

Tyre Stewardship Australia National Tyre Product Stewardship Scheme

Independent Review

—

Final Report

22 August 2022



About

Authors

- Jon Anstey, Lead
jon.anstey@arcoonaconsulting.com.au
- Michael Wheelahan, Principal
michael.wheelahan@arcoonaconsulting.com.au
- Ella Rose Steven, Associate
ellarose.steven@arcoonaconsulting.com.au

Capabilities

- Specialist expertise in performing expert regulatory, governance and legal reviews of industry, sectoral and organisational schemes, strategies and policies.
- Worked globally for 50 years across industry, government and NGOs in regulated climate, energy, water, resource and finance markets.
- Deep experience with Australian governments and regulators, as well as AEMO, bp, Shell and the UN internationally.

Document

- This document has been prepared in accordance with the scope of services which is described in the Consultancy Contract between Tyre Stewardship Australia and Arcoona Consulting that was executed on 29 November 2021, as amended to include a consultation on the use of the ratios in respect of equivalent passenger units or EPUs, being standard car tyres, to reflect the potential recoverable resources from the various types of tyres.
- The recommendations, conclusions and findings and in this document apply only in this context. TSA should not rely on this document beyond this context. This document has been prepared solely for use by TSA. Arcoona Consulting accepts no responsibility for its use by other parties.

Arcoona Consulting Pty Ltd
ABN 46 632 617 373

<https://arcoonaconsulting.com.au/>

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Executive Summary

Tyre Stewardship Australia Limited (**TSA**) commissioned this independent review, firstly, to satisfy the requirements of the Australian Competition and Consumer Commission (**ACCC**). The ACCC requires this independent review to examine the “efficiencies and operations” of the National Tyre Product Stewardship Scheme (**TPSS**).¹ This requirement is addressed in section 1 of this report.

The key conclusions and recommendations in section 1 are that:

- TSA has commendably administered the TPSS to improve environmental stewardship for the Australian public benefit, as authorised three times by the ACCC.
- The public benefits of the TPSS very significantly outweigh any public detriment. The public costs to Australia’s economy and society as a whole are small, including the TPSS’ financial cost of approximately \$5 million in 2020-2021. For context, the value of the tyre industry in Australia is approximately \$5.1 billion annually.²
- TSA exhibits a high level of corporate governance understanding and practice in its administration of the TPSS. This performance is fundamental to the ACCC authorisations, especially given the competition context.
- TSA should continue to actively prepare to apply to the ACCC in 2024 to re-authorise TSA to administer the TPSS as a voluntary industry-led product stewardship scheme under the Recycling and Waste Reduction Act 2020 (Cth) (**RAWR Act**). The ACCC would be highly likely to approve TSA 2024 Authorisation Application in recognition of the TPSS’ ongoing public benefits.

Secondly, TSA commissioned this independent review to support TSA’s ongoing initiatives to pursue strategic opportunities, innovation and improvement. These matters are addressed in sections 2-6 of this report.

The key conclusions and recommendations in sections 2-6 are that:

- TSA may need to apply to the ACCC in 2024, even if TSA pursues an alternative option of the TPSS transitioning to a regulated scheme under the RAWR Act because of the lead times associated with the Australian Government processes to transition to a regulated scheme.
- TSA should seek the Australian Government’s support to transition the TPSS to a regulated scheme in the form which TSA considers to be most appropriate (**RAWR Regulated Scheme**).
- The preferable and probable type of RAWR Regulated Scheme would be a co-regulatory scheme under the RAWR Act (**RAWR Co-Regulatory Scheme**).
- A priority step for TSA is to request that end-of-life tyres (**EOLT**) are included in the Minister’s product stewardship priority list under the RAWR Act.
- A key justification for transitioning the TPSS is that the transition would solve the existential problem of the financial non-viability of the TPSS were a financial contributor to the TPSS (**TPSS Levy Contributor**) to depart the TPSS.
- The transition would solve this problem – as well as the related problem of any free-riding on the TPSS Levy Contributors – by making all tyre importers and manufacturers liable to contribute to the levy.
- Irrespective of the form of the TPSS, TSA should consider replacing the current method of determining the levy with a practical weight-based approach.
- In future, TSA’s expansion of its activities if the TPSS were a regulated scheme could be significant, especially if they were to reflect the “cradle to grave” approach taken by, for example, the French

and New Zealand tyre stewardship schemes. Correspondingly, the range of industry entities which receive scheme payments to undertake scheme-related activities might expand. In this regard, Figure 1 illustrates the following:

- Key Point 1 – Currently, most TPSS participants do not receive such scheme activity payments.
- Key Point 2 – Most participants in the other schemes receive such scheme activity payments.

