

Tyre Collectors and Recyclers Handbook

Amendment 2.0

January 2025

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Author

Tyre Stewardship Australia

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Acknowledgement

Tyre Stewardship Australia acknowledges the Traditional Custodians of the land and waterways on which we live, work, and depend. We acknowledge the unique spiritual and cultural connection, and continuing aspiration that the Traditional Owners have for Country, and we pay respect to Elders, past, present, and emerging.

Purpose of this handbook

The purpose of this handbook is to establish a common understanding among stakeholders involved in the Tyre Product Stewardship Scheme (TPSS) accreditation process, compliance activities, and annual audits for Tyre collectors and recyclers.

This handbook serves as Tyre Stewardship Australia's (TSA) interpretation and procedural manual based on TPSS guidelines. It outlines the procedures governing TSA audits, accreditation assessments, compliance evaluations, procedures for addressing non-compliance, and provides clear definitions related to scheme status. It aims to ensure transparency in TSA audits and specifies the responsibilities of Tyre collectors and recyclers before, during, and after an audit.

TSA oversees audits of Scheme Applicants and Participants, including Tyre collectors and recyclers, and reports to the TSA Board.

The Handbook should be read in conjunction with the *Tyre Product Stewardship Scheme Guidelines* which sets out the requirements that apply to Participants, including Tyre collectors and recyclers.

All Scheme documents, including this Handbook, are available on the Internet at tyrestewardship.org.au.

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Introduction

1.

The Tyre Product Stewardship Scheme

1.1

The Tyre Product Stewardship Scheme (the Scheme) is a voluntary industry Scheme that commenced on 1 July 2014. TSA was granted ACCC re-authorisation in 2024 for a period of three years to 2 September 2027. Its objective is to:

- Increase resource recovery and recycling and minimise the environmental, health and safety impacts of all end-of-life tyres (EOLTs) generated in Australia.
- Develop Australia's tyre recycling industry and markets for tyre derived products. Tyre Stewardship Australia (TSA), is a not-for-profit company limited by guarantee, funded by tyre importers, and is responsible for administering the Scheme.
- Participants in the Scheme commit to play their part in ensuring EOLTs are disposed of in a way that represents environmentally sound use.

There are several Participant categories in the Scheme:

- Tyre importers and Vehicle importers.
- Tyre retailers (including car dealerships).
- Fleet operators.
- Local governments.
- Tyre collectors.
- Tyre recyclers.
- Miners.

Businesses and organisations apply to become accredited Participants in the Scheme. On becoming accredited, Participants are required to meet the commitments that are relevant to them. These commitments are set out in the *Guidelines for the Tyre Product Stewardship Scheme* (the Scheme Guidelines).

All Participants in the Scheme must commit to the following:

- Support the objectives of the Scheme (above).
- Deal transparently and ethically with others involved in the tyre supply chain, including consumers.
- promote the Scheme to the community, other businesses, and organisations, as directed by TSA.
- Use the Scheme's branding and logo and adhere to the conditions that apply to that use, as directed by TSA.
- Comply with relevant laws and practices, including those that relate to the environment, occupational health and safety and employment¹.
- Co-operate with audits, provision of required documents and undertake surveys as directed by TSA.
- Report requested data to TSA as directed by TSA.

All Participants in the Scheme must also commit to contribute to:

- The environmentally sound use of EOLTs.
- Elimination of the illegal export of baled tyres from Australia.
- Elimination of the illegal dumping of EOLTs.
- Elimination of disposal of EOLTs to landfill (except where no viable alternative is available and subject to state and territory legislation; for example, in rural and remote areas where appropriate recycling facilities are not available, or transportation costs are prohibitive).

¹ Where breaches of regulations occur, TSA accredited Tyre collectors and recyclers are required to report to TSA as per the TSA Regulatory Breach Procedure (refer to section 2.9).

Tyre collectors and recyclers play important roles in the Scheme, and are defined as the following:

Tyre Collector

Tyre Collector means an individual, business or organisation that collects and / or transports end-of-life tyres in any part of Australia for recycling, reuse or disposal. If you are a transporter, you are also a Collector.

Tyre Recycler

Tyre Recycler means a business or organisation recovering rubber, steel, textile and / or other materials and processing it into a form of tyre-derived product, whereby it can be used as a raw material in the manufacture of finished products, or to recover energy from end-of-life tyres.

If a business satisfies the definitions of both Recycler and Collector, they are required to submit applications to be a Participant in both of these categories.

Tyre Baler

From 1 December 2021, new laws came into force banning the export of whole baled waste tyres. From this date, exporters are only permitted to export:

- Passenger, sports utility vehicle (SUV), bus, truck and aviation tyres for re-treading to a verified re-treading facility.
- Tyres that have been processed into crumb, buffing, granule or shred.
- Tyres that have been processed into tyre-derived fuel.
- Tyres to an appropriate importer for re-use as a second-hand tyre.

