

10 years on. \$10 million in. Australia's circular tyre economy expands into the next decade with more opportunities for investors, recyclers and manufacturers

The new financial year marks 10 years of operation for Tyre Stewardship Australia and sees more rubber product recycling opportunities opening up across the country than ever before.

Industry case studies show rubber product users and recyclers, in metro, regional, rural, and remote areas, are defying challenging economic times to gain value from tyre recycling.

"As Australia's tyre product steward, we provide focused and practical pathways for government, business, and consumers to take action. And they are. They are putting in the hard yards to take us into the future," Tyre Stewardship Australia (TSA) CEO Lina Goodman says.

"We're seeing more innovation than ever before, and it's all down to the stamina, staying power and will to do the right thing of those who have invested dollars, time and energy into building Australia's circular tyre economy," says Goodman.

There are now 16 tyre and auto brands investing in circular tyre economy outcomes for Australia, through their support of TSA.

Eight tyre brands – Bridgestone, Continental, Goodyear Dunlop, Kumho, Michelin, Pirelli, Toyo, and Yokohama - have been doing so from the early years. Now joining them in paying a levy on every tyre they sell in Australia are: Ascenso, Bearcat, Hankook, Kal Tire, Mercedes Benz, Porsche, TyreConnect, and Get A Grip Tyres.

Those contributors have made it possible for TSA to inject over \$10 million directly into developing markets for tyre-derived materials and research into solutions for end-of-life tyres. These projects are critical to achieving the growth of the tyre recycling sector and across the entire value chain.

Taken together with market development funding, TSA spends around 40% of its budget each year directly on its efforts to boost the recycling sector, by stimulating and expanding markets for tyre-derived material and facilitating collaboration between industry entities and with government.

"We are not going to take our foot off the pedal in seeking regulation that requires every tyre importer and auto brand to follow the strong leadership of the existing 16 tyre and auto brands which voluntarily contribute for the products they import and sell – and putting a stop to free riders in the Australian market.

"The need for an all-in scheme is amplified as we move closer to the global and domestic environment target dates Australia has signed up to, including the pathway to net zero by 2050.

"Equally amplified are the opportunities to meet those targets.

"With only 57% of tyre importers and only 3% of auto brands contributing, Australia's circular tyre economy has grown from just a few pioneers driving change in 2014 to more mainstream innovation in 2024. Just imagine what we could do with 100% contributing to an all-in scheme," says Goodman.

Where are the big gains to be made in the next decade? What are the choices we can and should make now?

On reflecting on the past decade, Goodman says: "We can all acknowledge that it is not easy, or always possible, to do the right thing every time. Particularly now when cost of living is reducing household and business budgets and, ultimately, our choices.

"However, this means the choices we can and do make become more important. The lessons we have learned tell us we cannot afford to compromise sustainability – Australia must become the custodian of its own waste, or we risk having no choices in the future.

"In addition to regulating the Tyre Product Stewardship Scheme, a practical and effective choice that can be put into action now is mandating government procurement.

"We know that countries gaining the most value from the recovery of end-of-life tyres have regulatory systems in place, but also use the weight of government procurement.

"Procurement mandates that look beyond short-term tender budgets to long-term cost savings and sustainability will increase local manufacturing, jobs, and markets, and reduce environmental and social harm," says Goodman.

The demand for circular choices is gaining momentum, but this could come to an abrupt halt if government is slow to act. By continuing to focus on the collection and processing, we are treating used tyre waste as the starting point – thwarting circular economy solutions.

We need to focus on the entire value chain with a pathway towards circular economy outcomes, and that begins with better design and manufacturing, retread, repair, and using recovered rubber back into value added products, including back into tyres.

"The development of new, higher value end markets for tyre-derived materials will open choices for investors looking to strengthen Australia's circular economy businesses, manufacturing, and jobs.

"For 10 years we have persevered under a voluntary tyre stewardship arrangement, and it has delivered on the back of the innovation and commitment of the industries, importers, recyclers, retailers, and manufacturers committed to the cause. But it has delivered all it can," says Goodman.

A few steps forward by government will take Australia leaps and bounds into the circular economy – with an all-in scheme and mandated procurement policies; TSA is ready to support the necessary steps.

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About Tyre Stewardship Australia

Australia's tyre product steward was established in 2014 to implement the national Tyre Product Stewardship Scheme (TPSS) – an ACCC-authorized industry framework to reduce the environmental, health and safety impacts of the 56 million Equivalent Passenger Units (EPUs) which reach their end of life in Australia each year.

TSA's vision is of a circular economy for end-of-life (EOL) tyres that contribute to a sustainable society.

It works all along the tyre supply chain to minimise waste and increase value for government, industry, businesses, and consumers, by:

1. Accrediting and monitoring compliance of TPSS participants – now 1,700 and counting, including tyre manufacturers, retailers, collectors, and recyclers who are committed to sustainable practices.
2. Working with levy contributors to invest in market development initiatives – up to \$10 million invested to date, including:
 - research and development
 - commercialisation of new, productive uses for EOL tyres driving the transformation of a waste product into a useful commodity, creating new industries and jobs while reducing the environmental harm caused by the illegal dumping of old tyres.
3. Providing a range of ESG tools and services for use by government, industry, R&D and consumers, including:
 - Foreign End Market Verification (FEMV) platform – the only global platform that verifies Australian-generated end-of-life-tyres are not causing environmental or social harm at their final destination.
 - Sustainable Outcomes Indicator star rating which drives and promotes best practice operations and the development and use of tyre-derived materials and products in the Australian market.
 - Circular Economy Collaborator platform which supports products manufactured in Australia using Australian-made tyre-derived material.

