



**Product  
Stewardship  
Centre of  
Excellence**

**Submission to the House of Representatives  
Standing Committee on Industry, Innovation and  
Science**

**Inquiry into the current state of the Australian tyre  
industry, and any challenges and opportunities for  
the industry within the context of a circular  
economy**

**Prepared by the Product Stewardship Centre of Excellence**

**4 March 2026**

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**Attention:**

Committee Secretary  
House Standing Committee on Industry, Innovation and Science  
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**House of Representatives Standing Committee on Industry, Innovation and Science  
Inquiry into the current state of the Australian tyre industry, and any challenges and opportunities for the industry within the context of a circular economy**

This submission to the Standing Committee is made on behalf of the Product Stewardship Centre of Excellence, an independent not-for-profit charity. The Centre seeks to reduce the environmental and social impacts of products by activating circularity and producer responsibility across the entire product lifecycle.

The Centre works with brands, manufacturers, retailers, industry associations, product stewardship organisations (existing and emerging) and governments across Australia design sustainable products, prolong the life and value of products and materials, and maximise the use of renewable, restorative, regenerative and recycled materials.

Established in late 2020 by a consortium comprising the UTS Institute for Sustainable Futures, the Australian Industry Group and Dentsu Creative with seed funding from the federal government, the Centre is now solely funded by organisational partners and advisory fees.

The Centre team members each have over 25 years of extensive experience across industries and sectors in:

- designing and implementing product stewardship schemes,
- advising businesses on their producer responsibilities across the lifecycle,
- investigating and analysing product stewardship/ extended producer responsibility policies, regulations and actions locally and globally,
- providing independent advice on product stewardship priorities to all levels of government based on foundational studies including the [Benefits and Effectiveness of Product Stewardship](#) in partnership with the UTS Institute for Sustainable Futures.

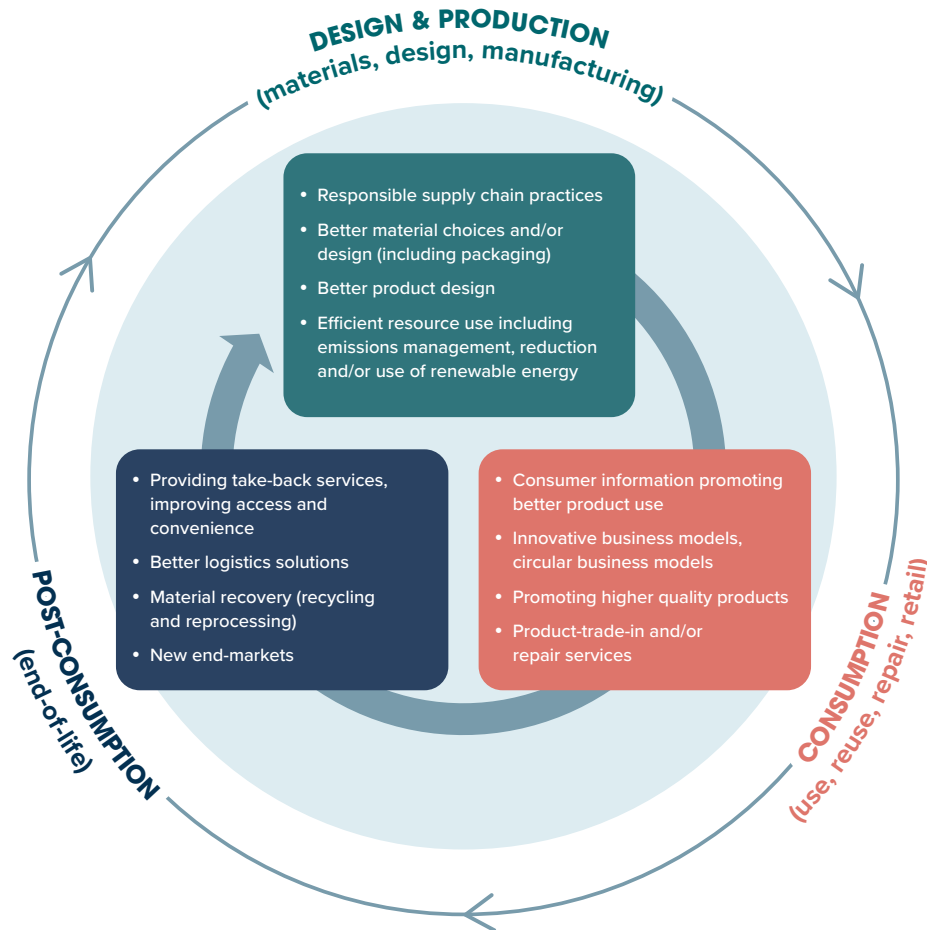
Our submission is therefore directly informed by real-world experience, relevant data and socialised findings.