TSA Baling Position Statement:

<https://www.tyrestewardship.org.au/news/tsa-advice-baling-position-statement/>

Tyre collectors and recyclers have specific, additional commitments, these are:

For Tyre collectors to:

1. Ensure all EOLTs collected from retail and other outlets with a recycling / disposal gate fee are passed to tyre recyclers accredited by TSA.
2. Provide data (report) to TSA as directed by TSA.
3. Deal ethically and transparently with retailers and other outlets, specifically in relation to the fees and charges associated with disposal of EOLTs.

For Tyre recyclers to:

1. Guarantee that all end-of-life tyres received from Tyre collectors go to an environmentally sound use.
2. Provide data (report) to TSA as directed by TSA, on the number and fate of tyre EPU / tonnes processed and sold or otherwise provided for an environmentally sound use.

Accreditation Conditions

1.2

Where an Applicant (or a related body corporate of the Applicant or a current or former Participant which has a director, secretary, officer, employee or other personnel in common with the Applicant) has had accreditation under the Scheme suspended or revoked or has otherwise been non-compliant with the Scheme (including the general and specific commitments of Scheme) then this may raise concerns about the ability of the Applicant to meet the general and specific commitments of the Scheme relevant to the accreditation being applied for under an Application.

As a result, TSA reserves the right to:

- Request that the Applicant provide further information in order to demonstrate that the circumstances leading to the previous suspension / revocation / non-compliance have been resolved and will not impact on the ability or capacity of the Applicant to meet its commitments under the new accreditation; and
- Grant accreditation subject to the Applicant complying with additional conditions specified by TSA (such as additional site inspections over a given timeframe) to ensure ongoing compliance with Scheme commitments, and/or
- Reject the Applicant's Application.

Participants must comply with and otherwise meet the general and specific commitments and obligations which apply to the Participant under the Scheme at all times. To ensure that this occurs, TSA may:

- Verify information submitted by Applicants and conduct informal reviews of this information from time to time; and
- Conduct audits of a Participant's activities and processes.

A Participant must notify TSA immediately if it can no longer meet its general and / or specific commitments under the Scheme.

Participants must immediately inform TSA in writing of any changes to their business operation, including:

- The Participant's business moving to a new location and/or setting up an additional operation at a new location³.
- A change of ownership of the Participant, sale of any part of the Participant's business or if the Participant ceases to trade or is otherwise insolvent.
- The commissioning of new equipment and/or changes to operations of the Participant.
- Significant business disruptions to the Participant (such as, but not limited to, disasters including fire or flooding, or equipment damage or malfunction) that will inhibit the operations of the Participant or any location at which is accredited.
- The Participant receives any regulatory notice / order / fine. Refer to section 2.9.
- Arrangements for the collection and recycling of EOLT change with respect to the use of Participant.

Change to a Participant's business, such as those changes that materially impact the ability of the Participant to operate as provided for in the Participant's Application may require TSA to re-audit the Participant, particularly where a Participant has moved to a new location or is conducting operations at a location that was not included in the Application or is different to any previous audit.

See Status Definitions for further details.

³ A business moving to a new location and/or setting up operations or business at an additional location must apply for accreditation for each new or additional location. Businesses with multiple locations must have each location separately accredited. See Status Definitions for further details.

Accreditation and Compliance Processes

2.

Objectives of the Tyre Product Stewardship Scheme Audit and Compliance Program

2.1

TSA's Audit and Compliance Program is designed to achieve the following objectives, not necessarily set in order of priority:

- Ensure that the Scheme achieves the desired environmental outcomes.
- Mitigating risks that may result in harm to human or environmental health.
- Ensure that Tyre collectors and recyclers honour and work in compliance with their commitments to the Scheme.
- Improve the level of compliance with the Scheme's commitments, aiming to achieve best practice site management.

Obtaining TSA Accreditation

2.2

A Collector or Recycler must complete the steps below in order to obtain TSA accreditation.

- 1 Collector / Recycler submits online application.
- 2 TSA will contact applicant to confirm details and request further documentation, prior to scheduling a site audit. See Requested Documentation and Information for Audits.
- 3 Collector / Recycler provides requested documentation to TSA for verification.
- 4 Once satisfied with the documentation provided, TSA will arrange a site audit at Collector / Recycler applicant site.
- 5 A site audit is completed and reviewed by TSA.
The audit report that TSA will provide to the Collector / Recycler applicant contains a list of outstanding issues to resolve (if applicable).
- 6 TSA Leadership will review the application and make the final determination on the applicant's progression to accreditation.
- 7 Successful applicants will be onboarded.

Tyre Product Stewardship Scheme Audits

2.3

TSA audits assess whether an applicant (Tyre collectors / recyclers) meets and complies with the commitments that their organisation has made to the Scheme.

It is the responsibility of applicants and participants to understand and comply with regulatory requirements that apply to their operations. Contact should be made directly with the relevant authority (State or Territory) to determine how requirements can be met.

Definition Of A Tyre Product Stewardship Scheme Audit

2.4

A TSA audit is a systematic and documented verification process of objectively obtaining and evaluating audit evidence to determine whether a Collector / Recycler in the Scheme is compliant and meets its commitments as set out in the Scheme Guidelines (and the TSA Accreditation Logo Style Guide⁴).