Figure 1: Comparative Global Schemes v. Entity Roles

	Australian Tyre Scheme TPSS	French Tyre Scheme	New Zealand Tyre Scheme	Australian National Television and Computer Recycling Scheme (“NTCRS”)
Importer	Importers in all the schemes pay fees, which pay for the other entities to undertake scheme activities			
Retailer	Key Point 1 – Currently, most TPSS participants do not receive scheme activity payments	Retailers do not participate in the non-TPSS schemes		
Consumer		Consumers do not pay advance disposal fees in any schemes		
Collector		Key Point 2 – Most participants in the non-TPSS schemes receive scheme activity payments		
Transporter				
Processor				
Manufacturer				
Product Stewardship Organisation eg. TSA	Product stewardship organisations in all the schemes receive scheme activity payments			

In future, TSA will need to address a range of questions regarding the allocation and recovery of the TPSS costs, at the levels which are necessary to sustain the TSA’s future activities. Notably, these questions include whether a customer’s contribution to the TPSS levy (**TPSS Levy**) will be:

- Stipulated as a customer-invoice-itemised line item; and
- Borne, in fact, as a genuinely passed-through cost to the customer in the form of an increased base price to the customer.

Currently, TSA’s TPSS targets are limited to the single outcome target of the percentage of EOLT going to environmentally sustainable use (**ESU**) from 68% in 2020-21 to 75% by 2023, then to 90% by 2028. This increase implies a 32% increase in the market for TDP and tyre-derived fuel (**TDF**), with significant implications for TSA’s future activities, as well as financing.

As the basis for the transition to a RAWR Regulated Scheme, TSA should continue to engage and consult with the Commonwealth and other stakeholders to build a shared understanding of:

- TSA mission.
- TSA future activities to achieve the TSA mission.
- TSA TPSS targets for TSA’s future activities.
- TPSS Levy Contributions to fund TSA’s future activities.

Ultimately, with TSA as a stakeholder, the Commonwealth will carry out the regulatory process to confirm the justification and the design of the RAWR Regulated Scheme.

As such, TSA should consider establishing a policy and advocacy platform to assist in taking a consolidated, coherent and strategic approach to developing the RAWR Regulated Scheme.

Finally, TSA is commended for its continually effective responses to the broader challenges and opportunities which it has faced since the previous ACCC re-authorisation in 2018, due to the significant changes in legislation, regulation, and policy, as well as market developments.

Recommendations

Section 1

TSA Default Option – TPSS ACCC 2024 Authorisation Application as Voluntary Scheme

- TSA should continue to actively prepare to exercise the default option of TSA applying to the ACCC in 2024 to authorise the TPSS as a voluntary industry-led product stewardship scheme under the RAWR Act.

Section 2

TSA Preferable Alternative – TPSS Transformation to Regulated Scheme

- TSA should explore the option of seeking the Australian Government’s support to make the TPSS a RAWR Regulated Scheme, preferably and probably a RAWR Co-Regulatory Scheme, with financial viability and scheme effectiveness as the key justifications.
- Immediately, TSA should request that EOLT are included in the Minister’s product stewardship priority list or demonstrate that there are special circumstances justifying regulating the TPSS without that listing.
- TSA should focus on the redesign of the TPSS levy in consideration of the proposed move toward a RAWR Regulated Scheme.

Section 3

TSA Future Activities Redesign

- 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.
- TSA should establish new targets for tyre importers and vehicle manufacturers/importers if the TPSS becomes a RAWR Regulated Scheme. In this event, 100% of these cohorts would be required to be TPSS Levy Contributors and TSA participants.
- As the basis for the transition to a RAWR Regulated Scheme, TSA should work with the Commonwealth and other stakeholders to build a shared understanding of TSA’s mission, future activities to achieve its mission, targets for its future activities, and levy contributions to fund the future activities.

