

Independent Review of the Tyre Stewardship Scheme

Final Report

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Acknowledgement of country

Marsden Jacob Associates acknowledges the Traditional Custodians of the lands and waters across Australia where we conduct our business. We also pay our respects to their Ancestors and Elders past and present, and leaders emerging.

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Acronyms and abbreviations

ACCC	Australian Competition and Consumer Commission
Cth	Commonwealth
EOL	End-of-life
EOL tyres	End-of-life tyres
EPA	Environmental Protection Agency
EPU	Equivalent passenger unit
ESG	environmental, social and governance
FEMV	Foreign End Market Verification
KPI	Key performance indicator
OTR	Off-the-road
PSO	Product stewardship organisation
R&D	Research and Development
RAWR Act	Recycling and Waste Reduction Act 2020
RD&I	Research, development and innovation
SOI	Sustainability performance indicator
TDF	Tyre-derived fuel
TDP	Tyre-derived products
TOR	Terms of Reference
TSA	Tyre Stewardship Australia
TPSS or the Scheme	Tyre Product Stewardship Scheme
WA	Western Australia
WEAA	Waste Enforcement Association Australia

Terms of Reference (TOR)

Tyre Stewardship Australia (TSA) engaged Marsden Jacob Associates (Marsden Jacob) to conduct an independent review of the Tyre Product Stewardship Scheme (TPSS or the Scheme) and TSA's administration of the Scheme. The key evaluation questions and TOR of the review are provided below.

At its core, the purpose of the Independent Review was to answer two key questions¹:

1. Is the Scheme working, meeting its objectives and aims, and ultimately making progress against targets for participation and environmentally sound disposal of EOL tyres?
2. Is the TSA administering the Scheme with good governance, adequate industry representation and consultation, and encouraging and driving engagement and participation by all stakeholder groups?

The TOR are as follows²:

- Whether TSA has implemented or actioned the recommendations contained in the 2022 Arcoona Consulting Review³ at paragraphs 1.4, 2.4, 3.4, 4.4, 5.4, and 6.4 and the completeness and outcomes of those actions;
- Whether TSA has complied with the conditions of the ACCC (Australian Competition and Consumer Commission) Determination (No AA1000655) of 2 September 2024⁴ (see paragraph 5.9 of that document) and the completeness and outcomes of these actions;
- Whether TSA has met or is making progress towards specific performance targets, the degree to which it has transparently collected data, analysed the same, and communicated its performance against targets;
- Whether TSA has addressed the ACCC's views in the ACCC Determination dated 2 September 2024 including, but not limited to, at paragraphs 2.26, 2.13, 4.13, 4.24, 4.33, 4.36, 4.38, 4.52, 4.39, 4.63, 4.92, 4.98, 4.99, 4.103, 4.107, 4.108, 4.112, 4.115, and 4.123;
- The extent and nature of the Scheme's acceptance and participation by industry stakeholders considering the population of potential participants in each segment;

¹ As per RFQ

² As per RFQ

³ Arcoona Consulting (2022) Tyre Stewardship Australia National Tyre Product Stewardship Scheme Independent Review, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Independent-Review-2022.pdf

⁴ ACCC Determination (AA1000655), 2 September 2024, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-2002.09.24%20-20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

- The resource recovery and recycling rates of end-of-life tyres (EOL tyres) attributable to the Scheme by segment and whether progress is being made against identified targets generally, but particularly with respect to areas of opportunity identified in either of the previous Independent Reviews (2017, by Marsden Jacob Associates and 2022, by Arcoona Consulting);
- The decrease in the percentage of EOL tyres by segment not being disposed of in environmentally-sound ways;
- The volume of products derived, sold or otherwise provided in environmentally-sound ways and if this is growing or otherwise;
- The extent and nature of the Scheme's administration including, but not limited to:
 - The total levy funds collected under the Scheme;
 - A breakdown of how levy funds were spent during the period covered by the review;
 - How spent funds have and are contributing to the achievement of the Scheme's objectives; and
 - The composition, skills and representative nature of the TSA's Board of Directors.
- Identification of new areas of opportunity; and
- Recommendations for any improvements to the Scheme's guidelines and operations.

Executive summary

Tyre Stewardship Australia (TSA) engaged Marsden Jacob Associates (Marsden Jacob) to conduct an independent review of the Tyre Product Stewardship Scheme (TPSS or the Scheme) and TSA's administration of the Scheme. This review found that TSA is administering the Scheme well and the Scheme is generally performing well within its current scope. There are some key areas for improvement for the TSA, such as clarity on research alignment to TSA priorities and more effective engagement with certain key sectors.

Tyre Stewardship Australia (TSA) is a not-for-profit company limited by guarantee and is responsible for administering of the national Tyre Product Stewardship Scheme (TPSS or the Scheme). It is funded by tyre importers that voluntarily pay a levy prescribed by the Scheme for each tyre sold into the Australian market.

Objectives

The objectives of the Scheme⁵ are to:

- Increase resource recovery and recycling and minimise the environmental, health, and safety impacts of EOL tyres generated in Australia.
- Develop Australia's tyre recycling industry and markets for tyre-derived products (TDP).

Purpose

The purpose of the independent review was to assess whether:

- the Scheme is working, meeting its objectives and aims, and ultimately making progress against targets for participation and environmentally sound disposal of EOL tyres.
- the TSA is administering the Scheme with good governance, adequate industry representation and consultation, and encouraging and driving engagement and participation by all stakeholder groups.

⁵ Guidelines for the Tyre Product Stewardship Scheme, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSAScheme-Guidelines-2024-2.pdf

Assessment against the TOR

Our traffic light assessment against the TOR shows that TSA has performed well within the scope of the voluntary model. Overall, most indicators are green, showing that TSA is performing well and delivering environmental and public health and safety benefits by decreasing the volume of EOL tyres entering the domestic waste stream (in landfill or dumped), being stockpiled or unsustainably burned for energy recovery. However, room for improvement remains in relation to TSA's research and development (R&D) strategy and outcomes measurement (yellow and red).

Summary of stakeholder consultations

There is widespread agreement among most stakeholders that without the TSA there would have been poorer end-of-life (EOL) outcomes for tyres. Nonetheless, some stakeholders felt that TSA could be clearer about the degree of attribution it can reasonably claim for EOL tyre outcomes, recognising the significant roles that state and national regulations, as well as commercial markets, play in achieving recovery rates.

The majority of the external stakeholders interviewed agreed that the Scheme has been operating well and has done a lot to highlight the issues around EOL tyres. Stakeholders consistently identified TSA's engagement and the efforts of its staff, including the CEO, as key strengths. They also pointed to the quality of TSA's work, such as the Material Flow Analysis report, roadshows, and industry forums, as notable achievements. Additionally, current ongoing work in engaging with the mining sector was referred as a good starting point for tackling issues around off-the-road (OTR) tyres. TSA's role in securing the inclusion of tyres on the Minister's Priority List⁶ announced in October 2022 and the subsequent inclusion of OTR tyres and other rubber products like conveyor belts and tracks for the 2023-24 list, are also regarded as a major achievement. Some stakeholders noted that the influx of off-brand tyres will soon become a significant problem which will cause further issues to the Scheme in its current form.

One of the concerns raised by non-participants (i.e. tyre importers who do not participate) included the cost of the levy as the main barrier to participation. There were also concerns around a lack of clarity on R&D, which was raised by the majority of the interviewed stakeholders. Some stakeholders in key sectors saw the opportunity for more effective engagement to spread awareness and education about the Scheme. Almost all interviewed stakeholders agreed that the Scheme plateauing is largely due to the voluntary nature of participation and incentives to free ride. The interviewees agreed that to see higher order outcomes for EOL tyres there would need to be a move away from the voluntary Scheme to a co-regulatory, or a mandatory, Scheme.

Key findings

This independent review has been conducted within

⁶ Cth DCCEEW (2025) Minister's product stewardship priority list, available at: <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list>

- the scope of the TOR;
- the current objectives of the Scheme and the TSA; and
- the ACCC's accreditation of the Scheme.

In 2013, the ACCC first authorised a national Tyre Stewardship Scheme for five years, which lead to the establishment of the Scheme in January 2014. The ACCC accredited the Scheme again in 2018 and latest in 2024, expiring on 2 September 2027. A product steward, the TSA, is responsible for overseeing the entire lifecycle of a product, from importation and production through to disposal and recycling. The goal is to ensure that products are managed in an environmentally responsible and sustainable manner, minimising negative impacts on the environment and human health. When assessing applications for authorisation relating to product stewardship schemes, the ACCC seeks to ensure they do not unduly restrict competition.

This independent review aimed to assess whether:

- the Scheme is working, meeting its objectives and aims, and ultimately making progress against performance measures for participation and environmentally sound disposal of EOL tyres.
- the TSA is administering the Scheme with good governance, adequate industry representation and consultation, and encouraging and driving engagement and participation by all stakeholder groups.

On both the above points, it is clear that the TSA is performing generally very well within the current scope of the Scheme. Marsden Jacob reviewed the TSA and the Scheme against a number of performance metrics and the expectations placed on it by the ACCC Determination and the previous independent performance review conducted in 2022 by Arcoona Consulting. The assessment shows that the TSA and the Scheme are operating commendably and meeting the expectations placed on them.

Room for improvement remains in relation to their R&D strategy and outcomes measurement. Addressing these areas would also strengthen the value proposition, which might be beneficial for increasing participation. It is important to work more closely with recyclers and find ways to better integrate their perspectives into decision-making of the board, e.g. through consultative committees. This will also support the move towards a co-regulatory or a mandatory Scheme. In addition, increasing the environmentally sound use of products and linking this more clearly to TSA's research investments will further enhance TSA's and the Scheme's outcomes.

Analysis of the Scheme's data indicate that the Scheme has performed satisfactorily within the limits of the voluntary Scheme. Key benchmarks such as the percentage of EOL tyres going to environmentally sound use for 2024/2025 is high for passenger and truck/bus tyres (87%), while for OTR tyres it is at 20%. As a combined number (68%) this means that recovery is below the waste management targets set by the Federal Government of 75%.

Our consultations indicate some participants believe the relatively high levels of recovery for passenger and truck/bus tyres have also been strongly influenced by the relatively high prices for crumbed rubber and the strengthening of regulatory measures such as the ban on exporting baled tyres. Government regulation of tyre storage and recycling activities, as well as enforcement against illegal dumping and stockpiling, have also contributed in addition to TSA's efforts.

Despite the high levels of recovery, many stakeholders pointed out that because of the large overall number of EOL tyres, only small percentage changes in non-recycling can result in stockpile, illegal dumping and landfilling risks over time. As a result, there is an ever present need to continue efforts to encourage stewardship.

While there can still be work done to improve the operation and outcomes of the TSA and the Scheme, there are likely to be diminishing returns and natural limits to further success within the bounds of a voluntary Scheme. A step change in tyre recycling and circular economy outcomes is unlikely under the current voluntary Scheme, as these outcomes rely on a complex mix of market incentives, regulatory settings, and technological advances that fall outside the scope of voluntary product stewardship and TSA's remit.

Recommendations

The TSA has made some advances to simplify and prioritise activities. Given these positive developments and continuing challenges, there are opportunities for the TSA to be clearer on the outcomes being sought by the Scheme. This should include:

- Recommendation 1: Provide greater clarity on objectives of the Scheme as the TSA moves toward supporting a mandatory/co-regulatory Scheme
- Recommendation 2: Clearly articulate (such as through a program logic) how TSA activities and outputs result in intermediate and final outcomes for the Scheme and the improved EOL tyres
- Recommendation 3: Prioritise positive relationships and engagement with recyclers to help improve recycling data and its use; and inform research priorities and design to help achieve practical research outcomes
- Recommendation 4: Enhance engagement with retailers and car manufacturers and articulate the value proposition of the TSA and the Scheme
- Recommendation 5: Clearly articulate an overarching research (and where relevant, R&D within market development) and innovation strategy and including priorities for investment and the key outcomes expected
- Recommendation 6: Robust ex ante and ex post evaluation of market development and research projects along guidelines used within the wider R&D community

These recommendations and areas for improvement should be viewed as a no-regrets strategy as TSA pursues a co-regulatory or a mandatory stewardship Scheme for tyres.

1. Background and approach

TSA is authorised for the conduct (specifics of the guidelines) necessary to run the Scheme, as authorisation provides TSA with protection from legal action under the specified provisions in Part IV of the *Competition and Consumer Act 2010* (Cth). TSA seeks authorisation to continue the operation of the Scheme in accordance with the guidelines. TSA has commissioned Marsden Jacob Associates (Marsden Jacob) to conduct an independent review into whether the Scheme is effective in achieving its objectives and whether it is being administered well. Based on data analysis and stakeholder consultations, Marsden Jacob assessed TSA's performance against the TOR.

1.1 Overview of TSA and the Scheme

TSA is a not-for-profit company limited by guarantee and is responsible for administering the Scheme. TSA is funded by a levy agreed upon by industry participants, at a rate proportional to the number of tyres imported into Australia (\$0.25 per equivalent passenger unit (EPU)). The objectives of the TSA⁷ are to:

- implement the Scheme for EOL tyres;
- administer the accreditation of participants in the Scheme;
- monitor, audit and report on the development of the Scheme;
- undertake education, awareness and information activities to promote the Scheme and value of EOL tyres' utilisation; and
- support market development and early-stage research in utilising EOL tyres for the benefit of the industry.

The aim of the Scheme is to reduce the amount of EOL tyres damaging the environment via landfill, illegal dumping or undesirable export while increasing the recycling rate of EOL tyres.

The objectives of the Scheme⁸ are to:

- increase resource recovery and recycling and to minimise the environmental, health and safety impacts of EOL tyres in Australia; and

⁷ ACCC Determination (AA1000655), 2 September 2024, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

⁸ Guidelines for the Tyre Product Stewardship Scheme, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Scheme-Guidelines-2024-2.pdf

- develop the domestic recycling industry and markets for tyre derived products.⁹

1.2 History

TSA was established in 2013 as an industry-led initiative to manage the EOL tyres problem in Australia. The Scheme was developed under the Product Stewardship Act 2011 and the ACCC granted TSA its first authorisation in 2014 for five years with TSA incorporated in July 2013 to manage the voluntary Scheme. The accreditation allowed the Scheme to operate with a 25-cent levy per EPU on tyres sold into the Australian market by voluntary contributing tyre brands, to fund its activities.

This authorisation was renewed in 2018 for a six-year term, extending until 15 June 2024, after an interim authorisation was granted in April 2018 to continue operations under the previous terms. In December 2023, TSA applied for re-authorisation to extend the Scheme for another three years, seeking to maintain the existing guidelines without changes. The ACCC issued a draft determination in June 2024 and granted the final re-authorisation on 2 September 2024, valid until 2 September 2027.¹⁰

1.3 Regulatory environment

The Recycling and Waste Reduction (RAWR) Act 2020 commenced on 16 December 2020, replacing the Product Stewardship Act, and its objectives include reducing product and waste impacts on health and the environment, supporting a circular economy, and accounting for environmental impacts. The RAWR Act provides for three types of schemes—accredited voluntary, co-regulatory, and mandatory—where voluntary schemes aim to promote product stewardship without government regulation and to assure the community of committed outcomes.

TSA's Scheme was accredited as a voluntary arrangement under the RAWR Act in March 2021, with accreditation lasting until March 2026.¹¹

The last review, conducted by Arcoona Consulting in 2022, recommended transitioning the Scheme from a voluntary arrangement to a more fully regulated one under the RAWR Act to better achieve TSA's goals through industry action and/or government regulation.¹²

⁹ Ibid

¹⁰ ACCC Determination AA1000655, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=1>

¹¹ Ibid

¹² Arcoona Consulting (2022) Tyre Stewardship Australia National Tyre Product Stewardship Scheme Independent Review, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Independent-Review-2022.pdf

Each year, the Minister publishes a Priority List under the RAWR Act identifying products for possible regulation, together with the reasons, recommended actions, and timelines.¹³ EOL tyres were added to the 2022–23 list¹⁴, marking the first mandated step towards possible regulation. A product must remain on the list for at least 12 months before further action can be taken.¹⁵ The Minister reviews progress on the recommended actions, and if these are not met, further measures or regulation may follow.¹⁶ No decision has yet been made to regulate tyres.

Considering a transition to a co-regulatory or mandatory Scheme, TSA had submitted, for its current authorisation, to the ACCC that:

- Effective transition would likely require the expertise of TSA to help inform the Minister’s decision and may also be required to help re-design the Scheme.
- The Scheme would be regulated by the Australian Government under the RAWR Act through future Scheme rules. Accordingly, the Commonwealth (Cth) Department of Climate Change, Energy, the Environment and Water (DCCEEW) would be responsible for developing regulations in consultation with industry. While TSA expects that DCCEEW would consult closely with it in developing a RAWR Act regulated Scheme, DCCEEW would control the process, not TSA.
- Any future rules for a regulated Scheme would be assessed against the government’s impact analysis framework, which requires a regulatory impact statement. This regulatory impact statement would need to address the likely net benefit of transitioning to a regulated Scheme as against the current voluntary Scheme, by identifying who is likely to be affected by each regulatory option and assessing the economic, social and environmental costs and benefits.