The key purpose of a TSA audit is to determine whether the Collector / Recycler is in compliance with the relevant commitments they have made to the Scheme. The scope of a TSA audit is limited to the collection of evidence that relates to compliance or non-compliance with those commitments. A TSA audit does not extend to any other matters.

A strong and well-resourced audit regime is essential to protect the credibility of the Scheme and the interests of Participants.

As a voluntary initiative, the Scheme largely relies on self-regulation to achieve compliance, supported by robust administrative processes. Audits play an important role in establishing and maintaining the credibility of the Scheme and improving the level of compliance through feedback and education. Identification of non-compliance may result in a Collector or Recycler's suspension or revocation from the Scheme. See section 2.5 for further details.

TSA operates two audit types:

1 Accreditation Audits

– For applying Tyre collectors and recyclers

TSA requires that all Tyre collectors and recyclers seeking accreditation undergo a successful accreditation audit prior to accreditation being recommended to the TSA Leadership committee for approval.

2 Annual Compliance Audits

– To ensure that Tyre collectors and recyclers are compliant with their TSA commitments on an ongoing basis. (Renewal of accreditation every 12 months)

TSA Audit and Compliance Program audits accredited Tyre collectors and recyclers annually. If a Collector or Recycler is deemed to be at a risk of not meeting the Scheme's requirements, TSA may schedule further risk-based audits for the specific site. The requirement for additional risk-based audits is at the discretion of TSA.

Scheme Status Definitions

2.5

Non-accredited

Not currently recognised as meeting scheme commitments or requirements (this includes scheme applicants, suspended participants, resigned participants, and revoked participants). Entities with this status may apply for accreditation as defined below.

Applicant

A business or organisation that is a legal entity with an ABN or ACN and has applied to become a Participant within the scheme.

Entities with this status must participate in the accreditation application process and meet scheme requirements/commitments (which includes an accreditation audit). Recycling applicants are required to have all relevant approvals in place in order to commence the accreditation application process; this includes having a plant be commissioned and having achieved operational readiness* for ≥ 3 months.

⁴ TSA Style Guide is available upon request from TSA, to accredited participants.

* Refer to page 15 for definition of 'operational readiness'.

Accreditation with Set Expiration

At TSA's discretion: A formal accreditation recognition granted to an applicant for a specified period, contingent upon meeting criteria including operational timeline, number of tyres, and evidence of possession of necessary environmental authority or exemption. Applicants may be eligible for temporary accreditation if they satisfy these requirements.

Accredited

Recognition by TSA that a business or organisation has made a commitment to AND meets the requirements of the Scheme. These entities are referred to as Participants. Participants are required to participate in annual audits to renew accreditation. Status is shown on the TSA website.

Applicable TSA logos and specified communication tools will be provided/renewed at no cost to the participant. Participants who do not participate in the renewal audit within 2 months of the renewal date (i.e. last audit was 14 months prior), accreditation status will return to non-accredited. TSA reserves the right to apply discretion when extenuating circumstances present themselves.

Suspended

Entities that have breached requirements of the TPSS guidelines (or failed to meet commitments) may become suspended.

Suspension status cannot exceed one year. After 12 months, the suspended status will resort to non-accredited. Non-accredited entities may reapply without further delay. (Application for accreditation is subject to all the application requirements. This ensures compliance issues have been remedied prior to application process moving forward.)

The trigger for suspension to change to non-accredited is the entity having missed a 'renewal' audit during the 12 months of suspension. Suspended entities are not subject for renewal audits whilst suspended.

During the suspension period, accreditation may be reinstated once TSA determines the reason for the breach is resolved and TSA is satisfied there is evidence to support the reinstatement of the accreditation.

Suspension Status is shown on the TSA website. Entities are required to stop using the TSA logo (wherever applied) and any other of the specified communication tools immediately (this is at the expense of the entity). Where applicable, TSA may communicate to other stakeholders the change of status. TSA communication to stakeholders' references change of status only.

- **Scenario 1:** Suspension commenced 15 January. Renewal audit scheduled for 20 June. Suspension actions remedied 10 April and confirmed by TSA as remedied. Website updated to reflect accreditation. Annual renewal audit will take place 20 June.
- **Scenario 2:** Suspension commenced 15 January. Renewal Audit scheduled for 20 June. Suspension actions not remedied by following 15 January (12 months). Status: non-accredited. Removed from TSA website. Entity may reapply for accreditation once suspension actions are resolved.
- **Scenario 3:** TSA reserves the right to revoke accreditation of a participant if necessary. See Revoked.

In establishing mechanisms for future non-compliance with similar commitments, it is imperative to institute repercussions that underscore the seriousness of such actions. Therefore, any instance of non-compliance that may trigger a future suspension, the duration of which shall be no less than three months.

Participants that have been suspended twice for similar non-compliance with commitments, will be revoked from the Scheme upon a third finding of comparable commitment breach.