Section 4

TPSS Financing Redesign

- TSA should amend the TPSS Guidelines to replace the EPU ratio levy method with a practical weight-based levy method. The levy amount should consider TSA’s future activities.

Section 5

TSA TPSS Policy and Advocacy Platform

- TSA should establish a policy/advocacy platform to assist TSA in taking a consolidated, coherent and strategic approach, especially in relation to the potential transition to a RAWR Regulated Scheme.

Section 6

TSA TPSS Innovation and Improvement

- TSA should continue its ongoing efforts to optimise the TPSS, as well as to communicate the value of TSA’s role, purpose, activities and funding.

TSA Default Option

TPSS ACCC 2024 Authorisation
Application as Voluntary Scheme

1.1 Issues

1.1.1 Current ACCC Authorisation

TSA should continue to actively prepare to exercise the default option of TSA applying to the ACCC in 2024 to authorise the TPSS as a voluntary industry-led product stewardship scheme under the RAWR Act.

The ACCC has authorised TSA to administer the TPSS ACCC authorisations,³ under the relevant Guidelines for the TPSS (**TPSS Guidelines**).

The ACCC granted TSA the current ACCC Authorisation on 24 May 2018 for the six years from 15 June 2018 until 15 June 2024 (**ACCC 2018 Re-Authorisation**).⁴

The ACCC 2018 Re-Authorisation was preceded by:

- Interim authorisation on 27 April 2018, for the period from 3 May 2018 until 24 May 2018 effectively (**ACCC 2018 Interim Authorisation**).⁵
- Initial conditional authorisation on 11 April 2013, for the five years from 3 May 2013 until 3 May 2018.⁶

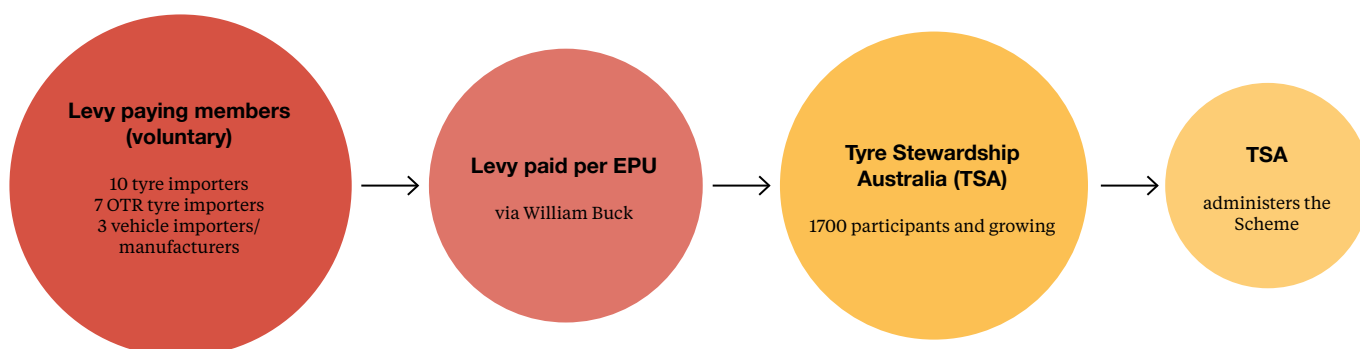
TSA’s application for the ACCC 2018 Re-Authorisation was based on the revised TPSS Guidelines, which TSA submitted to the ACCC as part of its application for the ACCC 2018 Re-Authorisation (**TPSS Revised Guidelines**).⁷

TSA’s administration of the TPSS demonstrates a commendable level of rigour.

For example, in 2018/19, TSA appointed the independent accounting and advisory firm, William Buck, to manage the process of gathering tyre import data and the consequent levying of member contributions. TSA does not receive any individual sales or import data from any tyre importer. All tyre sales are managed directly with William Buck, which manages this “black box” process for TSA.