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Backgrounder: More opportunities for investors, recyclers, and manufacturers

More markets for tyre derived material, made in Australia for Australians

Development in manufacturing processes and technology, including the growth in large scale onshore processing facilities, has increased the range of material that can be derived from used rubber products, such as tyres and conveyor belts. This has expanded markets and commercial opportunities for Australian recyclers and manufacturers.

Road construction still has the most potential to consume a significant percentage of the 500,000 tonnes of waste tyres Australia generates each year. But the TSA Market Development Fund now receives applications for funding for many other types of end-markets. Some of the new end uses TSA has supported, include:

- Blast resistant concrete
- Carpet underlay
- Commercial piping
- Fuel replacement for coal
- Golf courses
- Gyms
- Housing construction that is quick and economical
- Lighting
- Noise dampening walls
- Particleboard
- Permeable pavement
- Playgrounds
- Racing tracks
- Road safety barriers
- Sporting fields
- Train platforms.

More evidence and tools available to support waste recovery at all stages of the tyre supply chain

Since 2014, TSA's knowledge library and circular economy tools have become more widely shared and used by government, industry, businesses, and consumers seeking evidence and options around tyre design, use, management, and recovery.

TSA's library now includes over 46 real-world case studies of an Australian circular tyre economy in action.

High levels of market demand for data and insight drives TSA to undertake its own research and draw on global studies, to create a deep evidence base of data and insight on a range of topics, including:

- Best practice tyre storage and management
- Circular Economics of tyres
- Engaging with Aboriginal and Torres Strait Islander Peoples in OTR Rubber Product Recovery
- Health, Environment and Safety risks of tyre use and recycling
- Import and export of tyres
- Lifecycle Assessments, including Material Circularity and GHG Emissions
- Recovery of passenger, truck, bus and OTR tyres
- Sustainable Outcomes Indicator
- Tyre consumption and recovery statistics
- Tyre Product Stewardship.

TSA's data is backed up by the expertise of its people who specialise in market development, research, science, and education.

"All our people are deeply invested in the success of everyone participating in the circular tyre economy because if those who come to us for information, advice or funding succeed in their endeavours, Australia is another step closer to solving its tyre waste problem.



“So, for us it is more than just funding or giving you a research report. We will make sure you are supported from the start to the finishing line, including helping you with industry and supply chain connections and marketing,” Goodman says.

More deliberate collaboration across government, industry and geographic borders takes Australia closer to achieving its waste reduction targets

The past ten years has seen increased levels of collaboration between government, industry and business seeking solutions for the nation’s waste tyre problem.

Federal state and territory environment ministers meet regularly to share information and set priorities for Australia. This national focus has resulted in tyres being identified as a priority waste stream two years in a row and initiatives such as a tyre recovery trial in Western Australia which will provide a foundation for guiding principles and a framework across the country.

The first-ever Australian Tyre Product Stewardship Roundtable, convened in early 2024 by TSA, brought together stakeholders from recyclers and tyre importers to government and global tyre product stewards to talk about lessons learned in countries that are leaders in tyre recovery and hear their advice for Australia.

There are now regular fora, run by TSA, which enable Mining Off-The-Road tyre users, to engage directly with recyclers, manufacturers and other tyre recycling leaders about their waste recovery challenges and work together towards solutions for their organisation.

The value of stronger collaboration can also be seen in the number of recyclers now working directly with big rubber product users and manufacturers.

One example of this was the November 2023 recovery of 800 tonnes of used Off-The-Road (OTR) tyres and conveyor belts from a closed **mine** in remote region of Western Australia to build roads in Queensland. It was the first recovery of its type and magnitude undertaken in Australia. It shows how collaboration between recyclers and big rubber product users, like Mining and Agriculture, can move through perceived barriers to viable solutions for used OTR tyres.

Another example is the groundbreaking partnership between the **Queensland Department of Agriculture and Fisheries**, tyre recyclers and the wood products industry. This has resulted in the development of a rubberised particleboard which can help meet growing demand for wood feedstock and expand onshore manufacturing for builders and retailers seeking more sustainable wood products for their customers.

More communities to benefit from local government trials and rollouts

There are now many councils across Australia, successfully demonstrating that roads made with rubberised asphalt are stronger and will last longer in tough conditions.

For communities, this means their region is one step closer to decreasing the environmental and social impact of waste tyres and strengthening the local economy with manufacturing and commercial opportunities, new jobs and new products made in Australia for Australians using Australia’s waste.

In NSW, the Southern Sydney Regional Organisation of Councils (SSROC) is demonstrating the use of rubber recovered from end-of-life tyres blended into bitumen to enhance asphalt durability, performance, and environmental sustainability of road pavements.

In Queensland, a joint endeavour by Sunshine Coast Council, Boral, and the Australian Flexible Pavement Association (AfPA) has connected off-the-road rubber product users and recyclers in their local region to demonstrate the best mix of rubber crumb and asphalt in its roads.

Local councils manage 85% of Australian roads. This positions them well to become tyre derived material manufacturing and consumption leaders. To set the standard for the more resilient and sustainable roads of the future and create jobs for their local community.