Revoked

For more serious breaches (or failure to meet) the requirements of the TPSS, multiple suspensions, and/or at the discretion as determined by TSA, accreditation may be revoked by giving 30 days' notice in writing.

Status is shown on the TSA website for six months. Where Participant accreditation is revoked, the business or organisation can re-apply for accreditation after 12 months have elapsed. Re-application for accreditation will capture any actions that resulted in the revocation of accreditation and will ensure that actions have been remedied prior to application process moving forward. Entities are required to stop using the TSA logo (wherever applied) and any other of the specified communication tools immediately (this is at the expense of the entity). Where applicable, TSA may communicate to other stakeholders the change of status. TSA communication to stakeholders' references change of status only.

Of note:

- Where a Collector or Recycler's accreditation is suspended or revoked, Tyre retailers will be provided with reasonable opportunity (4 weeks) to seek an alternative to continue meeting their Scheme commitments.
- Participants will first be provided with a reasonable opportunity to rectify the non-compliance. If the breach is not rectified within that period, TSA may elect to immediately suspend or revoke the Participant's accreditation.

Suspension and revocation examples:

- Breaching of scheme commitments such as (but not limited to) failure to: participate in audits, report data, advise of structure or operational changes (i.e. new ownership, new infrastructure, moving sites, administration <voluntary/liquidation>).
- Regulatory breaches.
- Failure to communicate regulatory notices.
- Defamation of the Scheme (such as, but not limited to: TSA, Participants, and Stakeholders).

Resigned

A Participant may resign from the Scheme by giving 30 days' notice in writing to TSA. Or immediately resign from the Scheme if there are changes to the Scheme Guidelines (whether minor or major), which it believes may have a detrimental impact on it, by giving notice in writing to TSA.

Resignation will result in the entity being removed from the TSA website. Entities are required to stop using the TSA logo (wherever applied) and any other of the specified communication tools immediately (this is at the expense of the entity). Where applicable, TSA may communicate to other stakeholders the change of status. TSA communication to stakeholders' references change of status only.

Temporary Accreditation

ONLY applies to currently accredited sites that are relocating operations within a reasonable distance from the decommissioning site (see Relocating Sites).

This temporary accreditation may not exceed 6 months (this takes into consideration decommissioning of current site and commissioning of new site). Rules regarding renewal audits and accreditation audits apply. (See Accredited and Applicant).

Relocating Sites

ONLY applies to sites with a current status of accredited. Accredited sites that are decommissioning and commissioning operations at another location, will be provided temporary accreditation of the new site during commissioning. (See Temporary Accreditation).

Sites relocating must be able to provide evidence that they continue to service the accredited retailers from the decommissioning site. This is NOT an additional site.

Additional Site

Accredited participants that have an additional site (new location) must apply for accreditation for the new site. (See Applicant).

Transfer of Accreditation

Sites that are currently accredited but experience a change in ownership may have the accreditation transferred to the new business/organisation operating the accredited site at TSA's discretion.

Change in ownership must be communicated to TSA (scheme commitment) within one week of change. Accreditation is 'site' and not 'owner'. Transferring of accreditation to a site is permitted when relocating (see Temporary Accreditation and Relocating Sites).

Operational readiness

Operational readiness in the context of tyre processors refers to the state or condition in which a tyre processing facility is fully prepared and equipped to commence its operations efficiently and effectively. This encompasses various aspects, including infrastructure, machinery, supply chain, and processes. Without operational readiness a site is unable to participate in an accreditation audit which is a necessary step in the accreditation application process.

Operational readiness includes:

- **Infrastructure:** The facility should have the necessary physical infrastructure in place, such as buildings, storage areas, waste disposal systems, and safety features (e.g. implementation of fire suppression systems).
- **Machinery and Equipment:** This involves ensuring that all the machinery and equipment required for tyre processing are installed, calibrated, and functioning correctly. This includes shredders, granulators, crushers, conveyors, reactors, and any other specialised machinery needed for tyre processing (e.g. dust extraction systems).
- **Compliance and Regulations:** The facility must comply with relevant regulations and standards governing tyre processing and waste management. This includes obtaining permits, adhering to environmental regulations, and following industry best practices to ensure legal and ethical operations.
- **Quality Control:** Processes should be established to monitor the quality of processed materials, ensuring that they meet industry standards and customer requirements. This may involve quality testing (onsite and offsite), inspections, and documentation procedures.
- **Supply Chain Management:** Ensure a steady supply of tyres for processing, whether through contracts with tyre suppliers, collection programs, or partnerships with other businesses or municipalities for tyre product market and disposal. Establishing a tracking system for inputs and outputs.
- **Emergency Preparedness:** Develop contingency plans and procedures for handling emergencies such as equipment failure, accidents, fires, or environmental incidents. This may include backup systems, emergency response protocols, and coordination with local authorities.

- **Safety Measures:** Safety protocols and measures should be in place to protect both workers and the environment. This includes training employees on health and safety procedures, providing personal protective equipment (PPE) where applicable, and implementing protocols for handling hazardous materials and emergencies. This may include hazard analysis for the purpose of developing and implementing procedures.
- **Personnel Training:** Employees should be trained in operating machinery safely and efficiently, following standard operating procedures, and adhering to quality and safety standards. Ongoing training and skill development programs may also be implemented to keep staff updated on the latest technologies and best practices.