In particular, this appointment demonstrates the importance which TSA places in managing confidential market data. Such confidentiality is central to the ACCC’s role in respect of market competition.⁸

Figure 2: TSA, TPSS, EPU Context



TSA has the option to apply for an ACCC authorisation by 2024 (**TSA 2024 Authorisation Application**) to administer a revised version of the TPSS.⁹ The ACCC 2018 Re-Authorisation indicates that the ACCC's assessment of:

- The TSA 2024 Authorisation Application would focus on:
 - The results of the revised TPSS, including the level of participation by:
 - importers of off-the-road (**OTR**) tyres, which include mining companies, construction, manufacturing and aviation businesses, and conveyor and rubber track users;¹⁰ and
 - vehicle manufacturers and importers.
 - The public benefits generated by the TPSS, to assess whether these benefits are likely to outweigh the public detriments, under the authorisation test in the Competition and Consumer Act 2010 (Cth) (**ACCC Assessment Criteria**).
- The ACCC 2018 Re-Authorisation was that:
 - The TPSS's public benefits are likely to outweigh any public detriment.
 - The ACCC considered that the ACCC 2018 Re-Authorisation did not require the imposition of any conditions.

1.1.2 ACCC Assessment Criteria

General Approach

A key reason for the need for an ACCC authorisation in the context of product stewardship schemes is the collection of levies by scheme administrators.¹¹

The ACCC can authorise proposed conduct which may otherwise be anti-competitive where the conduct has resulted, or is likely to result, in a public benefit which outweighs any public detriment caused by the conduct.¹²

The Act does not define public benefit or public detriment. However, the ACCC adopts a broad approach to each element of the test, informed by the Australian Competition Tribunal.

The Australian Competition Tribunal defines:

- Public benefit as: "...anything of value to the community generally, any contribution to the aims pursued by society including as one of its principal elements... the achievement of the economic goals of efficiency and progress."¹³
- Public detriment as: "...any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency."¹⁴

After articulating the benefits and detriments of the proposed conduct, the ACCC undertakes a balancing exercise to determine whether the benefit outweighs the detriment. In all product stewardship scheme determinations to date, the ACCC has identified significant public benefits which outweigh relatively minimal public detriments.

Public Benefit

The environmental and economic benefits of a scheme are the public benefits which the ACCC most commonly identifies in its determinations.

The environmental benefits usually result from more products being disposed of in an environmentally sensitive way.¹⁵ The ACCC often refers to submissions by the applicant and other interested parties which provide the necessary evidence, including the volume of product collected and dealt with under the scheme.¹⁶

Various economic benefits are also identified in the ACCC determinations of product stewardship

schemes. These include:

- The reduced costs for those who would otherwise have to source their own disposal services or regulate the industry¹⁷ and achieving cost efficiencies through economies of scale.¹⁸ The evidence which supports these benefits references:
 - The economic realities of collecting and processing end-of-life products.
 - The efficiencies of collection and processing when undertaken on a large scale.
- The increased public awareness of the impacts of product disposal, which also increases the scheme's environmental benefits.¹⁹
- The encouragement of scheme participation, which increases awareness.²⁰
- The commercial incentives in a scheme to recycle, combined with awareness-raising, which increase innovation, research and development activities.²¹

Public Detriment

The public detriments which are commonly identified by ACCC determinations of product stewardship schemes include:

- The imposition of levies, which cause concern that schemes will financially burden manufacturers and suppliers or end-users.

In determinations, however, these concerns have been mitigated by factors such as manufacturers' voluntary absorption of the extra costs, as well as the reality that price increases are generally small.²³ This is often supported by indications of the percentage increase in cost of a product once the levy has been applied. These minimal price increases are generally deemed acceptable due to their purpose of internalising the true cost of disposal.

- The co-ordination of industry participants within product stewardship schemes raises competition-related concerns.

However, the ACCC tends to find that agreement to impose a levy does not significantly increase the likelihood of broader price or non-price co-ordination between otherwise competing industry participants.²⁴

- There have also been concerns that including the cost of disposal at purchase may act as a barrier to other waste and recycling providers entering the market.