For the last authorisation, TSA had submitted that transition to a mandatory Scheme was expected to be completed by end of 2026 and therefore it sought re-authorisation of the Scheme for 3 years. Timing of any changes to the regulatory environment appear less certain, which was also mentioned by the Cth DCCEEW and the WA Department of Water and Environmental Regulation (DWER).¹⁷

We understand that, during its next submission, TSA will be seeking a re-authorisation from the ACCC for 10 years. This does not prejudice any ambition towards a co-regulatory/mandatory Scheme. It will provide stability and certainty for industry decision making and for the TSA to continue to operate and invest in stewardship initiatives.

¹³ RAWR Act, section 67

¹⁴ Minister’s Priority List, available at: <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list>

¹⁵ RAWR Act, section 77(3)

¹⁶ RAWR Act, section 77(4)

¹⁷ ACCC Determination, p. 12, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

1.4 Methodology

In order to conduct the independent review of the TSA, Marsden Jacob followed the methodology set out in its proposal. An inception meeting took place to align objectives, scope, stakeholders, deliverables, and reporting arrangements, followed by the preparation of a project plan. The next step entailed a comprehensive review of relevant documents, as provided by TSA according to the TOR. The primary documents provided by TSA were:

- ACCC Final Determinations (2 Sep 2024)¹⁸
- TSA Tyre Product Stewardship Scheme Guidelines, Amendment 2.0: 1 December 2024¹⁹
- Arcoona Consulting Independent Review (2022)²⁰
- TSA Annual Report 2024/2025²¹

Other relevant documents that were provided by TSA included:

- TSA Materials Flow Analysis Report: 2023-24²²
- TSA Material Circularity Report: January 2025²³
- TSA Strategy: 2025-2028²⁴

Throughout the review, several published reports by TSA were consulted (e.g. Tipping the Balance: Uncovering Australia's Hidden OTR and Rubber Waste Streams, Tyre derived Crumb Rubber in road surfacing applications in Australia). Moreover, several internal documents were provided by TSA staff (Building the Markets Pillar strategy, small projects procedure, examples of market support reports, market development communications plan, etc.). Other publicly available data, e.g. the report of National End-of-Life Tyres Options project were also consulted.

The secondary data analysis has been supplemented with primary data collection through extensive stakeholder consultations. Semi-structured interviews were held with representatives from across the tyre supply chain, as well as TSA internal staff, the TSA CEO, and the TSA board of directors. A summarised list of stakeholders that were interviewed is provided below:

- Tyre manufacturers
- Car importers

¹⁸ ACCC Determination (AA1000655), 2 September 2024, Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

¹⁹ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Scheme-Guidelines-2024-2.pdf

²⁰ Arcoona Consulting (2022) Tyre Stewardship Australia National Tyre Product Stewardship Scheme Independent Review, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Independent-Review-2022.pdf

²¹ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/Annual-Reports/TSA-Annual-Report-FY25-WR.pdf

²² Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA0047-L8-Material-Flow-Analysis-Report-WEB.pdf

²³ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA0368-Material-Circularity-Report-PR7-1.pdf

²⁴ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Strategic-Plan-SingleWR.pdf

- Tyre retailers
- Tyre collectors/recyclers
- Relevant associations
- Fleet operators
- Miners
- Market development recipients
- Local government
- State/federal government
- TSA Internal personnel
- Board members of TSA.

After completing all stakeholder consultations, Marsden Jacob conducted follow-up discussions with selected stakeholders to consolidate the findings and explore areas of divergence. These additional conversations allowed for testing differing stakeholder views, clarifying points of agreement or concern, and ensuring that the final analysis accurately reflects the range of perspectives gathered throughout the consultation process.

In the next step, findings from the document review and stakeholder consultations were synthesized to evaluate the Scheme's performance against the TOR, including TSA's objectives and ACCC-determined metrics, as well as Board representation, industry participation, data quality, and overall operational effectiveness. These insights were used to develop evidence-based recommendations, which were compiled into a clear, plain-English draft report for TSA feedback.

1.5 Structure of this report

This report is structured as follows:

- The executive summary provides context of the review and summarises the assessment against the terms of reference and stakeholder consultations, key findings, and recommendations.
- The background and approach provides an overview of TSA and the Scheme, outlining TSA's objectives, history, and regulatory environment.
- Assessment against the terms of reference. This section presents a traffic light summary of the review's assessment against the terms of reference.
- The next section summarises consultations with external stakeholders and the TSA Board.
- Key findings section presents the findings informed by data analysis and stakeholder input across TSA's different roles and responsibilities.
- The conclusion and recommendations section provides a summary of the main conclusions and recommendations.
- The appendix provides the detailed review assessment, which informed the main report.

2. Assessment of TSA and the Scheme against the TOR

The assessment shows that TSA has addressed most recommendations from the previous review²⁵ and views of the ACCC²⁶. The Scheme performs well within the current arrangement. Room for improvement remains in relation to the R&D strategy and outcomes measurement. Addressing these areas can also strengthen the value proposition, which might benefit increased participation. Efforts should focus on working closely with recyclers and collectors to ensure data cohesion as well as improving environmental outcomes. This should be done in a manner consistent with working toward a more fully regulated model (i.e. co-regulatory or mandatory). Increasing the environmentally-sound use of TDP and linking this clearly to R&D investments will further enhance outcomes.

In order to conduct the independent review, Marsden Jacob applied a traffic light assessment against the detailed TOR. Table 1 explains the meaning of the colours applied.

Table 1: Colour coding traffic light assessment

Meaning	Colour
High likelihood of failing significantly short of meeting expectations or has failed to deliver expected outputs and outcomes	Dark Blue
Some likelihood of failing to meet expectations unless action is taken	Light Blue
Requirement has been met as expected or is on track to do so	White
Addressing requirement is outside of TSA's influence	White

Table 2 represents a high-level traffic light assessment, summarising each point from the TOR and assigning a colour. Section 2 of this report represents the analysis of each item of the TOR in detail.

²⁵ Arcoona Consulting (2022) Tyre Stewardship Australia National Tyre Product Stewardship Scheme Independent Review, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Independent-Review-2022.pdf

²⁶ ACCC Determination (AA1000655), 2 September 2024, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

Overall, most indicators are green, showing that TSA is performing well and delivering environmental benefits over public detriment. TSA is making strong efforts within the voluntary model. However, room for improvement remains in relation to R&D strategy and outcomes measurement (yellow and red). Addressing these areas would also strengthen the value proposition, which might be beneficial for increasing participation. A range of stakeholders stressed the importance of the TSA working more closely together with recyclers and establish procedures for bringing their perspectives into decision making of the board, avoiding conflict of interest, which will also support the move towards a co-regulatory or mandatory Scheme. In addition, increasing the environmentally sound use of products and linking this more clearly to R&D investments will further enhance outcomes.

Table 2: High-level traffic light assessment

Summary of the relevant TOR	Assessment
Whether TSA has implemented or actioned the recommendations contained in the 2022 Arcoona Consulting Review at paragraphs 1.4, 2.4, 3.4, 4.4, 5.4, and 6.4 and the completeness and outcomes of those actions.	
Paragraph 1.4: TSA should continue with existing Scheme while looking to pursue a regulated Scheme.	
Paragraph 2.4: TSA should explore seeking the support of the Australian Government in transitioning to a regulated Scheme.	
Paragraph 3.4: TSA should consider using metrics where progress is below target-levels as additional justification for transitioning to a regulated Scheme.	Refer to note A.
Paragraph 4.4: TSA should consider replacing the EPU ratio levy method with the Weight-based levy method.	
Paragraph 5.4: TSA should establish an advocacy platform to assist with engagement in relation to a regulated Scheme.	
Paragraph 6.4: TSA should continue its ongoing efforts to optimise the Scheme, consider changes to the Scheme requirements for retailers, articulate value and relevance of the Scheme and TSA's role, communicate benefits, and strengthen and expand the scope of knowledge sharing.	
Whether TSA has complied with the conditions listed in paragraph 5.9 of the ACCC Determination.	
Whether TSA has met or is making progress towards specific performance targets, transparency of data collection, data analysis, and communicated its performance.	
Whether TSA has addressed the ACCC's views in the ACCC Determination including, but not limited to, at the following paragraphs:	
2.26: The Minister must review whether recommended actions for listed products have been taken; if not, make further recommendations or decide regulation under RAWR Act is appropriate.	Refer to note B.
2.13: TSA uses specific targets to measure the efficacy of the Scheme in achieving its objectives. In following the ACCC Determination, new KPIs were adopted.	
4.13: The ACCC observes that while passenger, bus, and truck tyre collection and recycling are likely to continue at moderate levels without the Conduct, OTR tyre collection and recovery remain very low, with limited sector engagement and high costs, meaning significant improvements would likely require a co-regulated Scheme or similar obligation.	
4.24: The ACCC considers the public benefits of TSA's activities to include environmental and health gains from increased tyre recovery, R&D into EOL tyres' uses, promotion of tyre-derived products, and progress toward a regulated Scheme.	

Summary of the relevant TOR	Assessment
4.33: The Arcoona Consulting Review found that participating importers were frustrated by the Scheme's lack of tangible results and emphasised that demonstrating clear value is crucial to increasing participation.	
4.36: The ACCC notes that the Scheme has met only 3 of 9 performance targets since 2018, with environmentally sound EOL tyres' recovery below target, and that its success in increasing recovery largely depends on voluntary participation, which is high among recyclers but low among tyre retailers and levy contributors, though overall participation has slightly increased since 2018.	
4.38: Reasons why the Scheme is likely to result in some environmental public benefits.	
4.52: The ACCC notes that the performance targets in respect of research and development do not track the outcomes of these projects.	
4.39: Environmental benefits of the Scheme go beyond state-based laws.	
4.63: Potential public detriment associated with or resulting from the Scheme.	
4.92: The ACCC encourages TSA to find ways to enable greater involvement from all sectors of the industry in the strategic direction of the Scheme but also notes that there is no evidence to suggest that significant detriments have arisen from the current Board composition.	
4.98: The ACCC considers that the Conduct is likely to result in minimal public detriment.	
4.99: The ACCC encourages TSA to consider ways to enable greater involvement from all sectors of the industry in the strategic direction of the Scheme, particularly tyre recyclers.	
4.103: Level of accuracy of reporting by TSA and the effective communication of its achievements against key performance indicators.	
4.107: TSA's data reporting may not be sufficiently transparent and consistent to enable stakeholders and the ACCC to understand the outcomes of the Scheme.	
4.108: The ACCC considered that TSA should report against the metrics in Attachment B to improve transparency and clarity of outcomes and invited feedback on additional information or presentation changes, including more specific R&D project metrics.	
4.112: Consistent and transparent reporting by TSA in relation to concerns raised by Australian Tyre Recyclers Association and ACOR.	
4.115: This condition requires TSA to report annually against specified metrics, a subset of those in Attachment B, covering the number and volume of EOL tyres generated, collected, and sent to environmentally sound use, with any amendments subject to ACCC approval.	
4.123: The ACCC does not consider it necessary to depart from the period of authorisation sought by TSA.	
The extent and nature of the Scheme's acceptance and participation by industry stakeholders considering the population of potential participants in each segment.	
The resource recovery and recycling rates of EOL tyres' attributable to the Scheme by segment and whether progress is being made against identified targets generally, but particularly with respect to areas of opportunity identified in either of the previous Independent Reviews.	
The decrease in the percentage of EOL tyres by segment not being disposed of in environmentally sound ways.	
The volume of products derived, sold or otherwise provided in environmentally sounds ways and if this is growing or otherwise.	
The extent and nature of the Scheme's administration (levy breakdown and board composition)	

Note A: We consider that progress of these recommendations to be premature at this stage. Progress on these would see the regulation of the Scheme, which is out of TSA's control.

Note B: We note that the Ministerial review is currently underway.

3. Consultation summaries

Stakeholders generally agree that the Scheme is effective in EOL tyres' issues, with notable successes including TSA's engagement, staff contributions, quality outputs, roadshows, industry forums, and placing tyre management on the Minister's Priority List. Ongoing work with the mining sector is seen as a positive step for OTR tyres. Key concerns include the cost of participation for non-participants, unclear R&D processes, opportunities for more effective engagement in certain sectors, and potential diminishing effectiveness due to the Scheme's voluntary nature and issues with free riders and rogue operators.

3.1 Summary

The majority of the external stakeholders interviewed agreed that the Scheme has been operating well and has done a lot to highlight the issues around EOL tyres. There is consensus that without the Scheme, there would be poorer outcomes for EOL tyres. Some of the key strengths were TSA's engagement and the work of various staff including the CEO. This was raised by multiple stakeholders. The quality of work produced by TSA, such as the Material Flow Analysis report, roadshows, and industry forums were referred to as key successes. Additionally, current ongoing work in engaging with the mining sector was referred as a good starting point for tackling issues around OTR. TSA's role in securing tyres on the Minister's Priority List was seen as a major success during the review period.

Some of the concerns raised by interviewed non-participants (i.e. tyre importers who do not participate) included the cost of the levy as the main barrier to participation. There were also concerns around a lack of clarity on R&D which was raised by majority of the stakeholders. Some stakeholders in key sectors saw the opportunity for more effective engagement to spread awareness and education about the Scheme. Almost all interviewed stakeholders agreed that the Scheme is plateauing which is largely due to the voluntary nature of participation and incentives to free ride.

There was agreement that TSA and the Scheme has done well despite the limitations posed by the voluntary nature of the Scheme. Stakeholders mentioned that some of the issues faced by TSA and the Scheme, such as free riders, rogue operators, and low-quality tyre imports, are currently beyond TSA's powers to solve.

The subsequent sections further detail these views by segment.

3.2 Consultation summaries – External stakeholders

Vehicle importers

The interviewed vehicle importers indicated that cost is a main barrier to participation. They also mentioned that they currently utilise TSA's accreditation system to develop a policy that requires the use of TSA-accredited recyclers and collectors. They expressed that there would need to be some clarity around what an environmentally-sound solution would look like for EOL tyres.

Tyre importers and wholesalers

The tyre importers who were interviewed agreed that TSA is doing reasonably well in tackling the issues around used tyre disposal and finding environmentally-sound solutions. They all agreed that the Scheme has done a lot to highlight the problem. One interviewee indicated that there is less clarity around how funds are currently being spent. All interviewees mentioned communication by TSA as a key strength and a highlight in their experience.

One interviewee indicated that the TSA should provide more communication around the areas in which the Scheme and the organisation are evolving. All interviewees agreed that the current voluntary nature of the Scheme does limit the effectiveness of TSA. All interviewees also indicated that there is currently a lack of awareness among consumers about the Scheme in general. One interviewee indicated that there is currently a lack of clarity around TSA's R&D strategy. They also raised that there is a misunderstanding of TSA's overall objective.

Tyre retailers

The interviewed tyre retailers were in consensus that the Scheme has been operating well and has greatly improved. The majority expressed a frustration at the voluntary nature of the Scheme and indicated their support to move to a regulated Scheme. All interviewees agreed that TSA does extensive engagement with the sector. One tyre retailer also noted that TSA is being proactive in engaging with problem sectors such as OTR and this was very welcome. Another retailer also noted that TSA has been very helpful in supporting retailers find appropriate solutions to ensure that EOL tyres are being sent to accredited recyclers.

The majority of interviewees agreed that TSA's communications and marketing work is very beneficial and can be leveraged at point-of-sale to educate the end consumer. One interviewee remarked that the end consumer may not be aware of the negative impacts of non-environmentally-sound disposal of used tyres. They mentioned that this problem is beyond TSA's scope to solve.

Some interviewees indicated that TSA could develop a deeper engagement with the tyre retail industry. They indicated that if TSA were to focus its efforts on educating the retailers around the benefits of the Scheme, this may be an effective way to educate the end consumer about the benefits of the Scheme. An interviewee also mentioned a need to bolster independent store retailers' representation on the TSA Board. We note that retailers are represented through two major brands and the new Chair has independent retailing experience. The interviewee also mentioned that TSA listened to feedback around their compliance auditing regime and made changes to minimise any unnecessary burden very quickly.

Collectors and recyclers

The consulted tyre collectors and recyclers agreed that the Scheme has been successful in recovering passenger and truck tyres, and that this can be seen in the numbers reported by TSA. The interviewees agreed that the Scheme faces barriers from rogue operators and illegal dumping and currently does not appear to be overcoming these issues. One of the views raised was that the mining companies do not have an incentive to recycle OTR tyres as they are financially constrained. The interviewees also indicated that in the absence of regulations to stop on-site burial, there would be limited success in recovering OTR tyres for higher-order outcomes. The interviewees agreed that the TSA operates commendably within its current remit while noting there are possible areas of improvement.

Government representatives

The interviewed government representatives were aligned in their views that there has been positive engagement with TSA and their respective departments. There was general agreement that the problems around rogue operators and free riders are beyond the control of TSA and they need to be tackled through regulation. They indicated that there needs to be better clarity around the objectives of TSA and the Scheme, as stakeholders currently hold varying interpretations.

One of the interviewees mentioned that any work that TSA could do to improve the quality of data collection would help. The interviewees agreed that to see higher-order outcomes for EOL tyres there would need to be a move away from the voluntary Scheme to a co-regulatory or a mandatory Scheme.

Relevant associations

The majority of the interviewees in this category were aligned in the view that the Scheme has been operating well. There is a profound credibility with the organisation and its engagement across the supply chain. They indicated that there is a greater level of credibility with the mining industry and that this has improved exponentially. The work done around the mining sector and OTR tyres undertaken by TSA was raised as a big success.

One of the interviewees indicated that there should be a retailer represented on the TSA Board. The need for greater engagement with the retail industry and leveraging it to educate consumers was also raised as an area of improvement for TSA.