Overall, achieving operational readiness involves meticulous planning, preparation, and coordination across various aspects of the tyre processing facility to ensure smooth and successful operations while prioritising safety, emergency response procedures, compliance, and efficiency.

Operational readiness provides accredited retailers with an assurance that they can access services without interruption.

Confidentiality and Privacy

2.6

Confidentiality and privacy are paramount. All information and data about businesses and organisations accredited and / or associated with TSA are treated with the strictest confidence.

Section A5.2.2 of the Scheme Guidelines states that 'TSA will treat all information and documents obtained during an audit as confidential. Disclosure of sensitive audit findings and observations will be restricted to audit personnel and TSA senior management and will not be shared with other Participants or the public.'

Information about Applicants and Participants is handled by TSA. When handling information regarding Tyre collectors and recyclers, auditors (whether contracted by TSA or internal) are required to adhere to the highest standards of confidentiality and the protection of privacy. Tyre collectors' and recyclers' identities are provided to the Board if required to make a decision following a material or significant non-compliance with Scheme commitments.

TSA has also achieved ISO 27001:2022 certification for information security management, reinforcing our commitment to the security and safeguarding of data.

Of note: It is not possible to conceal the fact that a Collector or Recycler is no longer part of the Scheme for the reasons discussed in section 2.9.

Sustainable Outcomes for EOLT

2.7

The Sustainable Outcomes Indicator (SOI) has been developed as a simple framework to represent the environmental and social impacts of EOLT that are collected, processed, used within Australia, and exported internationally by Scheme Participants.

The intent of the SOI is to demonstrate how the activities of entities within the Scheme represent the achievement of environmentally sound uses for EOLT generated in Australia. The SOI has been developed to align with the objectives of the Scheme and principles of the waste hierarchy.

The SOI framework used to apply star ratings to Tyre collectors and recyclers in the Scheme is available on the TSA website⁵. Tyre collectors and recyclers within the Scheme are assigned a star rating (0-5 stars), to represent Acceptable Outcomes and Unacceptable Outcomes.

SOI star ratings published on the TSA website are reviewed at minimum, twice a year. TSA will also consider a review if/when a site has communicated positive changes to operations (i.e. improved infrastructure/ technology, the completion of medium and high-risk audit actions).

⁵. Sustainable Outcomes Indicator: <https://www.tyrestewardship.org.au/guidelines/sustainable-outcomes-indicator/>

Employee Entitlements Declaration

2.8

It is critical to the reputation of TSA, the Scheme, and the companies in the EOLT supply chain, as well as the sustainability of the tyre industry, to ensure that workers' rights are respected.

Scheme participants are required to ensure that employees are paid correctly and that they receive all their entitlements under law. Participants are also expected to take steps to ensure non-employee workers receive their entitlements, even when they are hired by a sub-contractor.

TSA's Employee Entitlements Declaration asks participants to confirm that they comply with key laws and standards in this regard. Participants will be required to complete the Declaration annually, on a site-by-site basis. In addition to employee entitlements, TSA also encourages participants to address all worker rights, including health and safety, discrimination, freedom of association and collective bargaining, and freedom from forced and compulsory labour, as well as child labour.

ACCC Compliance

2.9

The ACCC authorisation of the Scheme allows for specific activities such as formalising agreements with accredited recyclers, ensuring the proper disposal of end-of-life tyres, and promoting the Scheme's objectives. Certain activities, such as discussing prices, suppliers, customers, exchanging sensitive information, or setting resale prices, are prohibited and may lead to serious breaches of the Competition and Consumer (CC) Act. Contraventions may result in penalties, including financial penalties or imprisonment. Accredited participants in the Scheme are required to ensure ongoing compliance with the CC Act and TSA's Scheme Guidelines and report any concerns about anti-competitive conduct to the ACCC.

TSA Procedure to Address Regulatory Non-Compliance

2.10

The TSA Regulatory Breach Procedure (see process diagram on next page) has been created to ensure clarity as to accreditation status during the breach notification and investigation process and to indicate clear timeframes for actions by both impacted Scheme Participants and TSA.

It also provides reassurance to other Scheme Participants that any regulatory breaches, including environmental, occupational health and safety, and employment laws are considered appropriately within the Scheme framework.

The key elements of the process are as follows:

- 1 All TSA accredited Tyre collectors and recyclers are required to advise TSA Accreditation and Compliance Manager (self-report) of any regulatory breach, violation, or infringements within 14 days of receiving official advice from the relevant authorities.
- 2 The Collector or Recycler impacted must provide TSA with copies of relevant breach / infringement notifications, within 14 days of receiving such notification.
- 3 TSA will require that the Collector or Recycler provide an action plan outlining how they intend to address the issues relating to the breach(s)/infringement.
- 4 The TSA Accreditation and Compliance Manager will evaluate each case:
 - in collaboration with local authorities, if required, and
 - provide a recommendation to the TSA Leadership committee for appropriate action.

