



Rob Mitchell MP
Committee Chair
House Standing Committee on Industry, Innovation and Science
PO Box 6021
Parliament House
Canberra ACT 2600
By email: iis.reps@aph.gov.au

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To the Honourable Rob Mitchell MP

Re: Inquiry on the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy

Thank you for the opportunity to provide a submission to the House of Representatives Standing Committee on Industry, Innovation and Science (the Committee) inquiry on *the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy*. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$21 billion waste and resource recovery (WARR) industry. With more than 2,300 members from over 400 entities nationwide, we represent the breadth and depth of the sector, including representation from business organisations, the three (3) tiers of government, universities, and Non-Government Organisations (NGOs), including research bodies. Our members are involved in a range of important WARR activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable secondary raw products from resource recovery, energy recovery as well as community engagement, behaviour change and education.

Being at the forefront of the ongoing evolution towards whole-of-system action and the development of a circular economy, WMRR strongly advocates for a systems-based approach to managing materials in Australia to prolong life and mitigate carbon impacts. This includes fierce advocacy for the waste and resource management hierarchy, which promotes avoidance of waste, and using less for longer through the diversion of materials from landfill by design for reuse, recovery, recycling and composting of resources. For the management of hazardous materials such as tyres, WMRR advocates for their safe, risk-managed design, collection and recovery at end-of-life to enable reinvestment of their valuable materials into the productive (circular) economy.

Please note that it is WMRR's view that the current, case-by-case approach to managing complex material streams requires a national, systems-based framework—similar to the EU Waste Directives—this is supported by [The Circular Advantage Report](#), which calls for an Australian Circular Economy Act to be established that clearly prioritises waste management responsibilities and places clear obligations on those who produce and place products on the market, establishing genuine extended producer responsibility. Without such a framework, it is WMRR's (and the authors of the above report) view that Australia will continue to fall short of its circular economy and resource

WMRR NATIONAL OFFICE
57 ST JOHNS ROAD
GLEBE NSW 2037
(02) 8746 5000
INFO@WMRR.ASN.AU

WMRR.ASN.AU

recovery objectives, as producers are not required to account for the environmental and economic impacts of their products, and can continue to produce resource and carbon intensive products without consequence – either environmentally or economically – and instead place these burdens on others in the supply chain including the broader community.

End of life tyres (EOLTs) are one of the largest types of hazardous waste in Australia with 537,000 tonnes, or more than 67 million EOLTs generated each year. Recent research by Blue Environment found that local governments collectively are paying approximately \$6.5 million annually to clean up inappropriately disposed EOLTs. Inadequate, accessible disposal options contribute to stockpiling and illegal dumping, creating environmental, health and amenity impacts. The stockpiling of tyres increases the risk of illegal and unregulated fires, toxic gases and chemical leaching.

Consideration of national action on EOLT was articulated in June 2023, when Australian Environment Ministers agreed that Western Australia would lead investigating a national project to develop product stewardship principles for tyres. The project examined end-of-life on-road tyres (bus, truck and car), off-the-road (OTR) tyres used in mining and agriculture, and related products such as conveyor belts and rubber tracks. Its purpose was to build a shared understanding of EOLT challenges, assess policy options suited to the Australian context, and align tyre management with the waste and resource management hierarchy and circular economy. That [review](#) found strong recovery outcomes for on-road tyres (87%), but poor recovery rates for OTR tyres (13%).

It is WMRR's view that the challenges impacting the transition of the Australian tyre and tyre recovery industries to a circular economy – particularly for OTR tyres – can be addressed through the following recommendations:

i. *Move away from voluntary stewardship towards a mandatory scheme for off the road (OTR) tyres*

Australia relies on a voluntary industry-led tyre stewardship model under Tyre Stewardship Australia ("the Scheme"), through which participants commit to using accredited providers for tyre disposal, supporting participating suppliers, and preferring Australian tyre-derived products where appropriate. Although well intentioned, the voluntary nature has enabled free-riders, delivered uneven participation by importers and manufacturers, and fails to fully fund end-of-life management – particularly in regional and remote areas where OTR tyres are also prevalent in mining and agricultural communities.