All of the association interviewees agreed that TSA's R&D strategy needs refinement and is currently not strategic enough. There were concerns raised around the purely academic nature of some research funded. There was general agreement that there should be greater focus on applied R&D. Some interviewees also remarked that TSA could be doing more to help create markets for recycled products. There were concerns raised around the composition of the TSA Board and the potential gaps arising from not having certain sectors represented. One interviewee remarked that TSA's efforts to engage with the broader industry have been improving of late.

One of the interviewees indicated that the benefits derived from the Scheme is not clear and there needs to be greater agreement within the industry on the objectives, outcomes, and the value derived from the Scheme and participation.

Fleet operators

Fleet operators who were interviewed indicated that the Scheme has been operating very well and that the TSA are doing a good job of managing it. They mentioned that TSA, within its current remit, is operating well. They also mentioned that the Scheme would need to be regulated as a co-regulatory or a mandatory Scheme to see future improvements. The interviewees indicated that TSA has brought a lot of awareness to this critical issue of EOL tyres since rubber is a precious resource.

The interviewees remarked that they regularly use the TSA website to easily find information to use when working with corporate clients. They mentioned that this helps educate and create awareness around the Scheme and the issue as whole. They remarked that the CEO and the wider TSA team do an excellent job of administering the Scheme. The fleet operators noted that the influx of off-brand tyres will soon become a significant problem which will cause further issues to the Scheme in its current form. They find that being associated with TSA helps to better engage with, and educate, their clients.

Market development recipients

The consulted market development recipients indicated that TSA employs a strong collaborative approach to working with them. They remarked that working with TSA staff closely ensured that optimal outcomes were received for all parties involved. The interviewees mentioned that TSA is very flexible and welcome feedback to ensure that there is no prejudice embedded in the process. They remarked that TSA provides a healthy amount of information publicly, which was a positive. The interviewees remarked that TSA's research strategy and planning ensure research projects provide required outputs.

The interviewees remarked that adoption of research is a big barrier. Interviewees also mentioned, that going forward, they would like to see TSA focus less on trials and more on adoption-focused projects. The interviewees also raised that TSA is constrained by different regulations and requirements across the country and that these pose a barrier to adoption. Lifecycle analysis was mentioned as a possible future research area.

Local government

One local government entity was interviewed as part of the consultation. They remarked that they were involved with TSA on a project that produced beneficial results for both parties. They indicated that TSA collaborated with them successfully on a project involving tyre crumb utilisation. They indicated that TSA had developed a monitoring and evaluation plan to track the outcome of the project and that they were pleased that the project showed tangible benefits of utilising products derived from end-of-life tyres. They indicated that TSA facilitated a forum for the interviewee to present the project and its outcomes and that this generated a lot of interest in similar groups across the country.

The interviewee also mentioned that the current barrier the TSA faces is competition from traditional industries. They attributed this to the general wariness of the public to new products. They remarked that this was out of TSA's control. The interviewee remarked that TSA has a difficult job demonstrating its impacts because it is hard to prove something that cannot be seen, as a lack of tyres being dumped is not something people notice. Therefore, they remarked that TSA's role is often underappreciated. They also mentioned that a lot of TSA's work is pacesetting and remarked that there is a lot of value to be gained from moving to a co-regulatory or a mandatory Scheme.

TSA auditors (for accreditation and compliance)

The auditors (responsible for accreditation and compliance) who were interviewed agreed that the work done by TSA is internationally recognised, has raised awareness, and works very well as a product stewardship scheme. They indicated that the voluntary nature does present some barriers, but the Scheme has done well with this in mind. They remarked that audited participants displayed good levels of awareness and are well prepared for the audit ahead of time. They mentioned that the audit and compliance framework is continuously evolving to ensure rigour without being overly burdensome.

The auditors indicated that TSA and respective Environmental Protection Agencies (EPAs) are often focused on different things in terms of compliance. This is to be expected as their responsibilities and objectives can differ. The interviewees remarked that TSA's audit system has a degree of flexibility that allows it to scale up or down to ensure it is not too onerous.

As TSA supports efforts toward a co-regulatory/mandatory Scheme, it should consider its future roles regarding audit and compliance. At present some stakeholders are concerned that aspects of TSA audits overlap with the responsibilities of EPAs and leading to some duplication of effort.

Mining companies

The interviewed representatives of mining companies all indicated that they have currently had some level of engagement with the TSA. They remarked that TSA's efforts to bring attention to the issues around OTR tyre disposal is noteworthy. They all were happy with the efforts, and the outcomes of the work TSA has been doing with the mining industry to actively find a solution to environmentally-sound disposal of OTR tyres.

The industry forums that TSA runs with mining companies has been well received. The interviewees remarked that the technical expertise of TSA staff has been very useful during the industry forums. All interviewees remarked that while state regulations allow them to continue with their current methods of disposal, the social licence to operate is diminishing. One interviewee noted TSA's leadership as a key strength. All interviewees unanimously agreed that currently the costs associated with recycling are a major barrier to their efforts to recycle used OTR tyres.

3.3 Consultation summaries – Internal staff

TSA Board & CEO

The general consensus from the consulted members is that the TSA is performing well in its current operating environment and the constraints imposed by the voluntary nature of the Scheme. A number of Board members recognised TSA's success in advocacy, such as securing tyres on the Minister's Priority List, expanding contributor participation, and enhancing internal capabilities. Some members were very optimistic about the organisation's strategic focus, noting improvements in data use, stakeholder engagement, and market development initiatives. However, others raised concerns about the prioritisation of objectives, highlighting the difficulty of balancing multiple goals, gaps in importer and manufacturer participation, inconsistent engagement with recyclers, low consumer awareness, and data discrepancies that limit confidence in reported recycling outcomes. A robust tyre tracking system and more systematic evaluation of R&D programs and initiatives were identified as areas needing attention.

Engagement across the supply chain was a major focus of discussion. Board members emphasised the need to strengthen relationships with retailers and recyclers, improve communication of Scheme benefits, and foster collaboration to support a co-regulatory model. While R&D and market development initiatives exist, they remain somewhat ad hoc, with calls for more targeted, high-impact projects and clearer measurement of outcomes. Additionally, board structure and accountability were noted as areas for potential improvement, with recommendations to enhance diversity, skills, and stakeholder representation.

Internal staff

Consultation with TSA's internal staff indicated that there is a general sense that the Scheme is performing well within its current scope. Consultations indicated that there is a continuous evolution of TSA's approach to, and engagement with, participants especially in terms of audit and compliance. There was also indication that TSA is trying to target efforts for marketing and engagement to achieve best outcomes and value for efforts. There were also indications that TSA understands and is currently grappling with issues such as rogue operators, importing of low-quality tyres, free riders, and complexity of the tyre supply chain. Nonetheless, our consultations and review of available documents indicate a need for further clarity on priorities, objectives and expected outcomes around the R&D program and how to achieve best return-for-investment that fits within the Scheme guidelines.

4. Key findings

4.1 Performance

The TSA is generally performing very well within the current scope of the Scheme. This review assessed the TSA and the Scheme against a number of performance metrics and the expectations placed on it by the ACCC Determination (2 Sep 2024) and the previous independent performance review. The high-level traffic light assessment (summary provided above in Table 2) indicates that TSA has delivered strong outcomes across several key areas.

While work can be done to improve the operation of TSA and outcomes of the Scheme, there are likely to be diminishing returns and natural limits to further success within the bounds of a voluntary Scheme. It is likely that a step-change in recycling and circular economy outcomes in tyre recycling will not be achieved within the scope of the current Scheme. This is because recycling and circular economy outcomes for tyres depend on a complex overlay of market incentives, government regulation and technological innovation that are beyond the scope of voluntary product stewardship and TSA as an organisation and its powers.

Analysis of data provided indicated that the Scheme has performed satisfactorily within the limits posed by the voluntary structure. Key benchmarks, such as the percentage of passenger and bus/truck EOL tyres that are recovered, are very high. Nonetheless, the feedback from some stakeholders was the risk that only small gaps in achieving this recovery level over time could give rise to concerns over stockpiles, illegal dumping and tyres being landfilled. Relatively high prices for crumbed rubber, and regulatory decisions such as the ban on the export of baled tyres have assisted, so too has government regulation of tyre storage and recycling activities and the enforcement of illegal dumping and stockpiling.

There is widespread agreement among most interviewed stakeholders that without the TSA there would have been poorer outcomes for EOL tyres. However, there was a view that the TSA could be clearer around the level of benefit attribution to the Scheme in relation to better outcomes for EOL tyres in light of the important role played by state and national regulations, as well as the role commercial market plays, in achieving recovery rates.

4.2 Objectives

During consultations, some stakeholders remarked that they have observed a shift in the narrative of why the Scheme is needed. Increasingly, attention is being drawn to the environmental benefits of circular economy for tyres. Earlier narratives centred around the environmental risk of tyre stockpiles and non-environmentally-sound end use. This shift in narrative is being interpreted as a shift in the objectives of the Scheme. TSA would benefit from clarifying the objectives of the Scheme and the role that circular economy outcomes play.

4.3 OTR tyres and mining sector

A significant advancement by the TSA has been the attention drawn to EOL outcomes for OTR tyres. TSA has developed significant inroads with key stakeholders involved in EOL outcomes for OTR tyres, in particular mining companies and recyclers. The positive engagement in this sector is seen as a template for further progress in the passenger and truck/bus sector where the Scheme is seen as plateauing and some relationships are more challenging.

4.4 Challenges of a voluntary Scheme

There is a widely held view among most interviewed stakeholders that the Scheme has plateaued in terms of volume of collection for passenger and truck/bus tyres, i.e. it has reached the bounds of what is feasible within a voluntary Scheme. This is reflected in weak growth in recovery and an inability to attract new members to the Scheme. Some stakeholders have expressed concerns that participation levels may decrease without moving to a co-regulated or mandatory Scheme. In a voluntary Scheme two key challenges are ever present:

- Keeping existing members within the Scheme; and
- Attracting new members into the Scheme.

As participation in the Scheme plateaus there are some concerns these challenges may heighten. This is because of institutional fatigue, as those within the Scheme weigh the costs of participation from an equity perspective. The key factor is the expectation that there will be a rise in the number of imports of cheaper, generally lower-quality tyres, which may not be part of the Scheme – this is expected as cost of living pressures drive consumers' tyre choices, and international trade dynamics in response to tariffs in other importing nations play out.

This requires the TSA to demonstrate a value proposition to both groups. Attracting new members through the car importers will continue to be challenging in the absence of a co-regulatory or mandatory Scheme. Under a voluntary Scheme, the main barrier to participation appears to be the cost of the levy. This was indicated during stakeholder consultations. Encouraging manufacturers to participate will require a focus on the value proposition of participating in the Scheme. An impression of some in the sector is that, despite being centred on stewardship, the TSA relies too heavily on moral persuasion to encourage participation. The shift to value proposition could centre on the value of outcomes from R&D undertaken within the Scheme – that is, the economic value that an uplift of participation in the Scheme could have on driving viable R&D solutions to improving circular economy outcomes for tyres.

4.5 Accreditation

The number of accredited recyclers is growing. In part this reflects the growth in the recycling sector generally and value that recyclers can derive by sourcing tyres from Scheme members. We heard some concerns that the accreditation standards need to be more robust. In particular, there is a view that the standards applied to exported products and verification of those standards need to be more robust.

4.6 Engagement

The TSA has enhanced its focus on OTR tyres and the mining sector. This has been a strong area of alignment with some of the recyclers we consulted. Insights from this collaborative effort could be properly evaluated and reflected on. We are confident that valuable lessons can be learned to enhance future relationship-building and collaboration. There are a number of other positive developments with recyclers, such as the joint research into processing technologies from recycled tyre products. As we see it, however, the relationship with key recyclers and the Australian Tyre Recycling Association (ATRA) remains strained.

A widely held perception of stakeholders is that the TSA has been ‘juggling too many balls’ and the organisation would benefit from prioritisation of its activities and focus. In this regard, our consultation suggests an opportunity for the TSA to further progress an outcomes-based approach to the Scheme. While this broad observation came out in many consultations, it also needs to be carefully balanced with the very positive views that were widely held about TSA engagement with stakeholders.

A common theme in feedback about TSA communication and consultation is the considerable effort made by the CEO. Many stakeholders noted the significant effort the CEO and TSA have made to positively engage with stakeholders and promote the Scheme and positive EOL outcomes for tyres more broadly. An example drawn to our attention was the positive role TSA played in having tyres included in the Minister’s Priority List – this was seen by some stakeholders as a clever combination of harnessing data and positive messaging.

4.7 Board composition

In its determinations the ACCC did not set out expectations with regard to TSA Board representation. It did, however, encourage the TSA to find ways to ensure recyclers’ views are represented in Board decision-making. To this end, TSA’s Board now has two independent Directors with expertise in circular economy. It is intended they will provide insights into the recycling industry. Additionally, a consultative forum, comprising representatives from across the supply chain including recyclers and retailers, has been recommended to help address Board-level gaps.

While these are important steps in the right direction, TSA should continue to work toward representation on the Board for all views across the supply chain. We understand that TSA continues to explore ways recycler views might be represented without creating conflict of interest concerns. As well, TSA should try to ensure that outputs from industry consultative groups act as strategic inputs into the Board’s decision-making process. This will further build trust and engagement with all stakeholders across the supply chain.

4.8 Marketing

Over recent years the focus of the marketing program has shifted away from marketing of TSA and the Scheme in mainstream media. Despite achieving increased impact with targeted digital advertising, this was not considered to be good value-for-money by TSA. This reflected the relatively small budget of TSA and challenges around changing consumer behaviour. However, it does raise a question about what role TSA should play in the interface of the Scheme with consumers. This question was also raised by some retailers who felt TSA need to prioritise its engagement with them. There is a possibility that TSA could leverage interaction with consumers to promote awareness around the Scheme.

4.9 Audit and compliance

There may be opportunities to simplify the accreditation audit and compliance processes, thereby reducing burdens that accredited members have experienced through the audit process. To this end, TSA should consider undertaking a review of its audit and compliance processes as it seeks to move to a co-regulatory or a mandatory Scheme. An important function of a product stewardship organisation (PSO) is to ensure that effective and ongoing verification, record keeping, and audit mechanisms are in place for the Scheme. This function, amongst others, is typically stipulated in the relevant Act. The stipulation requires the PSO to implement processes that ensure:

- the amount of material going through the system is accurately tracked and reconciled;
- accurate and transparent records of these materials are maintained; and
- comprehensive and ongoing audit processes covering all Scheme participants (including collection points, transport/logistics providers and reprocessors) are implemented as part of the verification, record keeping and audit processes.

The key consideration for the verification and audit process is to ensure that the amount of material (by weight or volume, and type) exiting the system (to recyclers) can be accurately verified against the amount of material entering the system via collection points (e.g., transfer stations, retailers, etc.)

Primary responsibility for these functions typically resides with the PSO, however independent auditors are often engaged as well. The audit process itself should be conducted on an ongoing basis. To that end, many of the staff engaged by PSOs have an audit role. The relevant Federal/State government also has a monitoring and ‘auditing’ role, with the PSO being required to report to the relevant Minister. Thus, relevant departmental officials need to audit these reports, ensuring that the PSO is fulfilling its obligations and achieving targets.

4.10 Data collection and reporting

Data collected by TSA is considered robust by all stakeholders and the quality of TSA's reporting is generally well regarded. There is an opportunity for TSA to continuously work on improving the quality of data collection and reporting. Working on this would lend itself well to engaging with the Government as part of pursuing a co-regulated or a mandatory Scheme. This presents opportunities to engage with recyclers to understand where successful collaboration can lead to better reporting and improving clarity on key reporting metrics.

4.11 Research development and innovation

TSA's R&D activities can have a strong impact on the recycling market. These activities could help leverage international recycling expertise and further help in developing local markets to improve higher-order outcomes for EOL tyres.

Our consultations indicated many stakeholders are unclear on TSA's research, development, and innovation (RD&I) strategy and how market development is connected or aligned.

We understand that research at TSA is pursued through three routes:

- Market Development Research Fund – for which there are funding guidelines for external application
- Self-directed research
- Small research projects.

Board approval is required for investments from the market development fund and CEO approval is required for self-directed and small research projects. We note a strategy was recently developed for the Market Development Research Fund and a strategy is being prepared for the self-directed research.

The differences in authorisation between CEO and Board across the vehicles reflects delegation authorities but it may be useful to assess these and ensure decision making reflects strategies and appropriate investment criteria.

TSA could benefit from establishing an *overarching* RD&I strategy that provides a framework for prioritising a balanced portfolio of investments across the above-mentioned delivery vehicles.

Additionally, this strategy can also include clear prioritisation guidelines, investment selection criteria (such as expected value for money, benefit cost, risk assessment criteria), a robust framework for ex ante and ex post evaluations of investments (including project logic, clear counterfactual, qualitative and quantitative benefits assessment, etc). This could be aligned to the outcomes-based approach in the wider TSA strategy.

5. Conclusion and recommendations

Based on the stakeholder consultation and data analysis undertaken as part of this review, TSA is performing well within the current scope, and the Scheme is generating positive outcomes for EOL tyres. There are some key areas for improvement, such as clarity on R&D and more effective engagement with certain key sectors.

Conclusion

This independent review has been conducted within the scope of the current objectives and the TSA and accreditation of the Scheme. The accreditation allows competing businesses in the tyre supply chain to engage in collaborative conduct to address outcomes for EOL tyres.

