

Tyre Product Stewardship Scheme

Improving the Scheme Guidelines

A discussion paper for consideration and comment

January 2026

Contents

Background and Context	3
Tyre Product Stewardship Scheme	3
Scheme Guidelines and Reauthorisation	3
Consultation Process	3
Areas of Improvement	4
Overview	4
Including End-of-life Conveyor Belts in the Scheme	4
What feedback has been received?	4
What is the rationale for the change?	4
What would such a change mean for Contributors if adopted?	4
What would such a change mean for Participants if adopted?	4
What might the benefits of making this change be?	4
Calculating Levies	5
The current guidelines	5
What feedback has been received?	5
How might these issues be addressed?	5
What would such a change mean for Contributors if adopted?	5
What would such a change mean for Participants if adopted?	6
What might the benefits of making this change be?	6
Contributor and Participant Categories and Definitions	6
What feedback has been received?	6
How might these issues be addressed?	6
What might the benefits of making this change be?	6

Background and Context

Tyre Product Stewardship Scheme

The Tyre Product Stewardship Scheme (Scheme) was established by the tyre industry in collaboration with Federal and State and Territory Governments to deliver improved environmental outcomes for tyres at the end of their usable life (called End-of-life tyres or EOL tyres). The objectives of the Scheme are to generate alternate markets for EOL tyres and ensure that used tyres do not cause environmental or social harm.

Initially in 2014, the Scheme was authorised by the Australian Competition and Consumer Commission (ACCC) under the Competition and Consumer Act 2010 for 5 years. It was subsequently reauthorised by ACCC in 2018 for a further 5 years, and in 2024 for another 3 years expiring on 2 September 2027.

Scheme Guidelines and Reauthorisation

Since its inception only minor changes have been made to the Scheme guidelines. In contrast, industry, environmental factors, waste management practices and public interest and pursuit of product circularity have all changed a great deal. For these reasons and to make general improvements, the guidelines need to be updated to remain relevant and effective in the pursuit of the Scheme objectives.

The process of reauthorising the Scheme in 2027 provides an opportunity to make amendments and improvements to the guidelines. The administrator of the Scheme, Tyre Stewardship Australia (TSA) has already consulted with industry representatives to gather feedback on the current guidelines and identify potential areas of improvement.

Consultation Process

TSA intends to conduct two public consultation periods to gather industry and public feedback on the potential guideline improvement in this paper:

- Public Round 1 from Jan – Feb 26 seeking public comment on this discussion paper; and
- Public Round 2 from May – Jul 26 seeking public comments on the proposed revised guidelines.

TSA intends to review submissions after Public Round 1, evaluate the feedback received and use that evaluation to shape the proposed draft for Public Round 2. Consequently, the public will have two opportunities to provide feedback into this process.

Areas of Improvement

Overview

The consultation process to date has revealed three areas of potential improvement:

1. The inclusion of end-of-life conveyor belts in the Scheme;
2. An adjustment to the way in which Scheme Levies are calculated; and
3. Aligning Scheme Participant categories to the supply chain for tyres and conveyor belts

Each of these is described below.

Including End-of-life Conveyor Belts in the Scheme

What feedback has been received?

Numerous stakeholders have indicated conveyor belts should be included in the Scheme for a variety of reasons.

What is the rationale for the change?

It is estimated that more than 85,000t of conveyor belts reach the end of their useable life each year in Australia. In many cases, these end-of-life conveyor belts could be recycled. However, they are often simply stockpiled in paddocks or other storage sites, left to decay and contaminate the environment. There are significant volumes of end-of-life conveyor belts stored in this way with no plans to recycle them into usable products.

There is a great deal of similarity between end-of-life tyres and conveyor belts because they:

1. Present many of the same end-of-life challenges and risks as tyres do;
2. Are consumed by many of the same organisations (e.g. mining companies);
3. Are collected and processed by organisations who also collect and process end-of-life tyres.

In addition, materials derived from end-of-life conveyor belts can be used in similar applications to those derived from end-of-life tyres e.g. crumb rubber in road construction.

What would such a change mean for Contributors if adopted?

Importers and manufacturers of conveyor belts made from, amongst other things rubber and steel, would be invited to become contributors to the Scheme. This means they would pay a levy on the conveyor belts they import or manufacture in Australia and, in doing so, become more accountable for the resulting waste streams such products inevitably generate. Like contributions from tyre importers and manufacturers, such levies would contribute to research, education and market development activities undertaken by TSA.

What would such a change mean for Participants if adopted?

Potentially, a larger pool of organisations could become accredited participants under the Scheme. This would add to the considerable number of organisations already committed to improving circular outcomes for end-of-life tyres and help drive better environmental outcomes more generally.

Some processors already process end-of-life conveyor belts as well as tyres. This change, if adopted, would help ensure those organisations are following quality processes and procedures just as has been the case for end-of-life tyre processing.

What might the benefits of making this change be?

Extending the Scheme to include Conveyor Belts would help bring attention and focus on what is currently a waste stream with little or poor-quality waste management practices. Given the similarities between tyres and conveyor belts, many of Tyre Stewardship Australia's activities and focus is applicable to both product types which may help improve circularity in this segment and improve environmental and public health outcomes.