However, the ACCC has found that scheme providers are incentivised to seek out the most cost-effective means of disposal, and thus competition is maintained.²⁵

- Depending on the design of the scheme, other detriments have been raised, such as safety concerns, issues around lack of coverage, barriers to alternative programs and compliance burdens.

Ultimately, the ACCC has always found that any public detriment of a scheme is minimal and easily outweighed by significant environmental and economic benefits.

1.1.3 TSA Governance

TSA Objectives

TSA has been established to administer the TPSS.²⁶

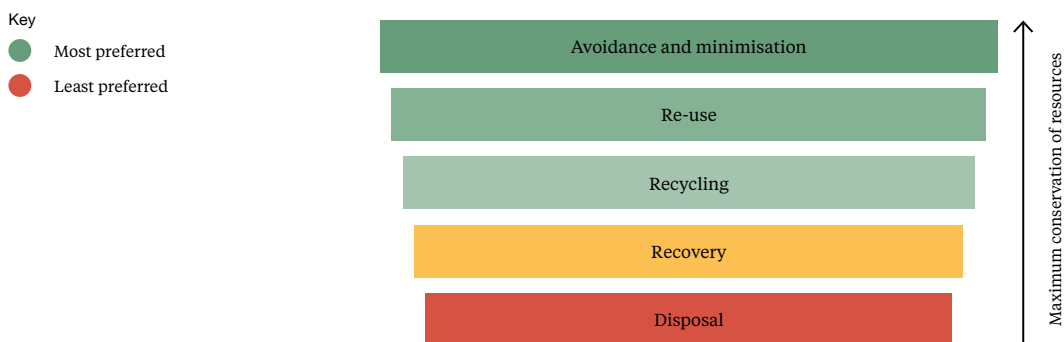
The principal corporate objectives of TSA are to:

- Implement the TPSS.
- Administer the accreditation of TPSS Participants.
- Monitor, audit and report on the development of the TPSS.
- Undertake education, awareness and information activities to promote the TPSS, as well as the value of EOLT utilisation.
- Support market development and research in the field of EOLT utilisation for the benefit of industry.²⁷

TSA undertakes activities in pursuit of each of these objectives (**TSA Current Activities**).

TSA Current Activities are premised on key concepts, including the resource/waste hierarchy.

Figure 3: Resource/Waste Hierarchy²⁸



TSA Board

TSA is a non-profit public company limited by guarantee.²⁹ TSA was established in 2014 after the Australian Tyre Industry Council applied to the ACCC to establish the TPSS.³⁰

The TSA Constitution³¹ states that TSA Board will comprise up to eleven (11) members, including:

- A minimum of 4 and up to 5 representatives of member organisations involved in the importation of tyres into Australia (**Tyre Importers**), as elected by the Members.³²
- A minimum of 1 and up to 2 representatives with knowledge and experience in tyre recycling (**Tyre Recyclers**) or circular economy, as elected by the Members.³³
- A minimum of 1 and up to 2 representatives from the tyre retail industry (**Tyre Retailers**) with suitable knowledge and experience, as elected by the Members.³⁴
- Up to 3 Independent Directors, as mutually agreed by a majority of the Directors. The Board Chairperson must be an Independent Director.³⁵

The TSA Constitution refers to the knowledge and experience of the Directors. TSA selects Directors to ensure that the Board includes Directors with the necessary skills from time to time. For example, the CFO of a tyre importer is a Director, in response to the financial skills needs of the Board.

Accordingly, the TSA Board is a combination of a representative board and a skills-based board.

TSA Members

The Members of TSA Limited, as defined in the TSA Constitution, are the entities whose names are entered in the register of Members, which is kept pursuant to the Corporations Act (**TSA Members**).

TPSS Participants

The entities which participate in the TPSS (**TPSS Participants**) make the common general commitments to:³⁶

- Contribute to the ESU of EOLT, the elimination of the illegal dumping of EOLT and the elimination of disposal of EOLT to landfill.^{37,38}
- Support the TPSS objectives.
- Comply with relevant laws/practices, including those that apply to the environment, as well as occupational health and safety.
- Deal transparently/ethically with others in the tyre supply chain, including consumers.
- Promote the TPSS to the community, other businesses and organisations, as directed by TSA.
- Report requested data to TSA as directed by TSA, as specified in the TPSS Revised Guidelines.
- Co-operate with audits, provide required documents and undertake surveys, as directed by TSA.
- Use the TPSS branding/logo as per the applicable conditions, as directed by TSA.