The TSA is generally performing very well within the current scope of the Scheme. Marsden Jacob reviewed the TSA and the Scheme against a number of performance metrics and the expectations placed on it by the ACCC Determination and the previous Arcoona Consulting (2022) independent performance review.

While there can still be work done to improve the operation and outcomes of the TSA and the Scheme, there are likely to be diminishing returns and natural limits to further success within the bounds of a voluntary Scheme. It is likely that a step change in recycling and circular economy outcomes in tyre recycling will not be achieved within the scope of the current Scheme, this is because recycling and circular economy outcomes for tyres depend on a complex overlay of market incentives, government regulation and technological innovation that are beyond the scope of voluntary product stewardship and TSA's current remit.

Analysis of the Scheme data indicates that the Scheme has performed satisfactorily within the limits of the voluntary Scheme. Key benchmarks such as the percentage of recovered EOL tyres in the passenger and bus/truck categories are very high. Nonetheless only small missteps in this percentage over time can give rise to concerns over stockpiles, illegal dumping and landfilled tyres. Relatively high prices for crumbed rubber, and regulatory decisions, such as the ban on the export of baled tyres have assisted, so too has government regulation of tyre storage and recycling activities and the enforcement of illegal dumping and stockpiling.

There is widespread agreement among most consulted stakeholders that without the TSA there would have been poorer EOL outcomes for tyres. Nonetheless, we heard a view that the TSA should be clearer about the attribution it can claim for EOL tyre outcomes recognising the importance that state and national regulation play and the importance that the commercial market plays in achieving recycling rates.

The majority of the external stakeholders interviewed agreed that the Scheme has been operating well and has done a lot to highlight the issues around EOL tyres. There is consensus that without the Scheme, that there would be poorer outcomes for EOL tyres. Some of the key strengths were TSA's engagement and the work of various staff including the CEO. This was raised by multiple stakeholders. The quality of work produced by TSA, such as the Material Flow Analysis Report, roadshows, and industry forums were referred to as key successes. Additionally, current ongoing work in engaging with the mining sector was referred as a good starting point for tackling issues around OTR. TSA's role in getting tyres on the Minister's Priority List was seen as a major success.

Consulted non-participants cited cost as the primary barrier to participation. There were concerns around a lack of clarity on R&D which was raised by majority of the stakeholders. Some stakeholders in key sectors saw the opportunity for more effective engagement to spread awareness and educate about the Scheme. Almost all stakeholders agreed that any diminishing effectiveness in the Scheme is largely due to the voluntary nature and issues around free riders and rogue operators.

Recommendations

The TSA has made some advances to simplify and prioritise activities. Given these positive developments and continuing challenges there are opportunities for the TSA to be clearer on the outcomes being sought by the Scheme. This should include:

- **Recommendation 1:** Provide greater clarity on objectives of the Scheme as the TSA moves toward supporting a mandatory/co-regulatory Scheme
- **Recommendation 2:** Clearly articulate (such as through a program logic) how TSA activities and outputs result in intermediate and final outcomes for the Scheme and the improved EOL tyres
- **Recommendation 3:** Prioritise positive relationships and engagement with recyclers to help improve recycling data and its use; and inform research priorities and design to help achieve practical research outcomes
- **Recommendation 4:** Enhance engagement with retailers and car manufacturers and articulate the value proposition of the TSA and the Scheme
- **Recommendation 5:** Clearly articulate an overarching research (and where relevant, R&D within market development) and innovation strategy; including priorities for investment and the key outcomes expected
- **Recommendation 6:** Robust ex ante and ex post evaluation of market development and research projects along with guidelines used within the wider R&D community.

These recommendations and areas for improvement should be viewed as a no-regrets strategy as TSA pursues a co-regulatory or a mandatory stewardship Scheme for tyres.

Appendix 1. Detailed findings

The assessment shows that TSA has addressed most recommendations from the previous independent review and the views of the ACCC outlined in its Determination. The Scheme performs well within the current arrangement. TSA does have some room for improvement in relation to the R&D strategy and outcomes measurement. Addressing these areas can also strengthen the value proposition, which might benefit in increased participation. TSA's efforts should focus on working closely with recyclers and collectors to ensure data cohesion as well as improving environmental outcomes. Better alignment in the industry will also support the move towards a co-regulatory model. Increasing the environmentally-sound use of products and linking this clearly to R&D investments will further enhance TSA's outcomes.

As per the TOR, the key focus areas for the review are to assess whether:

- the Scheme is working, meeting its objectives and aims, and ultimately making progress against targets for participation and environmentally sound disposal of EOL tyres.
- the TSA is administering the Scheme with good governance, adequate industry representation and consultation, and encouraging and driving engagement and participation by all stakeholder groups.

For this assessment, Marsden Jacob has used a traffic-light summary to review against the TOR, assigning a colour to each item listed. For each overarching point in the TOR, several sub-points were considered to inform the analysis. The following section presents each colour-coded assessment, followed by a paragraph explaining the analysis. Table 3 provides an explanation of the meaning of each colour.

Table 3: Meaning of colours of traffic light assessment

Meaning	Colour
High likelihood of failing significantly short of meeting expectations or has failed to deliver expected outputs and outcomes	Dark Blue
Some likelihood of failing to meet expectations unless action is taken	Light Blue
Requirement has been met as expected or is on track to do so	Light Blue
Addressing requirement is outside of TSA's influence	White

A1.1. Recommendations contained in the 2022 Arcoona Consulting Review

The first item in the TOR refers to whether TSA has implemented or actioned the recommendations contained in the 2022 Arcoona Consulting Review at paragraphs 1.4, 2.4, 3.4, 4.4, 5.4, and 6.4 and the completeness and outcomes of those actions. This assessment is summarised in Table 4.

Some of the recommendations were considered to be premature and implied TSA had already begun moving to a co-regulatory model. The transition to a co-regulatory model is a government decision and therefore not within TSA's control. Overall, TSA has fulfilled most of Arcoona Consulting's 2022 recommendations where possible by adopting no-regret strategies and engaging with the government (e.g., ensuring tyres are on the Minister's Priority List) to prepare for a potential transition to a co-regulatory Scheme. TSA continues working on improving transparency and communications, while audits could be simplified through a more risk-based approach.

Table 4: Assessment of TSA's implementation or actioning of key recommendations from the 2022 review

Summary of the relevant paragraph from the 2022 Arcoona Consulting Review	Completeness	Outcomes
<p>Arcoona Consulting Review paragraph 1.4: This paragraph recommends that TSA should continue to exercise the default approach (voluntary industry-led Scheme) while continuing to prepare to pursue the option to become a regulated Scheme under the RAWR Act.</p>	<p>TSA's approach demonstrates completeness by preparing both regulatory and voluntary pathways under the RAWR Act. TSA recognises the need to maintain the default voluntary authorisation through the TSA's 2024 Authorisation Application²⁷, ensuring there is no lapse in ACCC approval. Simultaneously, TSA continues engagement with the government on the potential transition to a co-regulatory model.</p>	<p>This dual approach ensures regulatory certainty by retaining legal protection to operate the Scheme under ACCC authorisation and thus ensuring public benefit continuity. It also demonstrates strategic foresight by TSA positioning itself to transition to a co-regulated/mandatory Scheme should the government decide to pursue that pathway.</p>
<p>Arcoona Consulting Review paragraph 2.4: This paragraph recommends that TSA explore the option of seeking the support of the Australian government in transitioning to a regulated Scheme. The paragraph also notes the relevance of TPSS Financial Viability Justification in seeking the support for the transition.</p>	<p>TSA is aware of the TPSS Financial Viability Justification and is actively engaging with the government to transition to a co-regulatory or mandatory model while continuing to take all feasible steps within its current authorisation to address the issue of free riding. According to the latest update from 24 November 2024, tyres are listed in the Minister's Priority List 2023-24.²⁸ A review of the RAWR Act is currently underway. The Minister's Priority List 2023-24 will remain unchanged while the Act is under review. Redesigning the TPSS levy effectively results in a move to a compulsory Scheme, which is a matter for the government rather than for TSA.</p>	<p>TSA has progressed engagement with the government on a potential RAWR co-regulatory Scheme, reinforcing the Scheme's financial viability and strengthening measures to address free riding. Tyres were included on the Minister's Priority List 2023-24, providing formal recognition of the TPSS's importance and laying the groundwork for a transparent and sustainable funding framework that supports ongoing public benefits.</p>

²⁷ Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Application%20Received%20-%2004.12.23%20-%20PR%20VERSION%20-%20AA1000655%20Tyre%20Stewardship.pdf?ref=0&download=y>

²⁸ Available at: <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list-23-24#tyres>

Summary of the relevant paragraph from the 2022 Arcoona Consulting Review	Completeness	Outcomes
<p>Arcoona Consulting Review paragraph 3.4: This paragraph recommends TSA to consider whether to use relevant KPIs where progress is below-target levels as further justification for a regulated Scheme. The paragraph also recommends that TSA align the Scheme's targets where possible to the RAWR Act and that the resource/waste hierarchy to be a key element to ensure appropriate balancing of optimal outcomes. The paragraph further recommends that the TSA work with all relevant stakeholders to ensure a shared understanding of future activities, targets, levy contributors under a co-regulated Scheme and to develop these as a package of options to facilitate engagement.</p>	<p>TSA has indicated a preference for a co-regulatory model for the future of the TPSS. TSA have assisted in preparing the WA government's National End-of-Life Tyres Options Project Report (August 2025),²⁹ which explores national policy and regulatory options to improve the management, recovery and stewardship of EOL tyres in Australia, demonstrating constructive engagement with jurisdictions considering regulatory reform.</p> <p>There are several “no-regrets” actions that TSA could progress now to strengthen its position and readiness for a co-regulatory framework. These include exploring Scheme design options (such as target structures, levy mechanisms and participant obligations), aligning current TPSS targets with RAWR outcomes, and expanding engagement with the government and key industry stakeholders. Early work in these areas support a smoother transition to co-regulation.</p>	<p>The National End-of-Life Tyres Options Project Report evaluated a range of policy approaches and identified preferred outcomes that closely match those already being advanced through TSA actions. Several broad policy options were assessed, including keeping the current voluntary Scheme, introducing co-regulated or mandatory product stewardship, applying government fees or rebates, targeted measures for off-the-road (OTR) tyres, disposal bans, stronger standards and design rules, specific clean-up or collection programs, and market development for tyre-derived products. Findings indicated that a regulated product stewardship scheme would be the most effective way to address environmental, economic, and equity issues, but also recommended pursuing low-risk “no regrets” actions, such as improved standards, design rules, and market development, regardless of the chosen framework.</p>

²⁹ National End-of-Life Tyres Options project report (2025), available at <https://www.wa.gov.au/system/files/2025-08/end-of-life-tyres-options-project-report-august-2025.pdf>

Summary of the relevant paragraph from the 2022 Arcoona Consulting Review	Completeness	Outcomes
<p>Arcoona Consulting Review paragraph 4.4: This paragraph recommends that the TSA should consider replacing the EPU Ratio Levy Method with the Weight-Based Levy Method. This paragraph also recommends that the TSA should undertake the TPSS Levy Amount Specification with reference to the Commonwealth's costs in arranging and paying for TSA to carry out TSA Future Activities.</p>	<p>This relates to progressing toward funding a co-regulatory or mandatory model, which is still premature. The vast majority of tyres are car tyres within a standard weight range, but as the Scheme expands to include OTR tyres and conveyor belts such an approach may have merit. However, there could be transaction costs associated with measuring weights. Current guidelines already provide conversion tables to support accurate calculations.</p>	<p>TSA is considering as part of re-authorisation.</p>
<p>Arcoona Consulting Review paragraph 5.4: This paragraph recommends the TSA to establish an advocacy platform to assist in developing a consolidated, coherent and strategic approach as part of engagement towards transitioning to a co-regulated or a regulated Scheme.</p>	<p>TSA has actively contributed to the National End-of-Life Tyres Options project report (2025),³⁰ which assessed policy approaches to improve tyre stewardship and specifically highlighted the potential value of a regulated product stewardship scheme. In line with this, TSA has aligned its actions with the Australian Tyre Recycling Association, providing a consolidated and strategic approach to stakeholder engagement and consultation. This positions TSA to effectively address the “menu options” identified for a potential TPSS RAWR Regulated Scheme, ensuring that policy advocacy is coherent, coordinated, and responsive to national and state-level recommendations.</p>	<p>Contributing to the National End-of-life Tyres Options paper has positioned TSA strongly to transition to a co-regulatory/mandatory Scheme in the future. TSA is actively engaging with a wide range of stakeholders, with particular focus on recyclers, whose participation is essential for the successful implementation of a co-regulatory or mandatory approach.</p>

³⁰ National End-of-Life Tyres Options project report (2025), available at <https://www.wa.gov.au/system/files/2025-08/end-of-life-tyres-options-project-report-august-2025.pdf>

Summary of the relevant paragraph from the 2022 Arcoona Consulting Review	Completeness	Outcomes
<p>Arcoona Consulting Review paragraph 6.4: This paragraph recommends that the TSA should continue its ongoing efforts to:</p> <ul style="list-style-type: none"> Optimise the TPSS, including through market development, waste prioritisation, value demonstration and stakeholder communications. Consider changes to the TPSS requirements for Tyre Retailers, to minimise the TPSS' duplication of State/Territory regulatory functions, such as workplace safety. Articulate the value and relevance of TSA's activities to stakeholders. Increase efforts to communicate TSA's role and purpose in administering the TPSS. Communicate the ways in which TPSS funds are spent on the range of TSA activities. Strengthen TSA's knowledge sharing and networking functions, including with global peers, in order to further increase TSA's contributions to the global circular economy. 	<p>TSA continues its efforts on optimising the TPSS, including market development, waste prioritisation, value demonstration, and stakeholder communications, as per its objectives. Audits could be simplified and improved by being more risk-focused and by increasing the number of random and educative audits for those assessed as more likely to be non-compliant.</p> <p>Stakeholder consultations indicated a strong level of communication by the TSA regarding its role and purpose in administering the Scheme, particularly through the CEO. While considerable efforts are being made to communicate how TPSS funds are allocated, there remains room for improvement. The TSA has also organised several forums and other platforms for knowledge-sharing and networking, which have been well received by the community.</p>	<p>TSA has strengthened stakeholder understanding and engagement, with consultations from this review indicating a strong awareness of TSA's role and purpose, particularly through communication by the CEO. The TSA has successfully organised forums and other knowledge-sharing platforms, which have been well received by the community and facilitated networking. Additionally, TSA continues to refine Scheme requirements for tyre retailers and improve communication on TPSS's fund allocation, ensuring responsiveness to stakeholder feedback and enhancing overall transparency.</p>

Arcoona Consulting's Review (2022) paragraph 1.4 recommended that TSA should continue preparing to exercise the default option of seeking a TSA 2024 Authorisation Application under the RAWR Act while also pursuing the potential for a RAWR Regulated Scheme, to ensure there is no lapse in authorisation. TSA has acted on this recommendation by maintaining the default voluntary authorisation through the TSA 2024 Authorisation Application while actively engaging with the government on the possibility of a co-regulatory model. This dual approach represents exercising “no-regrets” actions/win-win strategies, preserves the ongoing public benefits of the Scheme, and positions TSA to transition smoothly should a co-regulatory or mandatory model be adopted.

Arcoona Consulting's Review (2022) paragraph 2.4 recommended that TSA seeks government support for the TPSS to become a RAWR Regulated Scheme, with a co-regulatory model preferred, and address financial viability by redesigning the TPSS Levy to prevent free riding. TSA has progressed this recommendation by engaging closely with the government on co-regulatory and mandatory options and reinforcing the importance of financial sustainability. Tyres were included on the Minister's Priority List for 2023–24, providing formal recognition of the Scheme's significance and laying the groundwork for regulatory action. While redesigning the levy ultimately rests with the government, TSA's advocacy has strengthened the case for a transparent and compulsory funding framework.

Arcoona Consulting's Review (2022) paragraph 3.4 recommended that TSA uses underperformance against TPSS targets as a justification for a RAWR Regulated Scheme, align TPSS targets with RAWR outcomes, and consult widely on new targets and funding options. TSA has acted by engaging with jurisdictions and stakeholders to explore policy and regulatory reform, contributing to the National End-of-Life Tyres Options Project Report (August 2025),³¹ which assessed national regulatory pathways. TSA has also begun early “no-regrets” actions to ensure readiness for a co-regulatory model and to support a smooth future transition.

Arcoona Consulting's Review (2022) paragraph 4.4 recommended that TSA consider replacing the EPU Ratio Levy Method with a Weight-Based Levy Method and specify the levy amount with reference to Commonwealth costs. Current guidelines already provide accurate conversion tables, and most tyres fall within a standard weight range. TSA is considering the change to a weight-based levy method as part of the re-authorisation changes to the voluntary guidelines. A weight-based method may simplify measurement as the Scheme includes more OTR tyres and would certainly have merit for the inclusion of conveyor belts.

³¹ Department of Water and Environmental Regulation (DWER WA) (2025), available at: <https://www.wa.gov.au/system/files/2025-08/end-of-life-tyres-options-project-report-august-2025.pdf>

Arcoona Consulting’s Review (2022) paragraph 5.4 recommended that TSA establishes a consolidated policy and advocacy platform to support consultation on the “menu options” for a potential RAWR Regulated Scheme. TSA has delivered on this recommendation by strengthening its advocacy efforts, aligning with the Australian Tyre Recycling Association and actively contributing to the National End-of-Life Tyres Options review.³² These actions provide a coherent, strategic basis for stakeholder engagement and position TSA to influence national and state-level policy development on future stewardship models.