Where a Participant fails to report a Regulatory Breach as required under the Regulatory Breach Procedure, TSA may suspend or revoke the Participant's accreditation for such period as determined by TSA.

If TSA becomes aware of a Regulatory Breach it may, but is not required to, inform the relevant Participant. TSA reserves the right to inform Participants of Regulatory Breaches via available communication channels in order to continually improve best management site practices. TSA may also seek to verify information provided regarding Regulatory Breaches with third parties, as required.

A Regulatory Breach or non-compliance with the Scheme Guidelines can result in the suspension or revocation of a Participant's accreditation under the Scheme. A breach may be determined at the discretion of the TSA Leadership committee, including whether an identified breach will result in a suspension and/or revocation.

TSA Regulatory Breach Procedure

Effective Date: 1 JAN 2018



Violation occurs

TSA accredited Participant commits an EPA and/or regulatory violation/ breach / infringement and receives a notice/ order/ fine.



Participant self reports to TSA

1. TSA Participant is required to self-report the EPA and/or regulatory violation/ infringement within 14 days of notice to TSA.
2. TSA Participant is required to provide copies of official documentation (notice/ fine/ etc.) as evidence.
3. TSA Participant is required to provide an Action Plan outlining how they intend to resolve the regulatory issue.



TSA assesses the violation

1. TSA will evaluate each violation individually in collaboration with relevant regulatory authorities if required
2. Where applicable, TSA will recommend participant actions as required.



Participant does not self report violation to TSA

1. If a TSA accredited Participant receives a violation/ infringement/ notice/ order/ fine and does not inform TSA within the proposed 14 days, TSA will inform the Participant via email that TSA is aware of their breach/ infringement/ notice/ order/ fine and require an explanation for the breach/ infringement/ notice/ order/ fine and proposed action plan.
2. Subject to item 4 below, if TSA does not receive adequate documentation (including plans to resolve the issue) from the Participant within one week of TSA's initial communication, TSA will send a letter of notification to the Participant. This letter will inform the Participant that they are in breach of TSA criteria and regulations of relevant jurisdictional authorities. Consequently, TSA reserves the right to revoke the Participant's accreditation if further action is not taken.
3. Subject to item 4 below Participants will be provided a further week and if action does not occur to inform TSA and rectify the breach then TSA may consider revocation of the accredited Participant.
4. TSA, acting reasonably, may revoke Participant status, giving 30 days' notice where a Participant has materially breached the requirements of the Scheme Guidelines⁶.

⁶ Guidelines for the Tyre Product Stewardship Scheme Tyre Stewardship Australia available at <https://www.tyrestewardship.org.au/wp-content/uploads/2020/04/Guidelines-for-Tyre-Product-Scheme.pdf>

Detailed Accreditation and Compliance Audit Processes

3.

Accreditation Audits

3.1

- 1 Application form and required information received and reviewed by TSA.
- 2 After all requisite documentation has been submitted to TSA and reviewed, TSA contacts the site to initiate the audit process.
- 3 Site audit is undertaken.
- 4 Audit report/findings provided to the site at the completion of the audit.
- 5 Audit findings that resulted in medium and/or high-risk actions must be completed prior to application being progressed.
- 6 Application for TSA accreditation is reviewed by TSA Leadership and determination of the application is made.
- 7 Once approved, the applicant becomes TSA accredited and onboarding takes place. The new participant will receive a TSA accreditation pack, including TSA sticker and certificate of accreditation. Details of new accreditations are communicated to applicable accredited retailers and displayed on TSA's website.

Annual Compliance Audits (Accreditation Renewal Audit)

3.2

- 1 TSA develops the schedule of annual accreditation renewal audits for Tyre collectors and recyclers.
- 2 TSA contacts sites prior to the audit date to initiate the audit process.
- 3 Site audit is undertaken.
- 4 The Participant is provided the audit report at the completion of the audit. Any findings resulting in actions will be required to be completed within applicable time-frames: High risk actions to be completed within one month, Medium risk actions to be completed within 6 months, and low risk actions to be completed within 12 months (prior to the next renewal audit). Medium and high risk action items will have a negative impact on the compliance criteria associated to the SOI rating assigned to the participant.

Scope of Accreditation / Compliance Audits for Tyre collectors and recyclers

4.

Scope of Audits

4.1

TSA reviews the scope of accreditation and compliance audits on a regular basis and will make changes as required, based on:

- Participant feedback,
- Changing risk – profile of Participants; and
- Alignment with objectives of the Scheme.

The scope of TSA audits will primarily focus on the Participant's commitments to support the Scheme, including reporting to TSA's online reporting platform, downstream vendor management and environmentally sound use of EOLTs. Key requirements for Participants to hold relevant insurances, permits and licences will be assessed as part of TSA audits. The audit verifies that licence conditions, are being met.