***Product stewardship in the context of a circular economy***

Product Stewardship requires producers and retailers to take responsibility for the environmental and social impacts of products through their entire life cycle. It is a strategic approach that governments across the globe have implemented for more than 20 years through policies, regulations and investment to address the environmental and human health impacts of products across the lifecycle through various actions (see figure 1). By doing this they are shifting the cost burden of these impacts from the community and governments to producers/importers/brands i.e. those organisations placing products on the market. This encourages producers to conserve natural resources, prevent pollution, reduce carbon emissions and regenerate the environment by (1) designing more ecologically sustainable products to prevent waste and

pollution (2) extending the life of products through improved durability and repairability, and (3) recovering materials from used products to keep them circulating in the economy, to prevent waste

FIGURE 1 – Product stewardship actions across the lifecycle



*Importantly, product stewardship and producer responsibility provide a practical pathway for governments and businesses to transition to the circular economy by taking a whole of system approach across the product lifecycle.*

A **circular economy** presents a system-wide model that encourages a rethink of the way we design, manufacture, use and manage products and materials, across the entire lifecycle, including at the end of life. Reducing resource use, increasing resource efficiency, eliminating unsafe chemicals, and enabling circular material flows are at the core of a circular economy. A fair and equitable circular economy will also address inequalities, assuming higher responsibility for high-income countries that consume more resources.

For more information on the linkages between product stewardship / producer responsibility and the circular economy we refer the committee to the Centre’s practice note [The Circular Economy and Product Stewardship - July 2024](#)

**Product stewardship in Australia and the effectiveness of regulated producer responsibility**

In Australia, federal, state and territory government policies, regulations and investment have predominately focussed on addressing the environmental problems and waste created by products at the

end of life either through regulated stewardship schemes (e.g. NTCRS, NEPM Used Packaging, Oil Stewardship, Ozone depleting substances, state based beverage containers deposit schemes and the new NSW Product Lifecycle Responsibility Battery Regulation) or by encouraging industries to establish and lead their own voluntary stewardship schemes such as DrumMuster, MobileMuster, Tyre Stewardship Australia, Battery Stewardship Council, Bedding Stewardship Council, Seamless (Clothing) etc. For an up to date summary of product stewardship activity in Australia we refer the committee to the [Centre's 2024 Annual Impact Report](#), in particular the State of Play section (pp 14- 19).

While there is a diversity of product stewardship schemes in Australia, the majority are unregulated voluntary industry-led schemes that focus on diverting waste from landfill using existing pathways and infrastructure for marginal improvements. These schemes have had little if any impact on upstream interventions such as design for circularity to tackle waste prevention head-on. Unregulated approaches also enable free-riding and potential undermining by non-participants, causing competitive disadvantage for participants.

By contrast, well-designed regulated product stewardship schemes (e.g. the national used lubricant oil scheme and state and territory-based container deposit schemes) have been far more effective in conserving resources, preventing pollution and litter, and avoiding waste by bringing about systemic change more extensively and quickly across the product lifecycle. Including changes, from design and production practices and consumer behaviours (household and business), to developing new pathways and solutions to avoid and prevent waste and enhance social well-being.

As illustrated in the Centre's white paper [Investing in Intelligent Regulation: The economic benefits to government of regulated product stewardship](#), regulated product stewardship is particularly effective in:

- **Stimulating investment:** Regulation provides incentives for private sector investment, including in more challenging economic conditions.
- **Ensuring that the investment is efficient:** Well-designed regulation ensures that investment is aligned with the long-term interests of the community, promoting long-run economic efficiency.
- **Driving productivity and competitiveness:** Regulation provides incentives for innovation and technological growth, driving productivity and competitiveness.