Arcoona Consulting’s Review (2022) paragraph 6.4 recommended that TSA continues optimising the TPSS through market development, improved communication, clearer articulation of its value, and stronger stakeholder engagement and knowledge sharing. TSA has maintained strong progress in these areas, enhancing communication on the purpose of the Scheme and the use of TPSS funds. Stakeholders particularly appreciated the role of the CEO in strengthening communication and knowledge sharing. Stakeholder feedback indicates high awareness of TSA’s role and growing confidence in the Scheme, although further improvements in communicating fund allocation remain a priority. There seems to be differing views on the role of audits for retailers. While auditors confirmed that fire safety measure amongst others should be considered, other stakeholders clarified that this would fall under EPA territory. Going forward, TSA could consider a more risk-based approach in their audit and compliance actions.

A1.2. Performance against the Scheme objectives and performance measures

The second item in the TOR refers to whether TSA has complied with the conditions of the ACCC Determination (No AA1000655)³³ dated 2 September 2024. This assessment is summarised in Table 5. The condition set out in paragraph 5.9 refer to the reporting requirements. The determination provided an attachment³⁴ that clearly set out the new reporting requirements.

As requested, TSA has complied with the reporting condition set out in paragraph 5.9. The required metrics on EOL tyres, including total volumes generated, collected, and sent to environmentally-sound use across passenger, truck and OTR tyres, have been compiled in the format specified in Attachment B and incorporated into TSA’s annual reporting. TSA has also adopted these measures as its key performance indicators (KPIs), ensuring that the data will be updated and published each year on a rolling five-year basis. Compared with previous KPIs, the new reporting framework provides clearer, more reliable insights into Scheme outcomes and reduces data “noise”, improving transparency and the ability to track progress over time. Nonetheless, TSA has indicated that they will continue to report on the old metrics and continue to report on a range of other metrics to offer an all-encompassing view on data collected.

³² Ibid

³³ ACCC Determination.

³⁴ Ibid, Attachment B.

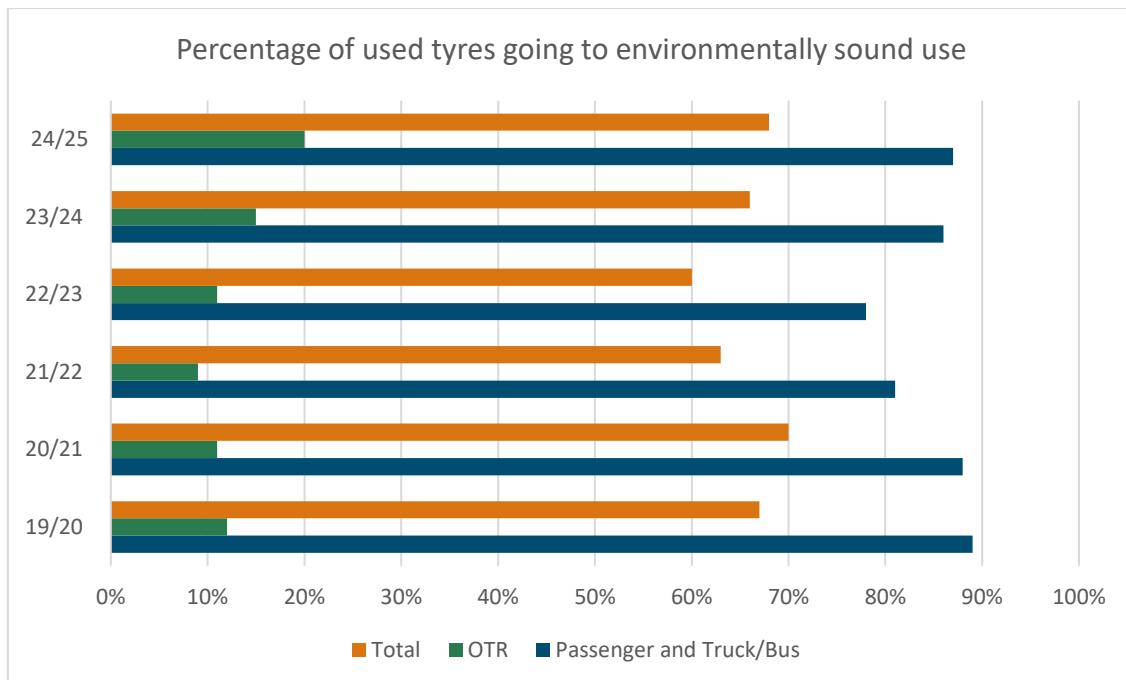
Table 5: Traffic light assessment of compliance with reporting requirements

Details of the relevant paragraph	Completeness	Outcomes
<p>Paragraph 5.9 ACCC Determination: Condition – Reporting requirement</p> <ol style="list-style-type: none"> 1. TSA must report every year on the following metrics on a rolling basis for the previous 5 years by publishing the following data in its Annual Report, namely: <ol style="list-style-type: none"> a. Total EOL tyres generated in Australia (tonnes to nearest '000), in respect of passenger and truck tyres, off-the-road tyres, and their total; b. Volume of EOL tyres in Australia going to environmentally sound use (tonnes to nearest '000) in respect of passenger and truck tyres, off the-road tyres, and their total; c. Percentage (%) of EOL tyres in Australia going to environmentally sound use in respect of passenger and truck tyres, off-the-road tyres, and their total; d. Volume of EOL tyres collected by Scheme accredited participants (tonnes to nearest '000) in respect of passenger and truck tyres, off-the-road tyres, and their total; e. Percentage (%) of total EOL tyres generated that was collected by Scheme accredited participants in respect of passenger and truck tyres, off-the road tyres, and their total; f. Volume of EOL tyres collected by Scheme accredited participants going to environmentally sound use (tonnes to nearest '000) in respect of passenger and truck tyres, off-the-road tyres, and their total; and g. Percentage (%) of EOL tyres collected by Scheme accredited participants going to environmentally sound use in respect of passenger and truck tyres, off-the-road tyres, and their total. 2. In complying with this condition, TSA may report on metrics other than those listed above and publish the relevant data by other means subject to prior written agreement from the ACCC. 	<p>Condition fulfilled as per Attachment B of the ACCC determination (No AA1000655), which has been extracted from TSA's response to the ACCC's information request of 30 April 2024. Moreover, TSA has adopted these KPIs as main KPIs and will publish them in their yearly annual reporting going forward, as demonstrated in their recently published annual report FY 2024/2025.</p>	<p>Compared to previous KPIs, the newly adopted reporting requirements offer greater clarity and produce less noisy data on Scheme outcomes.</p>

Table 6 below provides an overview of key indicators on tyre recycling in Australia as reported by TSA. The total number of EOL tyres generated in Australia includes tyres requiring recycling, as reported in the material flow analysis published by TSA³⁵. This figure is based on ABS import data and is calculated on the assumption that each new tyre imported will result in one EOL tyre. The metric volume of EOL tyres going to environmentally-sound use measures the quantity of EOL tyres, defined as any tyre removed from a vehicle, directed to environmentally-sound use. It relies on data reported by accredited collectors and recyclers and covers tyres that are reused, recycled, or utilised for energy recovery (including tyre-derived fuel (TDF)), both domestically and through export. The data includes recyclers participating in the Scheme as well as those outside it and is supported by certain assumptions and capacity surveys. Retread activity is not part of the Scheme, although an annual survey is conducted to capture relevant information.

Based on these two metrics, the percentage of EOL tyres going to environmentally sound use is reported for passenger and truck/bus, OTR as well as total, depicted in Figure 1. The percentage of passenger and truck/bus tyres directed to environmentally-sound use peaked during the COVID-19 period in 2019/20 and 2020/21. In the subsequent reporting years, the rate declined slightly to 81% in 2021/22 and 78% in 2022/23, before rising again to 86% (2024) and most recently to 87% (2025). Overall, these figures remain high and demonstrate the strong positive outcomes of the Scheme. For OTR tyres, the proportion remained relatively steady at around 10% before increasing to 15% in the 2023/24 reporting year and 20% in the 2024/25 reporting year, reflecting the success of the significant efforts invested in improving OTR recycling outcomes.

Figure 1: Percentage of used tyres going to environmentally sound use

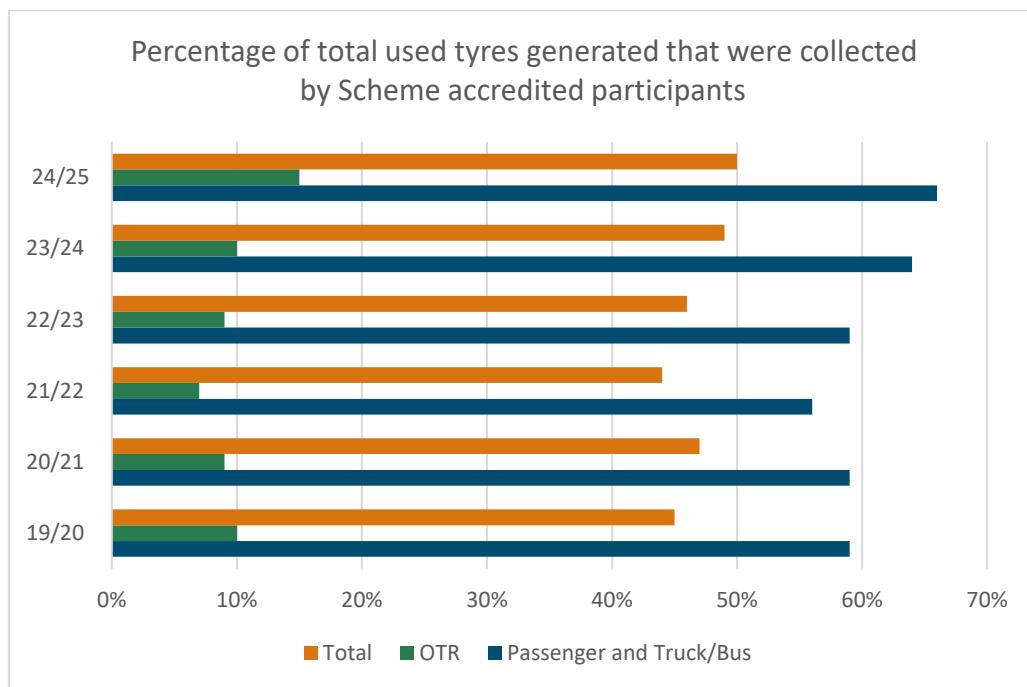


³⁵ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA0047-L8-Material-Flow-Analysis-Report-WEB.pdf

Source: Marsden Jacob analysis of TSA data

Over the period from 2019/20 to 2024/25, the percentage of total used tyres collected by Scheme-accredited participants (shown in Figure 2) has been relatively stable with modest improvement. Collections of Passenger and Truck/Bus tyres remained consistently higher than OTR tyres, ranging from 56% to 66% (highest in 2024/25), indicating increased efficiency or engagement in this category. OTR tyre collections, while generally low and variable between 7%-10% demonstrate a recent increase to 15% (reporting year 2024/25), suggesting recent improvements in this segment. Overall, total collection rates increased slightly from 45% to 50% over the period, reflecting gradual improvement while highlighting that approximately half of all used tyres are currently captured by the Scheme, and further efforts are required to enhance collection, particularly for OTR tyres.

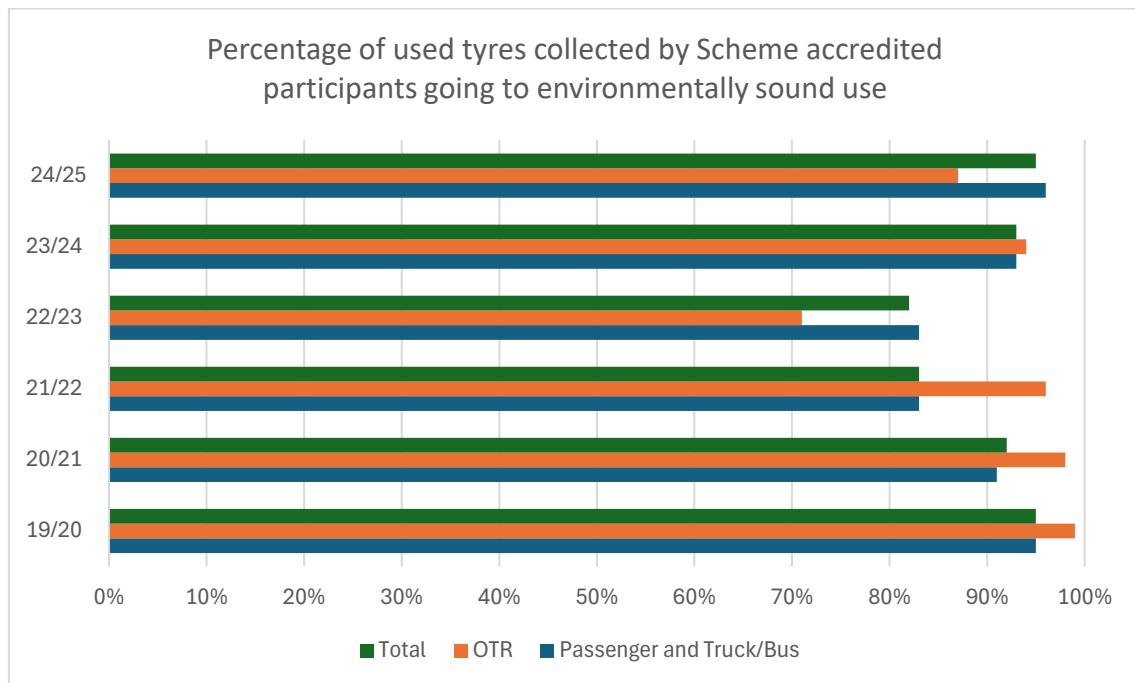
Figure 2: Percentage of total used tyres generated that were collected by Scheme accredited participants



Source: Marsden Jacob analysis of TSA data

Figure 3 depicts the percentage of used tyres collected by Scheme accredited participants going to environmentally-sound use. Over the period from 2019/20 to 2024/25, the percentage of used tyres collected by Scheme-accredited participants that were directed to environmentally-sound uses has generally remained high, albeit with some fluctuation. For Passenger and Truck/Bus tyres, the rate decreased from 95% in 2019/20 to a low of 83% in 2021/22 and 2022/23, before increasing again to 93% in 2023/24 and 96% in 2024/25, indicating a strong recovery in recent performance. OTR tyres consistently maintained very high rates, ranging from 71% to 99%. Overall, the total proportion of tyres going to environmentally-sound uses mirrored these trends, declining to 82% in 2022/23 before rising to 95% in 2024/25, reflecting a notable improvement in Scheme effectiveness and environmental outcomes in the most recent reporting year.

Figure 3: Percentage of used tyres collected by Scheme accredited participants going to environmentally sound use



Source: Marsden Jacob analysis of TSA data

The recent adjustment of TPSS's targets represents a deliberate step toward TSA's broader strategic objectives, providing greater clarity on the desired outcomes and establishing a prioritised framework that aligns with KPIs. By connecting target shifts directly to measurable indicators, TSA is better able to track progress and demonstrate impact, while simultaneously preparing the Scheme for a future transition to a co-regulatory and mandatory model. This approach involves close collaboration with both the recycling and tyre retail sectors, recognising that full integration of recyclers is critical for accurate data collection and reporting. Gaps in recycler participation could create challenges around data completeness, while understanding the market share of recyclers and importers is essential to ensure that levy contributions and Scheme obligations reflect industry realities and support sustainable, enforceable outcomes.

Table 6: KPIs as reported by TSA

Year	Passenger and Truck/Bus						OTR						Total					
	19/20	20/21	21/22	22/23	23/24	24/25	19/20	20/21	21/22	22/23	23/24	24/25	19/20	20/21	21/22	22/23	23/24	24/25
Total used tyres generated (tonnes to nearest '000)	350,000	401,000	403,000	397,000	382,000	402,000	140,000	127,000	130,000	148,000	155,000	160,000	490,000	528,000	533,000	545,000	537,000	562,000
Volume of used tyres going to environmentally sound use (tonnes to nearest '00)	312,300	354,400	326,300	311,300	328,100	349,700	17,200	14,300	11,100	16,000	23,800	31400	329,500	368,700	337,400	327,400	351,900	381,100
% going to environmentally sound use	89%	88%	81%	78%	86%	87%	12%	11%	9%	11%	15%	20%	67%	70%	63%	60%	66%	68%
Volume of used tyres collected by Scheme accredited participants (tonnes to nearest '000)	205,000	235,000	225,000	234,000	246,000	264,500	14,000	12,000	9,000	14,000	15,000	23,500	220,000	246,000	235,00	250,00	261,00	288,000
% of total used tyres generated that were collected by Scheme accredited participants	59%	59%	56%	59%	64%	66%	10%	9%	7%	9%	10%	15%	45%	47%	44%	46%	49%	50%
Volume of used tyres collected by Scheme accredited participants going to environmentally sound use (tonnes to nearest '000)	194,000	214,000	187,000	194,000	230,000	254000	13,900	11,800	8,600	10,000	14,100	20500	208,000	226,000	196,000	204,000	244,000	274,500
% of used tyres collected by Scheme accredited participants going to environmentally sound use	95%	91%	83%	83%	93%	96%	99%	98%	96%	71%	94%	87%	95%	92%	83%	82%	93%	95%

Source: ACCC Determination AA1000655, Attachment A, p. 49 and TSA Annual Report 2024/25

A1.3. Progress towards specific performance targets

The third item in the TOR requires assessing whether TSA has met or is making progress towards specific performance targets, the degree to which it has transparently collected data, analysed the same, and communicated its performance against targets. This assessment is summarised in Table 7.