Other key areas of focus are tyre storage and fire safety, and emergency management plans. These items form requirements of best practice management as prescribed by [TSA's Best Practice Guidelines on Tyre Storage and Fire and Emergency Preparedness](#). An audit may also look to verify completion of the annual Employee Entitlements Declaration.

TSA is committed to working with accredited entities to ensure their staff, customers and the environment are safe.

Tyre Stewardship Australia does not accept responsibility for any consequences arising from the use of the audit findings. The audit report is based on matters which were observed or came to the attention of the auditor during the time of the site visit and should not be relied upon as an exhaustive record of all possible risks or hazards that may exist or potential improvements that can be made.

It is the responsibility of site operators to understand and comply with regulatory requirements that apply to their operations. Contact should be made directly with the relevant authority (State or Territory) to determine how requirements can be met. For the listing of documentation required for audits, please refer to section 5 'Requested Documentation and Information for Audits'.

TSA Audit Scope – key focus areas

TSA Scheme Guidelines and Commitments

- Objectives of the Scheme
- Scheme Promotion
- Tyre Inventory System / Tyre Storage Management System
- Fate of Tyres – Local / International – Evidence of Environmentally Sound End-Use Required

Tyre collectors

- Environmentally Sound Use
- Deal with TSA accredited Tyre recyclers
- Data Reporting (as directed by TSA)
- Transparency of Fees Charged for Collecting
- Records / Inventory Management

Tyre recyclers

- Environmentally Sound Use
- Data Reporting (monthly or as directed by TSA)
- Records / Inventory Management
- Downstream Vendor Management

General Regulatory requirements

- Management Systems (EHS), if relevant
- Local Government Approvals
- Environmental approvals to operate
- Transport licence
- Insurances
- Business Continuity Plan
- Security / site access
- Regulator Involvement – have you received any notices / fines from a regulator.
- Refer to TSA Regulatory Breach Procedure (section 2.9).
- General housekeeping
- Evidence of OHS systems
- Waste Management
- Emergency Prevention, Planning and Response
- Fire Safety – as per *TSA Best Practice Guidelines for Tyre Storage and Fire and Emergency Preparedness*
- EOL Tyre Storage (Outdoor and Indoor) – as per TSA Best Practice Guidelines for Tyre Storage and Fire and Emergency Preparedness. (Verification of license requirements. If you do not have a license verifying that activities are under the jurisdictional requirements).
- State Based Environmental Legislation (Tyre Storage, Transport, Processing, Recycling) and State Based Fire Legislation – refer to TSA Best Practice Guidelines for Tyre Storage and Fire and Emergency Preparedness for Essential Requirements in each jurisdiction.
- Down Stream Vendor Management and Environmentally Sound End Use of Tyres and Tyre Products information and licences (relevant to end destinations).
- Relevant Export Licence

Foreign End Market Program

4.2

The aim of the Foreign End Market (FEM) Program⁷ is to verify offshore facilities receiving Australian sourced EOLT, providing increased transparency of environmentally sound end use of EOLT.

The FEM Program is linked to the SOI (refer section 2.7). Participants sending EOLT material to overseas destinations are required to have these destinations verified, where participants that do not have their FEM verified present ‘unacceptable outcomes’ for exported Australian sourced EOLT (and tyre product).

Acknowledgement of participants who have had FEM verified will be via application of FEM verified logo to their business on the TSA website.

⁷ Foreign End Market Program: <https://www.tyrestewardship.org.au/accreditation/foreign-end-market-verification/>

FEM Platform

4.3

All participants that export EOLT (and tyre product) overseas must have these final destinations independently verified in order to ensure environmentally sound use of EOLT and must only export to facilities which are currently verified under the FEM Program or via a certified third-party auditor (to meet TSA's defined criteria).

TSA has an online platform to manage verification of FEM (FEM Platform). FEM will become verified by TSA through completion of key steps as follows: Education, Self-Assessment (including upload of requested documentation to the FEM Platform), Verification of information (by TSA and/or independent auditor) and Site inspection (via independent auditor), if required.

Self-assessment and audit protocol relevant to FEM, includes the following focus areas: Modern Slavery, Health and Safety, Environment and Distribution⁷.

Participating FEM that are audited as part of the FEM Program (or via certified third-party auditor) will receive recommendations to assist in continual improvement. All information held on the FEM Platform will be strictly confidential. Where TSA engages directly with FEM for the purpose of verification, these sites will be made available on the TSA website and visible to TSA accredited entities only (not public to any tyre recycler).

⁷ This focus area relates to safe transport of material and that product delivered to site is not sent offsite for use that may cause environmental and social harm.

Requested Documentation and Information for Audits

5.

The following is a summary list of documents and information that may be requested by TSA when conducting a document audit to assess a Collector or Recycler's compliance with the Scheme.

Refer to Attachment 1 for further information regarding required documentation to assess a Collector / Recycler application for TSA accreditation.