Regulation can evoke concerns around industry burden, 'red-tape' and unnecessary intervention. However, the evidence in the Centre's white paper also shows that **well designed regulation can support improved competitiveness in the long run and avoid disadvantaging forward-thinking and acting industry players who see the need for such investment but are deterred by the drawbacks of going it alone.**

While voluntary approaches provide some natural and obvious incentives for investment as illustrated by the Tyre Stewardship Scheme, **regulatory approaches provide a more powerful impetus for greater investment at scale and to meet medium to long-term needs** as illustrated by the National Television and Computer Scheme, the Oil Stewardship Scheme and the state-based Container Deposit Schemes.

For example, regulated product stewardship enables pooling of industry funds to invest in innovation and technologies that are expected to deliver economic dividends into the future, which would not have been possible with industry players focusing on short-term competition and survival (i.e. private investment in establishing machine used oil refineries, joint ventures between beverage / packaging and recycling companies to close the loop on PET plastic for beverage containers).

If we want private investment to meet our environmental targets, we need smart regulation to provide certainty and prevent competitive disadvantage for investment in sustainable outcomes nationwide. The

evidence shows that industry can and will benefit from these investments by positioning Australian industry for the global economy of the future.

By considering and addressing long-term whole-of-community objectives, regulation:

- Provides an effective driver to invest
- Avoids imbalances in investment
- Ensures that the investment is efficient over time
- Provides certainty to inform corporate decision-making
- Underpins productivity, competitiveness, and accelerates innovation diffusion providing benefits to the current generation as well as those to come
- Accelerates our transition to a circular economy.

Regulation does not need to be onerous or highly prescriptive to harness these benefits. Provided it is well-designed, proportionate, provides an impetus for action and certainty for investment; while balancing triple-bottom line objectives, it will be effective, efficient and position our economy for long run success.

***Intelligent regulation also importantly provides a pivotal intervention that can break the current cycle of privatising profits while socialising the true cost of the environmental and human health impacts of products and packaging.***

## Response to Inquiry Terms of Reference

1. Investigating current practices in tyre reuse, retreading, recycling, and resource recovery, including reviewing federal, state, and local regulations governing tyre production, disposal, and recycling.

Since 2014/15 there have been number of initiatives to improve how used tyres are disposed of, to address illegal stockpiling, prevent fires, to improve collection and recycling processes, to prevent dumping of baled tyres overseas and to develop markets for recovered tyres in Australia including:

1. State regulations to ban the disposal of tyres to landfill, fining companies who illegally stockpile tyres, funding clean ups of dumped tyres, licensing of recycling facilities
2. Tyre Stewardship Australia's
  - Accreditation program for retailers, collectors and recyclers including verification of foreign end markets,
  - Research and Market Development Program including tyre crumb into roads, and
  - Education and Engagement programs e.g. Illegal tyre dumping program.
3. Federal government's
  - Waste Export bans of unprocessed tyres (Recycling and Waste Reduction Act 2020)
  - Recycling Modernisation Fund Grants for Tyre Recycling facilities

The overall outcome from this as per Tyre Stewardship Australia's report on [material flow analysis 2024-24](#) is that while 66% of tyres were recovered only 26% contributed to circular outcomes like reuse or recycling. The remaining recovered tyres are processed to produce tyre derived fuel which is exported offshore for use in facilities such as cement kilns. This is not recycling; it is not creating a circular economy in Australia; this is energy recovery. Circular economy solutions need to be environmentally positive rather than 'less bad'.

The intent of the above initiatives has been to stop illegal dumping and prevent poor waste management practices by improving recycling practices and increasing local demand for products. These actions are

important but insufficient given Australian's ambitions to shift to a circular economy. What we have achieved is a business model that supports the export of tyre derived fuel and the landfilling of OTR tyres.

There are numerous missed opportunities of using tyre derived materials here in Australia that have been ignored which is a direct result of government taking a voluntary approach to producer responsibility and piecemeal regulatory actions by federal, state and territory governments. If a more whole-of-system approach was taken that was underpinned by federal producer responsibility regulation and supported by government procurement of tyre derived materials at all levels across Australia, material circularity would be much higher, not to mention the numerous benefits shared across the whole economy, society and the environment.