TSA has shifted from largely aspirational targets to a more pragmatic, outcomes-focused approach, emphasising measurable results, particularly in circular economy outcomes, while further work is required to develop and communicate a clear program logic and robust performance indicators.

Table 7: Traffic light assessment of progress towards specific performance targets

Specific term of reference	Completeness	Outcomes	
Whether TSA has met or is making progress towards specific performance targets, the degree to which it has transparently collected data, analysed the same, and communicated its performance against targets.	<p>Performance targets have been updated to ensure they are both realistic and meaningful. Previously, many of the targets were largely aspirational and, while they provided a sense of ambition, they were not always achievable within the resources and time available.</p> <p>TSA is now adopting a more outcome-focused and pragmatic approach to performance management. Greater emphasis is being placed on measurable results and practical steps to achieve them, rather than simply setting high-level ambitions. This shift is designed to align targets more closely with operational capability, ensuring that expectations are challenging but attainable and that progress can be clearly demonstrated over time.</p>	<p>TSA has done well in removing the previous targets, which had several issues. Going forward, the focus will shift to an outcomes-based approach, with particular emphasis on circular economy outcomes and the development of stronger, more meaningful measures in this area.</p> <p>The removal of the original targets represents an important first step towards establishing more robust and relevant performance indicators. A program logic now needs to be further developed and communicated to stakeholders, ensuring that the desired outcomes are clearly defined and effectively reflected in the indicators used to track progress.</p>	

TSA has invested, and continues to invest, considerable efforts to increase tyre recovery in the OTR sector. Given the current recovery rates, there is significant potential for improvement. Unlike the approach taken with conventional passenger tyres, TSA appears to adopt a more sophisticated, strategic, and targeted approach to enhancing recycling outcomes. The mining sector has shown strong willingness to engage and contribute to driving this change. TSA works closely with recyclers to establish appropriate recovery pathways, starting from a clean slate, and the involvement of recyclers has already delivered positive outcomes. Nevertheless, the availability of EPA- issued licences for in-pit burial imposes inherent limits on what TSA can achieve.

In determining the way forward, TSA supported the Western Australian Government in investigating options for managing EOL tyres, including OTR tyres. The recently published National End-of-Life Tyres Options project report (2025)³⁶ identifies the need for a regulated product stewardship Scheme to ensure a more effective and equitable approach to OTR tyre management. The report advocates for a dual approach: On the one hand, a Product Stewardship introducing a nationwide, mandatory product stewardship scheme to ensure consistent participation and accountability; on the other hand, complementary targeted measures developing specific initiatives tailored to the unique challenges of OTR tyres, including incentives for advanced recycling technologies and the development of supporting infrastructure.

TSA has previously established a set of performance targets and reported against them, as outlined in Attachment A of the ACCC Determination. As noted by the ACCC, these indicators presented a range of challenges, including limitations in relevance, measurability, and alignment with broader strategic objectives. In response, TSA has transitioned away from these previous indicators and adopted a revised set of KPIs, as set out in Attachment B, in accordance with the requirements of the ACCC Determination.

Notwithstanding this change, TSA will continue to report against the previous indicators for completeness and to maintain historical continuity. Additionally, TSA makes further data such as methods and data sets (e.g. material flow analysis report) available to everyone. This approach ensures transparency, enables stakeholders to monitor performance trends over time, and supports a structured transition to the new KPIs, which more accurately reflect TSA's current strategic priorities and operational objectives.

Going forward, TSA could benefit from working closely with recyclers to improve data quality and ensure alignment. Stakeholder consultations have highlighted discrepancies between TSA-reported data and recycler-reported data. Some recyclers in particular have criticised the sustainability performance indicator (SOI) star rating, noting that it does not reflect whether machinery has the capability to shred tyres to sizes compliant with export regulations, but instead focuses solely on recycling outcomes. As TSA moves towards a co-regulatory/mandatory Scheme, alignment between the industry, TSA, and recyclers will be crucial. It is therefore timely to revisit and enhance the system, working collaboratively with recyclers to improve consistency, share information, and develop a better understanding of what the SOI-rating should look like, focusing on an outcomes-based approach.

³⁶ Available at: <https://www.wa.gov.au/system/files/2025-08/end-of-life-tyres-options-project-report-august-2025.pdf>

Table 8: Key performance indicators

Key performance indicator	Metric	18/19	19/20	2020	20/21	21/22	22/23	2023	2028	23/24	24/25
		target	target	target	target	target	target	target	target	target	target
1a) Tyre Importer Market Share	% of market share of all imported tyres (% of EPU)	27%	25%	75%	25%	49%	57%	85%	90%	57%	53%
1b) Vehicle Manufacturer/Importer Market Share	% of market share of total new vehicle Sales	0%	5%	50%	8%	7%	7%	75%	90%	3%	3%
1c) Tyre Retailer Market Share	% of market share of total tyre sales (% of EPU)	66%	71%	65%	56%	65%	47%	75%	90%	44%	51%
1d) Tyre Recycler Market Share	% market share of EOL tyres (tonnes)	95%	95%	80%	96%	95%	86%	85%	95%	85%	89%
2) Volume of EOL tyres collected by Scheme accredited participants, increases annually	Tonnes	238,000	220,000	-	246,000	235,000	250,000	-	-	261,000	288,000
3) Volume of EOL tyres exported via TSA accredited tyre recyclers and collectors that have been verified as going to env. sound use increases annually	EOL tyres exported by Scheme participants and verified through FEMV	-	-	-	12,000t	12,000t	24,000t	-	-	33,500t	5,730t EOL tyres verified through FEMV
4) Percentage of EOL tyres that are going to environmentally sound use	% of tonnes	66%	68%	50%	68%	63%	58%	75%	90%	66%	68%
5) Users seeking accreditation through the TSA website and general website traffic increases annually	Organic and direct visitors to TSA website	37,271	25,012	-	26,819	48,194	144,000	-	-	56,000	149,000
6) Growth of the demand for Australian tyre-derived material associated with market development activities promoted, funded and/or supported by TSA	Number of completed market development projects funded	12	20	-	36	44	54	-	-	72 funded and 57 completed	76 funded, and 70 completed

Source: ACCC Determination AA1000655, Attachment A, p. 49³⁷ and TSA Annual Report 2024/25³⁸

³⁷ Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%2002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=1>

³⁸ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/Annual-Reports/TSAs-Annual-Report-FY25-WR.pdf

A1.4. Addressing ACCC's views in the Determination

The fourth item of the TOR inquires whether TSA has addressed the ACCC's views in the ACCC Determination including, but not limited to, at paragraphs 2.26, 2.13, 4.13, 4.24, 4.33, 4.36, 4.38, 4.52, 4.39, 4.63, 4.92, 4.98, 4.99, 4.103, 4.107, 4.108, 4.112, 4.115, and 4.123. Table 9 below depicts each of these paragraphs from the ACCC Determination and assesses completeness and outcomes of TSA actions.

TSA has broadly addressed the ACCC's views across the referenced paragraphs, working on enhancing reporting, participation, environmental outcomes, and market development. The Scheme has taken steps to move to a more outcomes-based approach, with revised KPIs providing clearer, more reliable measures of performance while continuing to report historical indicators for completeness. Collection and recovery of passenger, bus, and truck tyres remain strong, with modest improvements in volumes and environmentally sound use, whereas OTR tyre collection and recovery continue to require focused engagement, particularly with the mining sector. TSA has strengthened public benefit delivery through market development initiatives, participant accreditation, research, and advocacy, while maintaining transparency and compliance oversight. Challenges remain in voluntary participation, particularly among importers and tyre retailers, and in demonstrating clear business cases for research and development projects. Governance reforms, including independent directors and consultative forums, aim to improve strategic oversight and industry engagement. Overall, TSA is delivering measurable environmental and economic benefits, mitigating minimal public detriment, and preparing for potential future co-regulatory authorisation while operating effectively as a voluntary Scheme.

Table 9: Traffic light assessment addressing ACCC's views

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 2.26: The Minister must review whether a recommended action has been taken in relation to the product on the list, within the recommended time; and if not, the Minister must either make further recommendations or decide that some form of regulation under the RAWR Act is appropriate. (RAWR Act, section 77(4))</p>	Ministerial review in progress. ³⁹	
<p>ACCC Determination paragraph 2.13: Specific targets have been used to measure the efficacy of the Scheme in achieving its objectives since its commencement. In its 2017 application for authorisation, TSA amended these performance targets to the following:</p> <ul style="list-style-type: none"> • The number of participants in the Scheme increases at set intervals. • The volume of EOL tyres collected by participants, or accounted for over time, increases annually. • The volume of EOL tyres exported via TSA accredited tyre recyclers and collectors that have been verified as going to environmentally sound use increases annually. • The percentage of EOL tyres that are going to an environmentally sound use increases to 50% by 2020, 75% by 2023, and 90% by 2028. • Users seeking accreditation through the TSA website and general website traffic increases annually. • The potential market demand for Australian TDP associated with market development activities promoted, funded and/or supported by TSA increases annually. 	Condition fulfilled as per Attachment B of the ACCC determination which has been extracted from TSA's response to the ACCC's information request of 30 April 2024. Moreover, TSA has adopted these KPIs as main KPIs and will publish them in their yearly annual reporting going forward, as demonstrated in their recently published Annual Report 2024/2025 ⁴⁰ .	Compared to previous KPIs, the newly adopted reporting requirements offer greater clarity and produce less noisy data on Scheme outcomes.

³⁹ Available at: <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list>

⁴⁰ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/Annual-Reports/TSAN-Annual-Report-FY25-WR.pdf

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.13: The ACCC makes the following observations in respect of the future without the Conduct.</p> <ul style="list-style-type: none"> For passenger, bus and truck tyres – in terms of collection rates, while TSA does not record overall collection levels, data provided by TSA shows that between 2018-2023 on average 59% of the EOL tyres generated in Australia each year were collected by Scheme participants. In terms of recovery rates, TSA's reporting shows that between 2018-2023, on average 86% of EOL tyres generated each year were recovered overall, by both Scheme and non-Scheme participants. Further, an average of 88% of EOL tyres that were collected by Scheme participants each year went to an environmentally sound use. In the future without the conduct, the ACCC considers that tyre collection and recycling of passenger, bus and truck tyres is likely to continue in the short to medium term, albeit with some increased administrative costs for entities trying to arrange environmentally sound disposal. The likely continuation of collection and recycling is due partly to the fact the Scheme does not directly subsidise collecting or recycling and that there is already an established network of businesses performing these roles. However, there appears to be some scope for the Scheme to improve collection as well as recovery rates (which includes recycling and any other environmentally sound use), and to reduce landfilling. For OTR tyres – collection and recovery rates are low overall. In terms of collection, data provided by TSA shows that between 2018-2023 on average 9% of EOL tyres generated each year were collected by Scheme participants. In terms of recovery, TSA's reporting shows that between 2018-2023, on average 10% of EOL tyres generated each year were recovered (by both Scheme and non-Scheme participants). Further, an average of 93% of EOL tyres collected by Scheme participants each year went to an environmentally sound use. There are also no Scheme participants from the mining sector. The ACCC notes that TSA has taken or is planning a number of initiatives to increase participation and overcome impediments to OTR EOL tyre stewardship, which would likely cease in the future without the Conduct. Given these factors, the ACCC considers that there is significant scope for the Scheme to contribute to improving collection rates and reducing landfilling, as well as improving recovery rates in the OTR sector, which would otherwise not be realised. Tradefaire submits that it is trialling an in-house earthmover tyre recycling Scheme. Tradefaire holds a rebate within the sale price of the tyre, and the rebate becomes available as soon as the tyre is sold and can be used on other EOL tyres to recycle 	<p>TSA is actively working on addressing all the observations. Particularly,</p> <ul style="list-style-type: none"> For passenger, bus and truck tyres: Seeking to accredit more organisations, and working on educating the industry to increase awareness and buy-in to the Scheme. OTR tyres: Strong focus on OTR tyres: Several mining forums and roadshows, along with stakeholder consultations, confirm increased awareness and acceptance of TSA in the mining sector, but also note that as long as in-pit burial EPA-issued licences are granted, there is limited scope for change. 	<p>Slight improvements, but Scheme seems to plateau, with diminishing returns despite high efforts, related to voluntary nature of the Scheme (see Figure 3).</p>

Relevant ACCC view	Completeness	Outcomes
<p>straight away, after a receipt from an EPA approved recycler is provided. Tradefaire notes a strong uptake in the Scheme from its customers.</p> <ul style="list-style-type: none"> While the rebate does not cover the full cost of tyre recycling, it exists to encourage EOL tyres recycling. Tradefaire submits that carrying the full cost of OTR EOL tyres recycling in the sale price of the tyre would make Tradefaire uncompetitive. The ACCC notes that Tradefaire's rebate Scheme would likely continue in both the future with and without the Conduct due to the low engagement from the OTR sector overall. It may be possible that Tradefaire could expand its Scheme further and/or more quickly without TSA, but the ACCC does not have enough information to reach a conclusive view. More broadly, incentives for OTR sector participation appear limited, due to the high costs of transportation and recycling of large tyres. Ultimately, some form of obligation, such as through a co-regulated Scheme, is likely to be required to make any significant change to the low collection and recovery rates of OTR EOL tyres. 		
<p>ACCC Determination paragraph 4.24: Having regard to the submissions of TSA and interested parties, the ACCC has considered the following public benefits:</p> <ul style="list-style-type: none"> environmental and public health and safety benefits from sustaining or increasing the volume of tyres being recovered benefits arising from levy-funded research and development into effective uses for EOL tyres benefits arising from TSA's promotion of tyre-derived products benefits arising from transitioning to a Regulated Scheme. 	<p>TSA is actively continuing to increase the public benefits as outlined in the ACCC Determination paragraph 4.24.</p>	<p>Outcomes measurement for benefits achieved can be improved, e.g. ex-post and ex-ante evaluations for levy-funded research and development projects, and development of KPIs for tyre-derived products. Some stakeholders have expressed a desire for a clear business case to justify participation, while others emphasise that a stewardship scheme represents the obligation to take responsibility for the end-of-life management of the products an organisation places on the market.</p>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.33: The Arcoona Review found that participating importers interviewed expressed frustration at the lack of tangible results from the Scheme, with multiple interviewees noting that demonstrating value is particularly important in getting increased participation in the Scheme.⁴¹</p>	<p>While the TSA is investing significant resources, some frustration persists, particularly among manufacturers. TSA should strengthen its evaluation of R&D investments to build a more compelling business case. However, its ability to do so is limited, as the nature of the research primarily benefits recyclers rather than importers or manufacturers, making it difficult to convince the latter groups of the business case.</p>	<p>The success of the Scheme relies on the voluntary participation of new-tyre importers into Australia. A diverse range of businesses import tyres, driven by increased parallel imports and global competition from low-cost manufacturing countries. Measured by the percentage of equivalent passenger units imported, the market share of importers contributing to the Scheme is at 53%, which is a decrease of 4% compared to previous year. This stagnation, and the lack of commitment from many passenger, truck and bus tyre importers, highlights the challenges typical of voluntary schemes. TSA remains committed to expanding importer participation.</p>

⁴¹ Arcoona Report, Schedule 3 to application, p. 62, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tyre-stewardship-australia-limited-0>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.35 (to provide further context) and 4.36:</p> <p>4.35. The ACCC notes that the Scheme has only met 3 of the 9 performance targets that TSA established in its Guidelines when it sought authorisation in 2018, as shown in Attachment A. In particular, the volume of EOL tyres going to an environmentally sound use under the existing authorisation has not increased to the level set in targets.</p> <p>4.36. In this respect, the ACCC considers that the likelihood that the Conduct may sustain or increase the volume of EOL tyres being recovered is heavily dependent on the levels of (voluntary) participation (shown in Attachment A). In terms of parties who have the most direct impact on collection and recovery levels: the participation rates of tyre recyclers are consistently high (and exceed TSA's performance targets), although tyre retailers have generally had low participation rates. Levy contributors have had low or very low participation rates (tyre importers and vehicle manufacturers/ importers, respectively). However, overall participation rates have increased since the previous authorisation was granted in 2018 (from 1,590 participants in 2017-18 to 1,773 participants in 2022-23).⁴²</p>	<p>This is correct, and TSA is aware of the challenge. They are making significant efforts to encourage more retailers to participate, and while progress is gradual due to the voluntary nature of the Scheme, KPIs have shown some improvement. Attention has also turned to OTR tyres, where there may be opportunities to increase participation. However, TSA faces some constraints here as well, with in-pit licences limiting mining companies' incentives to explore alternative recycling options.</p>	<p>While percent of EOL tyres that are going to environmentally sound use had decreased 68% in 20/21, 63% in 21/22, 58% in 22/23 it increased to 66% in 23/24 and 68% in 24/25, though still strongly behind target of 90% related to voluntary nature of the Scheme (see Figure 1).</p> <p>The performance targets were aspirational, highlighting the need for a more outcomes-based approach. While some progress is being made through the revision of targets, further support is required in the form of a new strategy incorporating updated outcomes indicators.</p>
<p>ACCC Determination paragraph 4.38: The ACCC considers that it is difficult to determine the extent to which the Conduct is likely to contribute to an increase in the volume of EOL tyres being recovered, versus this being attributable to the impact of regulation or other factors. However, the ACCC considers the Scheme is likely to result in some environmental public benefit for the following reasons:</p>	<p>There is clear and substantial public benefit. While stakeholders hold differing views on the extent to which these benefits can be directly attributed to TSA, it is evident that, in the absence of TSA, significant risks would remain, including the potential for illegal dumping.</p>	<p>TSA provides clear environmental public benefits by reducing the volume of end-of-life tyres sent to landfill and promoting improved environmental outcomes.</p>