The summary list includes, but is not limited to, the following:

Accreditation Audit Document List:

- Workers' Compensation Insurance
- Vehicle Insurance
- Public and Product Liability Insurance
- EPA Licence/Registration
- Waste Transport Certificate/Registration
- Document/Process for reporting Environmental Incidents/Breaches
- Stockpile Management Plan
- Storage Plan
- Fire Risk Assessment
- Fire Emergency Plan
- Engagement with local Fire Brigade
- Works Approval
- Government planning approval
- Business Continuity Plan
- Does site agree to review of input/output data and invoices
- Export Licence

Renewal Audit Document List:

- Current Workers' Compensation Insurance
- Current Vehicle Insurance
- Current Public and Product Liability Insurance
- Any changes to EPA Licence
- Any changes to Waste Transport Certification
- Employee Entitlements Declaration (this can be completed online if you have not already done so)

Where necessary, TSA will liaise with relevant regulators (State and Territory) to verify that applicants are adhering to regulatory requirements applicable to their site operations. Assessment of outstanding regulatory notices / fines forms part of the process for verifying that applicants are meeting Scheme requirements.

Attachment 1

Commitments and Compliance

Commitments to be addressed and examples of Evidence Assessed to determine Compliance during an Audit.

General Requirements

Requirement	Assessment
Deal transparently and ethically with others involved in the tyre supply chain, including customers.	Reference: Provision of evidence of downstream vendors (where required), promotional material of EOLT recovery – website, receipts given to customers showing fees.
Promote the scheme to the community, businesses, and organisations.	Reference: promotional material, newsletters, stationery, website, articles.
Adhere to the conditions that apply to use of the Scheme’s accreditation branding and logo.	Reference: Logo and other branding where used on document/s.
Comply with relevant laws and practices, including those that apply to the environment, occupational health and safety and employment.	Reference: environmental licences/permits where necessary, employee policies, workers compensation insurance information,
Cooperate with surveys conducted by TSA.	Reference: TSA records.
Cooperate with audits conducted by TSA.	Reference: timeliness of response to requests for documents from TSA, completion of TSA audits as required.

Tyre collectors

Requirement	Assessment
Ensure all end-of-life tyres collected from retail and other outlets with a recycling gate fee are passed to domestic tyre recyclers accredited by TSA as participants in the scheme.	Reference: Contracts with recyclers, TSA records, comparison of records with those of retailers and recyclers.
Provide data to TSA on the number and fate of tyre EPU / tonnage processed and sold or otherwise provided for an environmentally sound use.	Reference: Documentation of tyres received from Participants and their fate, receipts from buyers of tyre-derived products. Reporting to TSA Reporting Platform regularly.
Deal transparently and ethically with retailers and other outlets, specifically in relation to the fees and charges associated with the disposal of end-of-life tyres.	Reference: Receipts given to customers showing fees.

Tyre recyclers

Requirement	Assessment
Documentation that all end-of-life tyres received from Participants go to an environmentally sound use.	Reference: Documentation of tyres received from Participants and their fate, receipts from buyers of tyre-derived products export license where applicable
Provide data to TSA on the number and fate of tyre EPU / tonnage processed and sold or otherwise provided for an environmentally sound use.	Reference: Documentation of tyres received from Participants and their fate, receipts from buyers of tyre-derived products. Reporting to TSA Reporting Platform regularly (data provided to TSA).

Attachment 2

TSA Scheme Risk Rating Methodology

Audit finding types and examples:

High Findings

Definition	Examples	Considerations:
High findings indicate severe risks or significant non-compliance that could directly harm individuals or the integrity of the scheme.	Critical breaches of legal requirements (e.g., conditions/ requirements set forth in environmental authority to operate, regulatory breaches), repeated instances of non-compliance.	Immediate action is typically required to mitigate risks to safety, integrity, or legality. These findings may necessitate urgent corrective measures (1 month).

Medium Findings

Definition	Examples	Considerations:
Medium findings suggest moderate risks or non-compliance that could potentially harm individuals or the scheme's operational effectiveness.	Breaches of operational protocols, inadequate documentation or reporting procedures, occasional breaches of regulations with moderate consequences.	While not as urgent as high findings, medium findings still require timely corrective action to prevent escalation (6 months). There should be a plan to address these issues promptly to mitigate risks and ensure compliance.

Low Findings

Definition	Examples	Considerations:
Low findings involve minor issues or non-compliance that have minimal impact on individuals or the scheme's overall function.	Minor documentation errors, isolated instances of non-compliance with procedural guidelines	These findings should still be addressed to prevent them from becoming recurring or escalating into more significant issues. However, they typically do not require immediate action unless they are part of a pattern indicating systemic weaknesses (12 months).

Where site's have outstanding actions stemming from prior audits, the risk may be increased if not addressed.

Tyre collectors and recyclers are reminded that high-risk and medium-risk findings from audits, will have a negative impact on the compliance criterion of their sustainable outcomes indicator score (star rating).

Table 1 outlines the timeline TSA participants must adhere to in order to implement corrective action and close out findings from the audit program.

Table 1: Corrective action closure timelines

Finding	Corrective Action Required by
High Risk Finding	Resolved within one month
Medium Risk Finding	Resolved within 6 months
Low Risk Finding	Resolved within one year



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