



1 February 2024

Mr. Gavin Jones
Director, Competition Exemptions
Australian Competition and Consumer Commission (ACCC)
23 Marcus Clarke Street
Canberra ACT 2601

To: exemptions@acc.gov.au

Dear Mr. Jones

Subject: Tyres Stewardship Australia application for revocation of authorisation AA1000409 and substitution of AA1000655 – interested party consultation.

Thank you for your invitation to the North Queensland Regional Organisation of Councils (NQROC) to make a submission regarding Tyres Stewardship Australia (TSA)'s application to the ACCC.

NQROC is a collaborative organisation representing five member councils: Burdekin Shire Council; Charters Towers Regional Council; Hinchinbrook Shire Council; Palm Island Aboriginal Shire Council; and Townsville City Council.

Our purpose is to advocate on behalf of our region to effectively promote regional positions and priorities as well as ensure that major Local Government issues are addressed by all levels of government.

Please receive this letter in support of TSA's application for the revocation of Authorisation AA100409 and substitution of Authorisation AA100655.

We also wish to provide details of our experience of the current Tyres Stewardship Scheme, which we believe fails our community.

We make ourselves available to assist and look forward to the ACCC determination on TSA's accreditation.

Yours sincerely,

Mayor Lyn McLaughlin
Chair, North Queensland Regional Organisation of Councils (NQROC)
Mayor, Burdekin Shire Council

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TSA's substitution of AA1000655

To assist in the management of our regional End Of Life Tyres (EOLTs), NQROC and its member councils have had a close relationship with TSA for several years.

TSA's current authorisation (AA100409), granted in May 2018 under the Product Stewardship Act 2011, limits its ability to operate under the Recycling and Waste Reduction Act (RAWR Act) 2020. Technology, commercial opportunities, and community attitude toward resource recovery have changed since 2018 and a new authorisation would allow TSA to operate under current legislation.

TSA is nationally recognised by government and industry as an expert in the field of EOLT management. TSA is also the current administrator of the industry-led Tyre Product Stewardship Scheme (TPSS). A new ACCC authorisation would allow TSA to continue to develop its knowledge; contribute to the waste reduction agenda; and remain as the TPSS's scheme administrator for the duration of its term.

NQROC supports TSA's application to the ACCC.

Tyres stewardship volunteer scheme: NQROC's experience

Local Governments are at the forefront of resource recovery, managing waste; delivering on national and state sustainability targets; and educating their communities about recycling, reusing, and disposing of waste responsibly.

It is our experience that the current industry-led Tyre Product Stewardship Scheme (TPSS) fails our community.

The failure does not stem from TSA's administration of the scheme. It is due to its voluntary nature, allowing poor practices to continue; and burdening the government level with the least capacity, Local Governments, with the management of used tyres.

TSA's recent Tyres Consumption and Recovery report (2022-2023) indicates less used tyres are being recovered. For example, the 90% rate of automotive tyres recovered in 2018/2019 dropped to 77% last financial year. The quantity of recovered tyres in landfills has increased over the same period.

NQROC's footprint is over 80,000 square kilometres, including 300 kilometres of Great Barrier Reef coastline. Controlling illegal dumping across such a vast area remains challenging and costly to councils. Reports from our own illegal dumping officers confirmed that the dumping of used tyres persists.

The Tyres Scheme's economic measures from the Product Stewardship Centre of Excellence show that 53% of tyre importers, 91% of car importers and car manufacturers, and 44% of tyre retailers in Australia do not participate in the scheme. The measures demonstrate that voluntary participation is not delivering on the scheme's goals.

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Factors like the scheme's low participation rate, increasing numbers of used tyres at landfills at a time when many landfills are at capacity, and the unabated illegal dumping of tyres have combined to put significant and sustained pressure on our councils' bottom line, our community's health, and our sensitive environment.

We welcome the inclusion of used tyres on the 2023/2024 Minister's Priority Products List as part of the process to elevate the volunteer scheme to a co-regulated arrangement. Only a more prescriptive framework can drive meaningful change.

NQROC supports the Commonwealth and Queensland Governments' resource recovery strategies and sustainability targets. We submitted practical and affordable solutions to the Commonwealth and State Environment Ministers to assist councils.

For example, we suggested for tyre retailers to be banned from handing back used tyres to users who then dump them in the environment rather than pay for their responsible disposal.

We are working with the office of Queensland's Minister for the Environment, the Hon Leanne Linard MP, and the Local Government Association of Queensland (LGAQ) towards an outcome.

We understand the experience of the scheme varies greatly across the country, in part due to geography, environmental conditions, and economic drivers.

We note North Queensland now has a used tyre processor that commenced in November 2023. The operator serves the north of the State from Bowen to Cape York and west to the Northern Territory border. All other processors are in the Brisbane area, 1,400 kilometers from Townsville.

Pressure experienced by councils in managing used tyres can be reduced by having more processors operating across the country, not just in capital cities. It would lower transport costs to facilities, estimated in 2022 at \$400 per tonne; lower carbon emission; and encourage competition between processors for the benefit of users.

An effective stewardship scheme would provide more used tyres to more processors, possibly lowering prices, offering other services, diverting used tyres from landfills, and improving environmental outcomes.

We urge the ACCC to consider the experience of regional councils in the country's most decentralized state, Queensland, in their review of the Used Tyres Stewardship Scheme.

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