⁴² TSA Annual Report, 2022/23, p 22, available at: <https://www.tyrestewardship.org.au/company/annual-report>

Relevant ACCC view	Completeness	Outcomes
<p>In respect of passenger, bus and truck EOL tyres – without the Conduct, it is likely that over the next 3 years, the vast majority of EOL tyres collected by businesses that Scheme participants would continue to be recovered (currently, on average 88% of tyres) because the established network of tyre recyclers and collectors would still be operating and there would be ongoing demand for tyre-derived products and tyre-derived fuel. As a result, the Conduct is not likely to lead to substantial environmental benefits in this category of tyres. However, it is likely that for at least some participants, their incentives to direct EOL tyres to environmentally sound uses would reduce without the Conduct, even if only marginally. Therefore, there is some scope for the Conduct to contribute to sustaining or improving overall collection levels and reducing landfilling, and greater scope for it to contribute to improving recovery levels. TSA provides additional public benefit in respect to TDF by helping to ensure that the foreign end markets are verified to be free of aspects such as modern slavery and poor environmental outcomes. This work also helps to secure this export stream so that it is not as vulnerable to a ban - as per the experience with bales where issues with the end markets existed and the government intervened to end the entire export practice.⁴³</p>		

⁴³ TSA's response to interested party submissions, 7 August 2024, p 20, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tyre-stewardship-australia-limited-0>

Relevant ACCC view	Completeness	Outcomes
<p>In respect of OTR EOL tyres – without the Conduct, it is likely that the vast majority of EOL tyres collected by businesses that are currently Scheme participants would continue to be recovered (currently, on average 93%), for the same reasons set out above. However overall OTR collection and recovery rates (by Scheme participants and non-Scheme participants) are currently low. TSA has taken and is planning a number of initiatives to increase participation and overcome impediments to OTR EOL tyre stewardship, which would likely cease without the Conduct. TSA leads ‘hub’ forums that bring mining companies together with service providers such as recyclers with specific skills with OTR giant tyres. TSA has undertaken research into the state of the OTR tyre sector in Australia. The Tipping the Balance report includes insights into the current problem of OTR recovery in Australia. TSA submits that it is also actively advocating for a phased end to onsite burial, noting that this must be conducted in a way that ensures that tyres are directed to sustainable outcomes (e.g., not simply stockpiled or sent to landfill).⁴⁴ The ACCC considers that to the extent that the Conduct, via these initiatives, would increase OTR collection or recovery rates, it would result in a public benefit, which could potentially be significant, and encourages TSA to prioritise its efforts in this sector.</p> <p>State and territory laws prohibit the illegal dumping of EOL tyres⁴⁵ and exporting whole (including baled) tyres, and some jurisdictions have landfill levies for EOL tyre, which would continue to deter these practices without the Conduct. With or without the Conduct, other government regulation for EOL tyres will remain and (in most cases) will act as a disincentive to stockpiling and/or landfilling and contribute to increased recovery.</p>		

⁴⁴ TSA's response to interested party submissions, 7 August 2024, pp 15 – 16, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tyre-stewardship-australia-limited-0>

⁴⁵ *Protection of the Environment Operations Act 1997 (NSW) s 143; Environment Protection Act 1970 (Vic) s 27; Waste Reduction and Recycling Act 2011 (Qld) ss 103, 104; Environmental Protection Act 1986 (WA) s 49A; Environmental Protection Act 1986 (WA) s 49A; Environmental Management and Pollution Control (Waste Management) Regulations 2010 (Tas) r 7(1)(a); Litter Act 2004 (ACT) ss 8 – 10; Waste Management and Pollution Control Act 1998 (NT) s 83*

Relevant ACCC view	Completeness	Outcomes
<p>TSA submits that the Scheme provides public benefit additional to the existing laws via market development, participant accreditation, research, data collection, media, advocacy and branding. This effort is significantly geared towards supporting a robust accreditation system for participants, market development, and supporting local governments who bear the brunt of illegal dumping clean-up costs.</p> <p>For example:</p> <ul style="list-style-type: none"> • TSA conducts research in response to illegal dumping and its impacts. • TSA draws attention to instances of illegal dumping and related events such as toxic fires and provides information including data to media outlets. • TSA promotes the ‘Snap Send Solve’ App that enables authorities and their customers to identify and solve local issues. • TSA has provided funding to WEAA (Waste Enforcement Association Australia) specifically for special interest groups (local government and EPA) to work collaboratively to prioritise and problem solve illegal dumping.⁴⁶ 		

⁴⁶ TSA's response to interested party submissions, 7 August 2024, p 20, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tyre-stewardship-australia-limited-0>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.52: The ACCC recognises the investment TSA has made in market development projects. However, while the number of completed projects has grown annually in accordance with TSA's performance target, the number of committed or contracted projects has either remained stagnant or declined since 2018-19. The ACCC also notes that the performance targets in respect of research and development do not track the outcomes of these projects.</p>	<p>The Market Development Fund is undergoing changes linked to the new strategy and the research pillar. In addition, the Research and Advisory Committee has been restructured as the Market Accelerator Committee to reflect the increased focus on market acceleration rather than research.</p> <p>In 2024/25, TSA supported four new projects, committing approximately \$866k. This ran alongside continued support of 15 ongoing projects, 13 of which were completed throughout the financial year. Since its establishment, the Market Development Fund has now supported 76 projects, 70 of which have been completed. These span applications from roads and construction through to advanced material research, with a total commitment of over \$11.5 million.</p> <p>The relationship between research and market development could benefit from further clarification. At present, there is limited strategic direction or prioritisation, and while funding guidelines are in place, the strategy for market development is currently in development/approval. This has contributed to some uncertainty around the boundaries between research, development, and commercialisation.</p>	<p>We recommend that TSA establishes comprehensive ex-ante and ex-post outcome evaluation procedures to ensure that initiatives are both strategically guided and effectively assessed. While the new R&D strategy plan that is currently being developed provides a valuable framework for defining objectives and setting appropriate priorities, it is equally important to complement this plan with additional KPIs. These KPIs should be designed not only to measure immediate outputs but also to capture longer-term impacts, enabling continuous improvement and evidence-based decision-making. We also recognise that research investment needs to remain flexible in response to changing market conditions, but it should not be driven mainly by market forces.</p>

Relevant ACCC view	Completeness	Outcomes
	<p>During 2023/24, TSA's market development strategy focused on integrating rubber into road networks, advancing manufacturing applications in the rail industry, and exploring new technologies for tyre-derived products. With these changes, it will be important to address the ACCC's note that current performance targets do not adequately track the outcomes of research projects.</p>	
<p>ACCC Determination paragraph 4.39: The ACCC considers that environmental benefits are likely to be achieved due to the Scheme requiring commitments from participants that go beyond what is currently explicitly required by State-based laws.</p>	<p>The Scheme's requirements are designed to ensure both completeness and measurable outcomes beyond existing State-based laws. Participants are required to commit to actions and performance standards that exceed current regulatory requirements. These commitments are supported by a well-established auditing and compliance network with regular annual audits and ad-hoc interventions.</p>	<p>The Scheme achieves measurable environmental and operational impact by requiring participants to go beyond existing State-based regulations. By committing to higher performance standards, participants continuously improve tyre recovery, recycling, and resource efficiency, noting that current audits are conducted rather risk-based than outcomes-focused.</p>
<p>ACCC Determination paragraph 4.63: Potential public detriment associated with or resulting from the Scheme.</p>	<p>The ACCC has consistently found that any potential public detriment associated with the Scheme is minimal and is substantially outweighed by the significant environmental and economic benefits it delivers.</p>	<p>The Scheme should continue to operate, with ongoing efforts to enhance and strengthen its environmental benefits. Stakeholders have clearly stressed that the Scheme is beneficial in delivering environmental outcomes and thus providing benefit to the public.</p>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.92: While the ACCC considers that having broad industry involvement in TSA's strategic decision-making is desirable, and ideally reflected in the composition of the Board, the ACCC has no evidence to suggest that significant detriments have arisen from the current composition of the Board and so is therefore not in a position to require changes to the Board.</p> <p>Nevertheless, the ACCC strongly encourages TSA to find ways to enable greater involvement from all sectors of the industry in the strategic direction of the Scheme, whether that be via additional Board representatives (with no active industry roles) or other means, such as targeted consultation.</p>	<p>TSA is taking steps to improve representation, including the appointment of independent directors, though they acknowledge this is not a perfect solution. The development of a consultative forum has been a positive step, but further action is needed to enhance engagement.</p> <p>Moving forward, TSA should evolve towards becoming an outcomes-focused organisation. This would involve strengthening connections with recyclers to improve results and linking them into research and development initiatives to advance technology. Working groups could play a key role in facilitating this collaboration, demonstrating that meaningful inclusion does not need to occur solely at board level, but can be achieved through targeted, functional mechanisms.</p>	<p>TSA could consider collaborating closely with recyclers to establish a consultative forum that provides meaningful input into board discussions. Such a forum would enable participants to share knowledge, learn from one another, and collectively advance the industry towards improved recycling outcomes, both under the current voluntary framework and within a future co-regulatory/mandatory Scheme. This is essential for a more coordinated, effective approach to end-of-life tyre management that delivers measurable environmental and economic benefits.</p>
<p>ACCC Determination paragraph 4.98: The ACCC considers that the Conduct is likely to result in minimal public detriment because:</p> <ul style="list-style-type: none"> Any detriment arising from restrictions on supply imposed on accredited participants is partly mitigated by the voluntary nature of the Scheme and participants' ability to deal with unaccredited businesses in certain circumstances. The levy charged under the Scheme represents a minimal proportion of the total retail cost of new tyres for consumers and, to the extent that imposition of the levy means consumers pay closer to the full cost of EOL tyre disposal, the price increase is likely to signal a more efficient allocation of resources in the economy. A number of factors mitigate the risk that participation in the Scheme will lead to broader coordination or collusion between participants on matters beyond the scope of the authorisation. 	<p>The ACCC considers public detriment minimal, noting that the TSA's ongoing oversight of the Scheme ensures good administration, compliance, and mitigation of risks such as supply restrictions or coordination between participants.</p>	<p>The Scheme should continue, with ongoing efforts to strengthen environmental benefits and promote efficient economic outcomes. By encouraging responsible end-of-life tyre disposal and signalling the true cost of disposal, the Scheme delivers substantial environmental and economic benefits while keeping public detriment minimal.</p>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.99: To address other concerns raised by interested, the ACCC encourages TSA to consider ways to enable greater involvement from all sectors of the industry in the strategic direction of the Scheme, particularly tyre recyclers.</p>	<p>The Constitution of TSA requires the Board to consist of: a minimum of 4 and up to 5 representatives of member organisations involved in the importation of tyres into Australia as elected by the Members; a minimum of 1 and up to 2 representatives from the tyre recycling industry with suitable knowledge and experience as elected by the Members; a minimum of 1 and up to 2 representatives from the tyre retail industry with suitable knowledge and experience as elected by the Members; and at least 2 and up to 3 Independent Directors as mutually agreed by a majority of the Directors. The Chairperson of the Board is required to be one of the Independent Directors. This governance structure ensures comprehensive industry representation and effective oversight of the Scheme.</p>	<p>Tyre recyclers continue to express frustration and desire stronger representation on the Board. TSA has acknowledged that, ideally, they would like a representative from the industry who is free of conflicts of interest, such as someone with an international recycling background or a former recycler no longer active in the industry. Moving forward, it is important to address the ongoing tension between recyclers and TSA. Resolving these issues, particularly in the context of transitioning to a co-regulatory or mandatory Scheme, would help achieve better environmental and economic outcomes while demonstrating unity and strength across the entire industry.</p>
<p>ACCC Determination paragraph 4.103: However, the ACCC considers that ongoing realisation of the public benefits will to some extent depend on the level of accuracy of reporting by TSA and the effective communication of its achievements against key performance indicators. In this respect, some interested parties raised concerns about a perceived lack of transparency and accuracy in how TSA is representing its data.⁴⁷</p>	<p>In accordance with the ACCC Determination, TSA has transitioned its reporting to new indicators while continuing to report on the previous indicators.</p>	<p>The new indicators provide greater clarity and reduce ambiguity in the reported data, thereby enhancing overall quality. Additional efforts in communication can further strengthen stakeholders' perception of transparency and the accuracy with which TSA represents its data.</p>

⁴⁷ Submission by Tyrecycle, 2 February 2024; Submission by Australian Tyre Recyclers Association, 2 February 2024; Submission by an Interested Party, 25 March 2023, p. 2, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tire-stewardship-australia-limited-0>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.107: In its draft determination, the ACCC stated that it considered that TSA's data reporting may not be sufficiently transparent and consistent to enable stakeholders and the ACCC to understand the outcomes of the Scheme. The ACCC noted that it has itself needed to make additional data requests to TSA to obtain a fulsome understanding of outcomes from the Scheme (see Attachment B).</p>	<p>In accordance with the ACCC Determination, TSA has transitioned its reporting to new indicators while continuing to report on the previous indicators which will be published annually in the annual report.</p>	<p>The new indicators provide greater clarity and reduce ambiguity in the reported data, thereby enhancing overall quality. Additional efforts in communication can further strengthen stakeholders' perception of transparency and the accuracy with which TSA represents its data.</p>
<p>ACCC Determination paragraph 4.108: The ACCC considered that the metrics set out in Attachment B would be a more appropriate dataset for TSA to report against to ensure there is sufficient (and consistent) transparency and clarity of outcomes. It invited views from interested parties on this, and whether there is additional information that TSA could include in its reports and/or any changes to the way in which it is presented, to achieve this. For example, whether it could include metrics in respect of research and development that provide more specificity about the outcomes of projects undertaken.</p>	<p>TSA reports on both Attachment B and Attachment A in their annual report. Consistent with the comment to ACCC Determination Paragraph 4.52, we recommend that TSA establish comprehensive ex-ante and ex-post outcome evaluation procedures to ensure initiatives are strategically guided and effectively assessed. While the new R&D strategy plan currently under development provides a valuable framework for defining objectives and setting priorities, it is equally important to complement this plan with additional KPIs. These KPIs should measure not only immediate outputs but also longer-term impacts, enabling continuous improvement and evidence-based decision-making.</p>	<p>The new metrics in Attachment B provide greater clarity and reduce ambiguity in the data, thereby enhancing the demonstrated environmental benefits of the Scheme. Introducing additional evaluation indicators for research and development would further strengthen the Scheme's business case and promote more effective and efficient R&D investments.</p>

Relevant ACCC view	Completeness	Outcomes
<p>ACCC Determination paragraph 4.112: Consistent and transparent reporting by TSA in relation to concerns raised Australian Tyre Recycling Association and Australian Council of Recycling.⁴⁸</p>	<p>New reporting requirements (Attachment B) address some of those concerns. TSA should consider engaging with recyclers for data sharing to ensure cohesion of reported data in the industry. Some concerns continue to persist.</p>	<p>Alignment of data reported by TSA and recyclers would ensure consistent reporting, contributing to better environmental and economic outcomes while demonstrating unity and strength across the entire industry.</p>
<p>ACCC Determination paragraph 4.115: This condition requires TSA to report annually against specified metrics, subject to any amendments approved by the ACCC. These metrics are identified in detail in the condition at paragraph 5.9 and are a subset of the metrics in Attachment B, against which TSA provided data in the course of the assessment of this application. The ACCC understands that TSA is able to report against the metrics identified in the condition. The metrics relate to the number and volumes of EOL tyres generated in Australia and collected and going to environmentally sound use.</p>	<p>In accordance with the ACCC Determination, TSA has transitioned its reporting to new indicators (see Attachment B of the ACCC Determination) while continuing to report on the previous indicators (see Attachment A of the ACCC Determination), which will be published annually in the annual report.</p>	<p>The new indicators provide greater clarity and reduce ambiguity in the reported data, thereby enhancing overall quality. Additional efforts in communication can further strengthen stakeholders' perception of transparency and the accuracy with which TSA represents its data.</p>
<p>ACCC Determination paragraph 4.123: Although there is uncertainty about whether, and if so, when, a Regulated Scheme might be introduced, the ACCC does not consider it necessary to depart from the period of authorisation sought by TSA. If this uncertainty is not resolved within 3 years and TSA is minded to lodge a subsequent application for authorisation to continue the Scheme, the ACCC would conduct an assessment based on the information available at that time. In particular, the ACCC considers that it would closely examine the outcomes of the 2026 independent review of the Scheme, as well as the level of participation by mining companies and vehicle manufacturers and importers.</p>	<p>TSA confirms that the re-authorisation pertains to the Scheme operating as a voluntary Scheme. At this stage, TSA is seeking accreditation as a voluntary Scheme, while continuing to prepare for a potential future application for a co-regulatory Scheme.</p>	<p>The current workings of the Scheme are pushing as hard as possible within their voluntary nature, and consultations have confirmed confidence that participation can still be increased in its current voluntary form. However, the Scheme is beginning to hit diminishing returns, and preparations are underway to seek authorisation in the future as a co-regulatory/mandatory Scheme.</p>

⁴⁸ Submission by Australian Tyre Recyclers Association, 5 July 2024, p 2, available at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/tyre-stewardship-australia-limited-0>

A1.5. Industry acceptance and participation

The fifth item of the TOR inquiries about the extent and nature of the Scheme's acceptance and participation by industry stakeholders considering the population of potential participants in each segment. Table 10 depicts Scheme participation as reported by TSA in their annual report 24/25.