It is important to note the success of the Scheme. According to the [Material Flow Analysis](#) undertaken by Tyre Stewardship Australia (TSA), in 2023–24, 66% EOLTs were recovered through reuse, recycling or energy recovery. Recovery rates reach 87% for on road tyres, but only 13% for OTR tyres used in mining and agriculture. More than half (53%) of these recovered tyres are used for energy recovery, (that is shipped offshore to be used as fuel in cement kilns and industrial boilers), with more than 75% recovered on road tyres used as fuel. There has been extensive industry investment in Australia on collecting and processing on road tyres, particularly since the introduction of export restrictions for tyres, which explains in part the high recovery rate.

The Scheme however has not been able to address at scale the existing challenges for tyre recovery and recycling – notably the insufficient domestic markets for EOLTs and tyre-derived products, limited

recycling infrastructure (particularly for OTR tyres due to high transport costs from regional and remote areas and different processing and aggregation of these compared with on road tyres), the inconsistent regulatory frameworks regarding the storage, management and disposal of tyres, and limited market development for recycled materials and low awareness of the benefits of tyre-derived products in Australia.

ii. Separate policy treatment for passenger, bus and truck and OTR tyres

Current policy and regulatory settings largely treat tyres as a single waste stream, despite vastly different recovery rates, logistics and costs between on road and OTR tyres. WMRR strongly argues that OTR tyres must be treated separately, with the current recovery rates demonstrating that the single “comprehensive” scheme for all tyres has proved impractical and ineffective. Differentiated stewardship obligations targets and compliance pathways for OTR tyres would reflect real-world conditions, enabling effective recovery strategies for each tyre class rather than a one-size-fits-all approach.

Incentives for OTR sector participation is limited, due to the high costs of transportation and recycling of large tyres. DWER’s [End-of-life-Tyres-Investigation-Report](#) found that recycling large OTR tyres can cost more than 5% of their purchase price, depending on transport, recovery method and scale.

However, OTR tyres are high-value assets, and policy should prioritise life extension and recovery of valuable materials such as natural rubber. Investment in regional repair infrastructure and emerging processing technologies could help reduce recovery costs over time. To achieve more circular outcomes, reducing the cost burden of recovering OTR tyres should be prioritised. WMRR supports placing a financial and regulatory obligation on OTR tyre suppliers through a mandatory co-regulated scheme in order to address the low collection and recovery rates.

iii. Reinvestment of levies or fees into tyre processing, recovery and market development

Fee-based rebates for collection schemes or disposal bans without investment in market development for tyre derived products and recovery infrastructure will continue to risk the stockpiling and illegal dumping of EOLTs. Until EOLT costs are fully priced into the market, the waste and resource recovery industry and local governments will continue to absorb transport, storage, and clean-up costs – encouraging disposal over recovery.

WMRR notes that the current settings under the voluntary scheme and government regulations for EOLTs can act as a disincentive to dumping, stockpiling and/ or landfilling and contribute to increased recovery but have not driven investment into tyre processing of OTR tyres in particular as a result. Scheme guidelines are enforced on participants via audits , with the TSA suspending or revoking accreditation for non-compliance (which carries little weight if the scheme is not mandatory). Waste classification systems for EOLTs vary across Australia, making recycling methodologies nationwide difficult. For example, in Queensland there is an *End of Waste Code* for end-of-life tyres being used for silage storage on farms– deeming these tyres as a resource instead of a waste product (however, WMRR understands that the Code is not strictly enforced). To drive circular outcomes for EOLTs, there must be reinvestment of funds by TSA back into the tyre recovery sector and regulations requiring product design for longevity and recovery, as well as clear pathways for products with strong markets for these products.

iv. *Market development and procurement mandates*

Tyre Stewardship Australia's *Material Flow Analysis Report 2023-24* highlighted the growing disconnect between recovery and circularity, with overall tyre recycling rates uplifting from 11% to 17% over five years, however, outcomes remain capped by limited demand for tyre-derived materials. Australia has a real challenge with market development given we have implemented export restrictions but done very little to assist industry grow local markets for these products, nor required for example, procurement of products that include recycled content. There are limited markets that tyres can be reprocessed for, however one large one is roads and soft fall, which governments at state and local levels are responsible for, yet there is no obligation on them to procure recycled products and materials.

