may disproportionately affect small and medium recyclers, risking consolidation or regional service withdrawal
- Governance structures that exclude recyclers, leading to standards or investment priorities that do not reflect operational realities

Infrastructure gaps are most acute in regional Australia. Long transport distances and low population density undermine the economics of tyre collection and processing. Without targeted support for regional transport and investment in distributed processing hubs, a regulated scheme risks reproducing existing inequalities.

The ELV report provides a practical model for national infrastructure development, including Authorised Treatment Facilities and an evidence-of-destruction system that could be adapted to tyres. Tyre stewardship should align with this architecture to avoid duplication and improve national traceability.

If the new scheme launches with unclear rules, delays in accrediting facilities, gaps in payments, or insufficient time for operators to adjust, even short disruptions could place viable recycling businesses at risk. To manage some of these risks, we urge the Government to pursue an open and transparent competitive tender process to appoint the scheme operator with the aim to ensure value for money, capability and accountability.

9. Integrating tyre stewardship within a National ELV Scheme

A cohesive approach to automotive circularity demands that tyre stewardship and ELV management be treated as complementary systems rather than separate policy domains. Tyres are one of the largest waste streams associated with ELVs, and dismantling processes already remove tyres early in the depollution workflow. Integrating tyres into an ELV stewardship scheme will enable:

- National tracking of tyres as part of a whole-vehicle system
- Consistent data capture, reducing leakage to illegal operators
- Economies of scale in rubber processing
- Improved compliance across a unified regulatory framework

- Alignment of incentives for retreading, reuse and resource recovery

This integrated approach mirrors international practice in Europe, Japan and South Korea, where tyres are managed as part of a holistic vehicle stewardship model. It also leverages synergies in workforce training, facility licensing, depollution protocols and national data reporting.

10. Recommendations

Australia now has a clear pathway to strengthen tyre and ELV circularity. MTAA recommends:

- **Transition to a co-regulated and mandatory national stewardship scheme**
  The scheme should be mandatory and co-regulated, with the stewardship operator appointed through an open and transparent competitive tender process to ensure value for money, capability and accountability.

  It should eliminate waste tyre collection costs and free-riders, establish equitable cost-sharing across the supply chain, include recycler representation in governance, align with ELV stewardship architecture, and avoid the use of artificial gate fees that distort commercial recycling markets.

- **Incentivise retreading as a tyre circularity pathway**
  Government should adopt procurement mandates for heavy-vehicle fleets, support workforce development, and provide stewardship credits that recognise the material and emissions savings delivered through retreading.

- **Harmonise national regulations and strengthen enforcement**
  Licensing, environmental standards and enforcement of illegal activity should be consistent across states and territories to improve market integrity and support responsible operators. Penalties for illegal dumping, stockpiling, and non-compliance must be substantially increased to exceed the financial benefit of avoiding legitimate disposal costs.

- **Invest in advanced recycling technologies and market development**
  Government support is needed for devulcanisation, high-quality pyrolysis, advanced rubber composites, and civil engineering applications. Procurement policy frameworks should prioritise tyre-derived products while also focussing on measures that create new markets for these products, such as:

    - Mandate or incentivise minimum recycled content
    - Establish national product specifications and certification standards
    - Fund large-scale demonstration and pilot projects
    - Offer financial incentives for adoption
    - Support industry development through R&D funding

- **Integrate tyre stewardship into a national ELV scheme**
  Government should support the development of a national ELV scheme which integrates tyres to ensure whole-of-vehicle traceability, consistent data capture, and stronger compliance across dismantling, transport and processing.

- **Align with the recommended ELV stewardship architecture, including:**
    - Authorised Collection Facilities
    - Authorised Treatment Facilities
    - National Evidence-of-Destruction system
    - National tracking of tyres within ELVs

11. Conclusion

Australia stands at a pivotal moment for tyre stewardship and end-of-life vehicle policy. The limitations of voluntary participation, inconsistent regulation, and inadequate tracking have created structural inefficiencies that undermine recycling, increase environmental risk, and impede progress toward a modern circular economy. At the same time, opportunities, most notably retreading, advanced rubber recovery, and domestic manufacturing using tyre-derived materials, remain underdeveloped.

The MTAA–FCAI ELV report provides a blueprint for a nationally consistent, co-regulated stewardship model that can be adapted to tyres. Integrating tyre management within this broader architecture will unlock economies of scale, improve traceability, elevate environmental performance, and support investment in high-value circular solutions.

MTAA, through its state and territory associations, represents the automotive landscape from retail to recycling and is committed to working with governments, industry stakeholders and the automotive value chain to design and implement a national tyre and ELV stewardship system that is effective, commercially viable and environmentally responsible. With decisive leadership, Australia can establish a world-class model that supports industry, protects communities, and strengthens the transition to a circular automotive economy.

For any questions regarding this submission please get in touch with Peter Jones, Interim Executive Director, MTAA at info@mtaa.com.au.

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