Calculating Levies

The current guidelines

Presently, the levies charged by TSA to Contributors are:

1. Based on a nominal rate of \$0.25 per Equivalent Passenger Unit (EPU);
2. The number of EPUs assigned to each tyre category;
3. Capped at a maximum amount of \$50 on any tyre; and
4. Held constant through the period of the ACCC authorisation.

What feedback has been received?

The current method of setting levies has not changed since the Scheme was established and is based on an Equivalent Passenger Unit basis for each tyre category. Feedback received highlighted the following issues with this method:

1. The average weight of tyres in each category may increase or decrease over time because of newer technologies, product design, market trends, and the like. Manufacturers are actively trying to make tyres which are lighter and have lower rolling resistance while tyre sizes, and their rubber content, are increasing;
2. The use of the Equivalent Passenger Unit (EPU) measure creates some confusion and is difficult to communicate to the public;
3. CPI and other economic conditions are not considered when setting levies;
4. TSA is not permitted to amend the levies downward to reflect significant industry changes to provide some relief to Contributors as may have been relevant during the Covid pandemic for example;
5. TSA can only increase levies at the time of ACCC reauthorisation meaning such opportunities could lag changes in economic conditions by several years;
6. Not all contributors pay levies on an equal basis as there is a cap on the maximum levy payable per tyre;
7. The methodology for setting levies is not clear.

How might these issues be addressed?

The issues identified might be addressed by adopting a methodology which:

1. Set a Nominal Rate per kilogram (which may be different from tyres to conveyor belts) in dollars;
2. Applied the Nominal Rate to the average weight of tyres in each category (e.g. Passenger, SUV) or for conveyor belt categories whichever the case may be;
3. Expressed the resulting levy in dollars per tyre rather than by EPU;
4. Eliminated the maximum cap on levies for any given tyre category;
5. Allowed for a periodic reviewing and adjustment to reflect changes in manufacturing technologies and improvements;
6. Limited the maximum allowable on such reviews to not more than the applicable CPI rate;
7. Required TSA to consult with contributors if an increase was proposed and be required to demonstrate the necessity and intended use of the increased funds.

What would such a change mean for Contributors if adopted?

A levy methodology which addressed these issues may:

1. Result in higher or lower levies for any given product category depending on a variety of factors but always according to a known and transparent formula. If, for example, the average weight of tyres in each category reduced, the levy per tyre would decrease all other things being equal;
2. Allow TSA to reduce levies for any period in response to abnormal market conditions for Contributors such as was the case with the Covid pandemic;
3. Help ensure TSA can continue to operate and undertake its activities in pursuit of its objectives as economic conditions change.

What would such a change mean for Participants if adopted?

There would likely be no substantial operational changes expected for Participants resulting from such a change. Products would remain categorised in industry standard classifications for example. Levies, where these are passed on to purchasers, could be more simply communicated as references to EPU's will no longer be required.

What might the benefits of making this change be?

Such changes would more accurately align levies (as they are set from time to time) with the prevailing market conditions, cost of operations, developments in product design and manufacture, the extent of the waste burden of products introduced to the market and TSA's costs of administering the scheme. In addition, levies would be set transparently and ensure all Contributors were on a level playing field.

Contributor and Participant Categories and Definitions

What feedback has been received?

Respondents indicated the categorisation of participants is confusing and, at the extreme, makes it difficult to understand in which categories to seek accreditation. Potentially, this may lead to organisations not seeking accreditation at all.

How might these issues be addressed?

This issue could be addressed by changing the list of Contributors and Participant categories to align with the supply chain more closely for example:

- Contributors
 - Importers and Manufacturers
- Participants
 - Retailers: those who offer tyres or conveyor belts and related services for sale to consumers and businesses including through physical retail locations;
 - Commercial Generators: organisations which use tyres and conveyor belts in commercial quantities and may not return end-of-life products to a retailer for disposition. Includes fleet operators, miners, farmers, heavy machinery operators, and the like;
 - Collectors: organisations which collect, are collection points for, and/or transport end-of-life tyres and conveyor belts to processors;
 - Processors: organisations which process end-of-life tyre or conveyor belts into derived materials (rubber crumb, steel) for use in other products or derived fuel;
 - Exporters: organisations which connect buyers and sellers engaged in international trade including arranging shipments and clearances of derived materials or derived fuel.

These categories would allow for organisations which engage in multiple stages of the supply chain – such as an importer who operates a retail chain, or a processor which also collects tyres from users. It also recognises that organisations participate in the supply chain by virtue of their operations rather than their ownership structure as in the example of a local government entity which may operate fleets and be a collector of tyres through a waste transfer facility.

Such a change would remove ambiguity by simplifying the classification of all Participants and Contributors by the role they play in the supply chain.

What might the benefits of making this change be?

Making this change would simplify the classification of participants in the Scheme, allowing for more easily target communications, programs, and activities. Aligning categories to the supply chain more accurately reflects the role each Contributor and Participant plays in the relevant product's life and the responsibility each has in the waste chain of custody.