Australia lacks consistent demand-side policy, such as recycled-content requirements or procurement standards, resulting in weak and volatile markets for tyre-derived products, and leading to most recovered tyre-derived materials being used for energy recovery. While export bans on whole tyres aim to support domestic recycling, WMRR considers that Australia must further shift away from landfill and export by investing in advanced local recycling technologies that produce value-added tyre-derived products. There is a real opportunity for government to utilise the valuable rubber recovered from tyres within infrastructure projects. Government-led procurement, standards and long-term demand signals would stabilise markets for tyre-derived products, improve investment certainty in tyre processing infrastructure, and ensure recovered tyre materials can be absorbed domestically. Regulation is required in Australia to support this circularity and market development, as mentioned above.

v. *Flexible recovery pathways for OTR tyres to discourage burial*

In terms of recovery, EOLTs from the mining sector perform worst, with over 100,000 tonnes of OTR mining tyres are generated annually and less than 5% recovered and most buried onsite (particularly in Western Australia). TSA attributes this low recovery rate to the size and design of OTR tyres, as well as their use in mining and agriculture, where remote locations and high transport costs limit access to processing facilities. As a result, mining operators can typically dispose of EOLTs onsite, subject to legislative requirements with limited recognition of energy recovery, on-site processing or regional treatment as preferable options.

Flexibility is needed when considering end of life management options for EOLTs given the different challenges for each remote and regional community. Recovery solutions for EOLTs must align with viable end markets for the specific location. This means that recovery of materials from EOLTs that are in demand – including energy – must be considered as suitable circular outcomes preferable to landfill under the waste and resource management hierarchy.

The high value rubber content of OTR tyres holds promise for closed-loop recovery solutions. WMRR notes that the development of viable by-products from mining tyres is rapidly gaining global momentum. [The Circular Advantage](#) points to Novum Energy, BHP and Anglo American as examples of mining companies that are recycling discarded dump-truck tyres into oils and steel. WMRR also understands that Tyrecycle opened the first dedicated off-road mining tyre recycling facility in Port Hedland in 2024 with funding from the Recycling Modernisation Fund (RMF). The facility sends the smaller chunks of rubber to Perth for further processing and eventually given a second life as things

like road base, playgrounds or surfaces of athletics tracks. However, the reality is that *currently*, there is a lack of recycling and reprocessing infrastructure in the highly remote communities where OTR EOLTs are located, and limited market demand for these products in Australia. High transport emissions and costs, along with the need for long-term stockpiling, mean that adopting precinct-based circular solutions in remote areas could enable rubber from end-of-life tyres to be reused in local infrastructure, such as roads, reducing reliance on long-distance transport. Recognising flexible recovery pathways under the waste and resource management hierarchy would legitimise practical solutions for remote mining and agricultural operations and reduce reliance on burial. Recent commentary around 'energy recovery' not being a circular outcome is not consistent with the objectives of the waste and resource management hierarchy which preferences energy recovery over landfill, particularly given the absence of alternative local markets.

vi. National data, tracking and compliance systems would be enhanced through mandatory participation in the stewardship scheme

Previously there was insufficient visibility and traceability of tyre flows across jurisdictions, particularly for OTR tyres, undermining enforcement, planning and accountability. Under its current ACCC authorisation, TSA is now required to publish annual, rolling five-year data in its Annual Report on EOLTs generated in Australia, the volumes and percentages directed to environmentally sound use, and the volumes and proportions collected by Scheme-accredited participants, including those subsequently recovered. These metrics must be reported separately for passenger and truck tyres, off-the-road tyres, and in total. These improved tracking, reporting and compliance mechanisms should support enforcement, reduce illegal dumping, and enable better policy targeting and performance monitoring.

WMRR welcomes the opportunity to provide evidence at hearing. Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely



Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

WMRR NATIONAL OFFICE
57 ST JOHNS ROAD
GLEBE NSW 2037
(02) 8746 5000
INFO@WMRR.ASN.AU

WMRR.ASN.AU