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**2. *Exploring technological advancements in tyre design, recycling processes, and alternative materials.***

The Centre refers the committee to the relevant reports by Tyre Stewardship Australia and International Rules, Regulations and Standards on tyre design, recycling processes across the waste hierarchy, closing the loop on tyre manufacturing

**3. *Identifying opportunities to develop high-value uses for waste tyres and tyre-derived materials, including applications in construction, manufacturing, and other commercial sectors.***

For specific details on this the Centre refers the committee to [Tyre Stewardship Australia's research and market development reports and case studies](#); the WA Government's Discussion paper on [National Project on Options for End of Life Tyres](#) and the [Centre's response to the discussion paper](#).

**4. *Evaluating the effectiveness of the existing circular economy models and identifying opportunities for research and development to support improved sustainable practices.***

For specific examples of circular economy success stories and measures of success, opportunities to progress the circular economy; and hurdles and barriers to a circular economy the Centre refers the Committee to its submission to the [Product Commission Inquiry Opportunities in the circular economy](#).

*“Regulated producer responsibility across the lifecycle is the most effective way to deliver the Australian Government's circular economy ambitions and policies. It unlocks significant private sector investment into product stewardship actions that significantly minimise the environmental and human health impacts of products and their materials across the entire lifecycle. It also provides a practical pathway for businesses and governments to deliver systemic change necessary to achieve a low-carbon circular economy that conserves resources, is restorative, regenerative and free of unsafe chemicals<sup>1</sup>.”*

**5. *Considering the role of commercially viable product stewardship schemes and whether these should be made mandatory, and identifying infrastructure gaps in collection, processing, and recycling facilities.***

Product stewardship should be mandated across the complete product lifecycle including next markets for recovered tyres and tyre derived materials through national regulations, to ensure that the scheme is not only financially sustainable but drives tangible outcomes that transition Australia to a circular economy that designs out waste, keeps products and materials circulating in the Australian economy for longer and is restorative and regenerative.

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<sup>1</sup> [Submission to the Productivity Commission Inquiry Opportunities in the circular economy](#), Product Stewardship Centre of Excellence, November 2024

The regulations need to go beyond simply end of life outcomes that manage the symptoms of consumption and should include design rules for products and performance labelling, similar to the European Union's [Ecodesign for Sustainable Products Regulations](#) that allow the setting of circular economy requirements for products, including durability, repairability, recyclability and the presence of chemicals of concern.

**6. Investigating environmental, community, and health and safety concerns related to tyre waste and recycling operations.**

The Centre refers the Committee initially to relevant reports by Tyre Stewardship Australia.

**Recommendations**

**1. Create, resource and enforce a Circular Economy Act and any subordinate regulation(s)**

As per the final report of the Circular Economy Ministerial Advisory Group (CEMAG) Recommendation #4 (2024, p35): *"Introduce a Circular Economy Act that provides an overarching, integrated regulatory framework for the circular economy. The Act should enable and equip the Australian Government with a streamlined, agile and proactive tool to regulate the environmental performance of materials and products ..."*

**2. Ensure mandatory product stewardship across the complete product lifecycle**

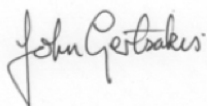
Consistent with Recommendation #4 of the final CEMAG report (2024, p35), to create *"a clear framework for setting design rules for products and labelling their performance, similar to the European Union's Ecodesign for Sustainable Products Regulation. These design rules should allow the setting of circular economy requirements for products, including on durability, repairability, recyclability and the presence of chemicals of concern."*

**3. Acknowledge the unintended consequences of voluntary product stewardship schemes**

The issue of 'unintended consequences' is often used by the Commonwealth as an excuse to not pursue mandatory product stewardship regulation, however this is a superficial claim frequently claimed without adequate evidence. It is essential and timely to acknowledge and rectify this myth and note that the unintended consequences of voluntary product stewardship policies, programs and schemes are consistently overlooked and under-estimated. This highlights the need for well-designed mandatory approaches are developed and applied for priority products and for those industries proactively demanding regulated product stewardship i.e. tyres, clothing textiles, mattresses, photovoltaic systems, and large household appliances.

We would welcome the opportunity to discuss our feedback with the Committee in more detail and clarify any queries or questions you may have. Please do not hesitate to make contact.

Yours sincerely,



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