The percentages of market share for tyre importers shows a slight decline (rated red) (see Table 10) while vehicle manufacturers remain stagnant (rated amber) when comparing 24/25 to 23/24, following a drop in the previous year after Volkswagen's withdrawal from the Scheme. It is positive to note that participation among tyre retailers and tyre recyclers has increased (rated green), as also mentioned in stakeholder consultations, i.e. TSA was able to accredit more recyclers.

Table 10: Scheme participation

KPI	Metric	22/23	23/24	24/25	Assessment
1a) Tyre Importer Market Share	% of market share of all imported tyres (% of EPU)	57%	57%	53%	
1b) Vehicle Manufacturer/ Importer Market Share	% of market share of total new vehicle Sales	7%	3%	3%	
1c) Tyre Retailer Market Share	% of market share of total tyre sales (% of EPU)	47%	44%	51%	
1d) Tyre Recycler Market Share	% market share of EOL tyres (tonnes)	86%	85%	89%	

Source: ACCC Determination AA1000655, Attachment B, p. 47⁴⁹ and TSA Annual Report 24/25⁵⁰

Market share calculations are reported for four key segments: tyre importers, vehicle manufacturers/importers, tyre retailers, and tyre recyclers. Tyre importer market share is measured as the percentage of EPUs, where one EPU equals 1.5 kilograms, by comparing the volumes reported by contributing importers through William Buck accounting data with import figures published by the Australian Bureau of Statistics. Vehicle manufacturer and importer market share is based on vehicle sales data drawn from WEFAx reports provided by the Federal Chamber of Automotive Industries. Tyre retailer market share reflects the sales reported by participating retailers relative to ABS vehicle importer data. Tyre recycler market share is calculated by comparing the volumes processed by accredited recyclers with estimates of total national recycling activity, with adjustments made to account for gaps in the available data. It should be acknowledged, however, that the market size is based on indicative estimates, which may introduce a degree of variability into the analysis.

⁴⁹ Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%202002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

⁵⁰ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/Annual-Reports/TSA-Annual-Report-FY25-WR.pdf

A1.6. Resource recovery and recycling rates of EOL tyres attributable to the Scheme

The sixth item of the TOR inquiries about the resource recovery and recycling rates of EOL tyres attributable to the Scheme by segment and whether progress is being made against identified targets generally, but particularly with respect to areas of opportunity identified in either of the previous Independent Reviews (2017 and 2022).

Recovery and recycling rates of EOL tyres attributable to the Scheme show a slight upward trend, with passenger/truck tyres at 66% in 2024/25 and OTR tyres at 15% in 2023/24. TSA has improved its reporting on recovery and recycling rates but still falls short on outcome and impact targets.

Table 11 depicts the resource recovery and recycling rates of EOL tyres attributable to the Scheme, for light vehicle and passenger/truck tyres, for OTR tyres and in total. For light vehicle and passenger/truck tyres the recovery rate is around 60% with a slight increase in reporting year 24/25 to 66%. For the OTR sector, the recycling and recovery rate attributable to the Scheme was around 10%, with an increase to 15% in reporting year 2024/25.

In terms of areas of opportunity, the 2017 Independent Review noted:

- Marsden Jacob Independent Review (2017, p. 1): “While participation in the Scheme has grown markedly and is exceeding expectations, performance against some specific performance targets has been mixed. This is in part because: some targets are ambiguous or are not the most suitable measures of performance; some of the targets are overly ambitious; and there are substantial difficulties and challenges in measuring and reporting progress against some targets. Overcoming these shortcomings requires changes to a number of the performance targets including: revised outcomes focussed targets (i.e. targets that measure results of TSA’s activities relevant to its objectives); and revised and new outputs focussed targets (i.e. targets that measure the success of TSA’s activities and programs), including in particular new targets relating to communications activities and R&D programs.”
- Marsden Jacob Independent Review (2017, p. 13/14): “Resource recovery and recycling rates of EOL tyres that can be attributed to the Scheme: This measure is currently not estimated in quantitative terms. One of the issues with this measure is that it requires an understanding of what would have occurred with and without the Scheme. This is challenging to measure even with a future system in which Scheme participants provide the required data.”

In comparison with the 2017 Independent Review, quantitative measures are now reported annually for each category. However, the difficulty in assessing what would have occurred with and without the Scheme persists. While TSA now reports data obtained directly from Scheme participants—providing a robust measure—the counterfactual of what might have transpired in the absence of the Scheme remains unknown.

The Arcoona Consulting Independent Review (2022, p. 6) identified as an opportunity that “*TSA should redesign its targets in reference to the resource/waste hierarchy and in consultation with stakeholders. TSA should consider adopting more outcome and impact targets.*”

While TSA has shifted to new metrics that are better aligned with the resource/waste hierarchy, outcome and impact targets still fall short. This is consistent with our recommendation that TSA should articulate (such as through a program logic) how TSA activities and outputs result in intermediate and final outcomes for TPSS and the improved end use of tyres. Greater clarity on this would also support a stronger shift to an outcomes-based approach.

In the context of resource recovery and recycling rates, the Foreign End Market Verification (FEMV) program should be mentioned as an additional positive project to ensure better recovery rates without compromising standards expectations when materials are sent overseas. The FEMV program provides a framework for ensuring that EOL tyres exported from Australia are handled responsibly once they leave the country. While Australian collectors and recyclers are monitored through the national Scheme, exports of tyre-derived material, tyre seconds and casings have historically been difficult to track. Developed in partnership with Intertek, the FEMV program uses Intertek's Inlight platform to assess overseas facilities across key risk areas such as modern slavery, health and safety, environmental management and distribution practices. This process includes education, a self-assessment questionnaire, evidence validation and on-site inspections, with facilities awarded verification for one or two years depending on their performance.⁵¹

The FEMV program is recognised by Australia's Department of Climate Change, Energy, the Environment and Water as acceptable evidence to support certain waste tyre export licence requirements, although additional documentation may still be needed to meet full regulatory standards. By participating, exporters gain greater visibility of their supply chains and can demonstrate alignment with environmental, social and governance (ESG) expectations, strengthening stakeholder confidence and corporate reputation. Recent audits have covered facilities in countries such as India, Malaysia, Korea and Thailand, and TSA continues to encourage exporters and overseas partners to engage in verification to promote safer and more sustainable tyre recycling practices.⁵²

⁵¹ FEMV: <https://www.tyrestewardship.org.au/find-services/foreign-end-market-verification#about>

⁵² Ibid

Table 11: Resource recovery and recycling rates of EOL tyres attributable to the Scheme

	Light vehicle and passenger/truck						OTR							Total					
	19/20	20/21	21/22	22/23	23/24	24/25	19/20	20/21	21/22	22/23	23/24	24/25		19/20	20/21	21/22	22/23	23/24	24/25
Volume of used tyres collected by Scheme accredited participants (tonnes to nearest '000)	205,000	235,000	225,000	234,000	246,000	264,500	14,000	12,000	9,000	14,000	15,000	23,500	220,000	246,000	235,000	250,000	261,000	288,000	
% of total used tyres generated that were collected by Scheme accredited participants	59%	59%	56%	59%	64%	66%	10%	9%	7%	9%	10%	15%	45%	47%	44%	46%	49%	50%	
Volume of used tyres collected by Scheme accredited participants going to environmentally sound use (tonnes to nearest '000)	194,000	214,000	187,000	194,000	230,000	254,000	13,900	11,800	8,600	10,000	14,100	20,500	208,000	226,000	196,000	204,000	244,000	274,500	
% of used tyres collected by Scheme accredited participants going to environmentally sound use	95%	91%	83%	83%	93%	96%	99%	98%	96%	71%	94%	87%	95%	92%	83%	82%	93%	95%	

Source: ACCC Determination AA1000655, Attachment A, p. 49⁵³ and TSA Annual Report 2024/2⁵⁴

⁵³ Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%202002.09.24%20-%20PR%20-%20AA1000655%20TSA.pdf?ref=0&download=y>

⁵⁴ Available at: https://storage.googleapis.com/tsa_craftcms_media/assets/Annual-Reports/TSA-Annual-Report-FY25-WR.pdf

A1.7. Percentage of EOL tyres by segment not being disposed of in environmentally sound ways and volume of products derived, sold or otherwise provided in environmentally sound ways

The seventh and eight items in the TOR refers to the percentage of EOL tyres by segment not being disposed of in environmentally-sound ways and the volume of products derived, sold or otherwise provided in environmentally-sound ways and if this is growing or otherwise. This assessment is depicted in Table 12 based on information shown in Figure 4 and Table 13.

Around one-third of all EOL tyres are not disposed of in environmentally-sound ways, with OTR tyres accounting for the largest share.

Table 12: Assessment of environmentally-sound use pathways of tyres

Percentage of EOLTs by segment not being disposed of in environmentally-sound ways	
<p>As depicted in Figure 4, 34% of all EOL tyres are currently not disposed of in environmentally-sound ways, based on the strict application of the guidelines that classify energy recovery as an environmentally-sound pathway. Some stakeholders have questioned whether energy recovery should be counted as such; however, for the purpose of this review we follow the definition set out in the guidelines.</p> <p>Across the different segments, the percentage of EOL tyres not disposed of in environmentally-sound ways is 12% for passenger cars, 15% for trucks, and 87% for OTR tyres – highlighting the need to further address OTR recovery and recycling. As outlined above, TSA is actively focusing on the OTR sector and has achieved positive results with increasing recovery rates and growing acceptance within the industry.</p>	
The volume of products derived, sold or otherwise provided in environmentally-sound ways and if this is growing or otherwise;	
<p>Closely linked to the percentage of EOL tyres not being disposed of in environmentally-sound ways is the volume of product derived, sold or otherwise provided in environmentally-sound ways.</p> <p>For the total of tyres, approximately two-third of all EOL tyres are going down environmentally-sound pathways. Looking at the different segments, more than 80% of passenger tyres have an environmentally-sound pathway, 85% of truck tyres and only 13% of OTR tyres, highlighting again the need to further address OTR recovery and recycling.</p> <p>Consistent with our comment on ACCC Determination 4.52, it could be fruitful to link the volume of products derived, sold or otherwise provided in environmentally-sound ways to the R&D strategy. While the new R&D strategy plan that is currently being developed provides a valuable framework for defining objectives and setting appropriate priorities, it is equally important to complement this plan with additional KPIs. These KPIs should be designed not only to measure immediate outputs but also to capture longer-term impacts, enabling continuous improvement and evidence-based decision-making. We also recognise that research investment needs to remain flexible in response to changing market conditions, but it should not be driven mainly by market forces.</p>	

According to the Scheme guidelines⁵⁵ (p. 6), environmentally-sound use “means the use of whole, part or recovered components of EOL tyres for applications that minimise or prevent environmental, health and safety damage or harm.” Further, the Scheme guidelines (p. 9) define that “for the purposes of the Scheme environmentally-sound use includes:

- Recycling into tyre crumb, shred, chips, granules, steel and other tyre components.

⁵⁵ Guidelines for the Tyre Product Stewardship Scheme, available at: https://storage.googleapis.com/tsa_craftcms_media/assets/pdf-resources/TSA-Scheme-Guidelines-2024-2.pdf

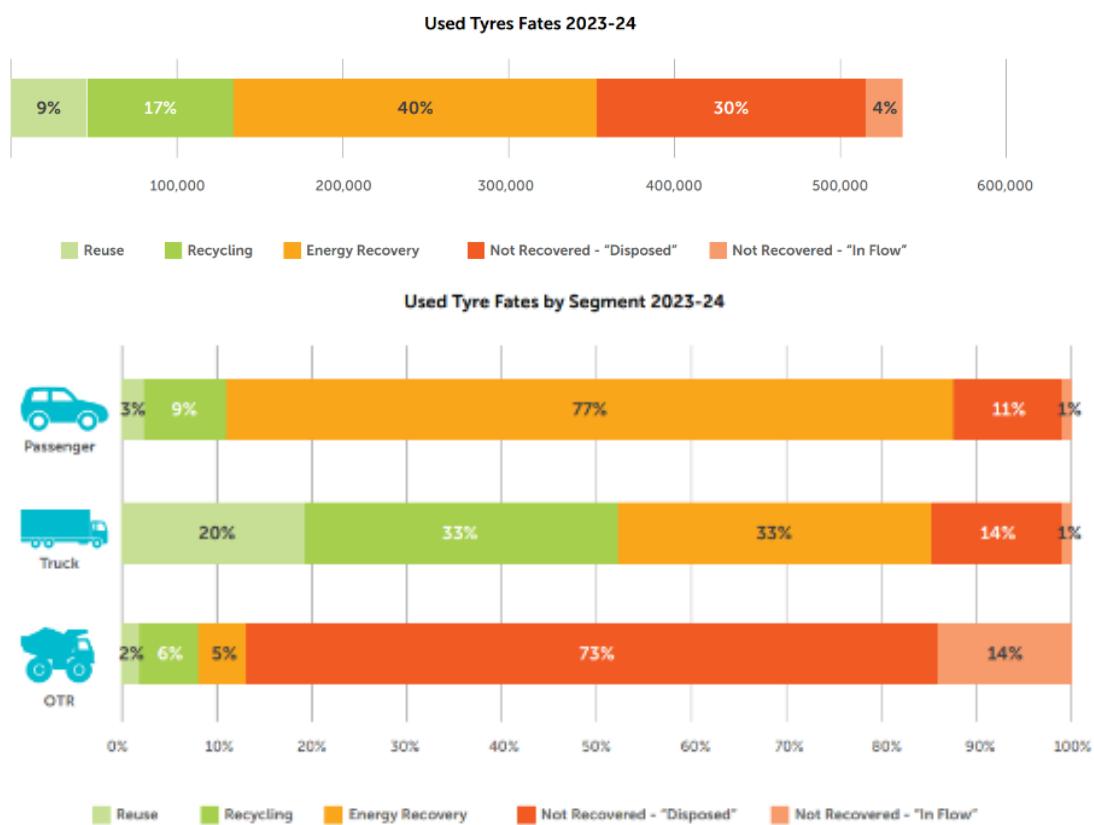
- Use as a fuel (other than in direct incineration without effective energy recovery and unsustainable burning for energy recovery) or other means to generate energy.
- Production of TDP, including tyre derived fuel.
- Civil engineering.

The following uses are excluded from the definition of environmentally-sound use:

- Disposal through dumping, landfill, direct incineration or burning.
- Stockpiling as an end point.
- Unsustainable burning for energy recovery.

Figure 4 shows the used tyres fates for 2023-24, as reported in the Material Flow analysis.

Figure 4: Used Tyres Fates 2023-24



Source: Material Flow Analysis Report 2023-24, p. 48

Table 13: Used Tyre Fates 2023-24 (Tonnes)

Fate	Passenger	Truck/Bus	OTR	Total
Reuse	5,200	37,500	3,300	46,000
Recycling	16,200	63,600	9,500	89,300
Energy Recovery	146,000	63,400	8,100	217,500

Fate	Passenger	Truck/Bus	OTR	Total
Recovered	167,400	164,500	20,800	352,800
Not Recovered – Remaining in Flow	1,700	1,100	21,300	24,100
Landfill	21,000	26,600	2,400	50,000
Burning	100	200	700	1,000
Onsite Burial	0	0	109,300	109,300
Not Recovered	22,800	27,900	133,600	184,300
Total	190,200	192,400	154,400	537,000

Source: Material Flow Analysis Report 2023-24, p. 48

Some stakeholders have raised questions about what constitutes environmentally sound use, particularly regarding the use of tyres for fuel (TDF). These differing views are influencing perceptions of how effectively the TSA is performing. This could be seen as an opportunity for TSA to clearly communicate or reaffirm the waste hierarchy and the definitions underpinning environmentally sound practices.

A1.8. Scheme administration

The ninth item in the TOR enquires about the extent and nature of the Scheme's administration including, but not limited to:

- the total levy funds collected under the Scheme;
- a breakdown of how levy funds were spent during the period covered by the review; and
- how spent funds have and are contributing to the achievement of the Scheme's objectives.

Based on the findings from the stakeholder consultation, the Scheme is well administered and governed by TSA. TSA, in their annual report, provide information on breakdown of how levy funds are spent. Based on the most recent annual report⁵⁶, the breakdown of levy fund expenditure for the financial year ending 2024 is provided below.

- The total revenue from the levy in reporting year 2024/25 was \$7,238,982.
- Of the total revenue, employee expenses accounted for \$2,223,203, consultancy expenses accounted for \$1,880,213, market development expenses accounted for \$1,514,016, advertising and marketing expenses accounted for \$833,396, and the rest of the expenditure were in relation to travel, finance, and other costs.

⁵⁶ Available at: <https://www.tyrestewardship.org.au/annual-reports>

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