In addition, the TPSS Participants make specific commitments which reflect their different roles in the tyre industry value chain.³⁹

TPSS Levy Contributors

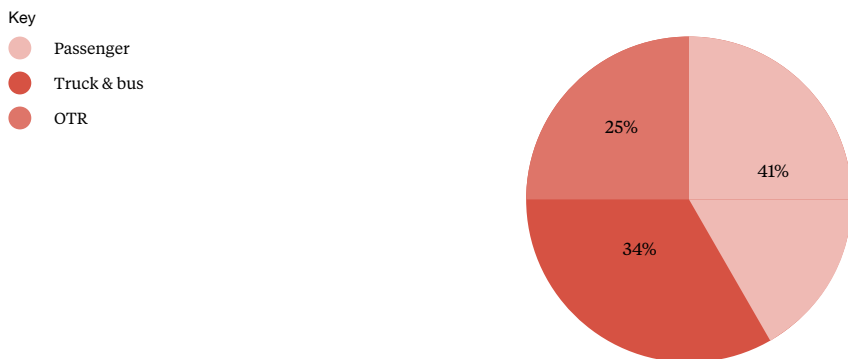
A number of TSA Members and TPSS Participants pay the TPSS Levy as TPSS Levy Contributors, whose payments cover the TPSS' costs (**TPSS Levy Contributions**).

Currently, the TPSS Levy Contributors are:

- Ten Tyre Importers – Bridgestone, Continental, Goodyear/Dunlop, Hankook, Kumho, Michelin, Pirelli, Toyo, Tyreconnect and Yokohama.
- Seven OTR Importers – Ascenso, Bearcat, Bridgestone, Goodyear/Dunlop, KALTIRE, Michelin and Yokohama.
- Three Vehicle Manufacturers/Importers – Mercedes-Benz, Porsche and Volkswagen.⁴⁰

The TPSS will expand significantly with the inclusion of OTR tyres, which represent approximately 25% of the tyres which are imported into Australia annually.

Figure 4: OTR Tyres as Percentage by Weight of Tyre Imports into Australia 2018-19⁴¹



In the 2020-2021 financial year, TSA reported a total revenue of \$5.196 million.⁴² The majority of this revenue is generated through the TPSS Levy Contributions. TSA's main expenses are employing staff to operate the TPSS and market development. Other expenses include business communication, board expenses, accreditation expenses, strategies and initiatives, and administration.⁴³

1.2 Findings

1.2.1 TPSS Public Benefit v. Public Detriment

TSA administers the TPSS to generate significant public benefits in Australia, as explicitly recognised by the vast majority of interviewees:

- A range of interviewees from the TSA Board, Australian Government, State Government, Local Government Authorities and Mining Companies considered that TSA (through the TPSS) has improved environmental and community health/safety outcomes in respect of EOLT. These improvements have been achieved through apparent increases in recycling rates, improved accountability and oversight, increased consumer awareness and market development activities.
- A range of interviewees considered TSA's expertise and willingness to share knowledge to be highly valuable. As such, TSA's activities are seen as facilitating creative solutions to the problem of EOLT, as well as contributing to circular economy efforts. Many interviewees described TSA as an "enabler" or a "catalyst" of progress in the industry through knowledge sharing, facilitation and funding.
- Most interviewees stated that TSA's existence adds unique value to the industry in undertaking activities which no other organisation undertakes. In particular, TSA was seen as acting as a "brake" on undesirable behaviour and "tidying up the industry". Many interviewees consider that without TSA, more EOLT would be sent to landfill or dumped illegally.
- Tyre Importers, Retailers and Recyclers were less unanimous. Whilst some interviewees were largely supportive, others were not. Several TPSS Participants stated they found little to no value in participating in the TPSS. A common theme was that whilst TSA had achieved some positive outcomes, its progress was slow and insufficient. Although TSA had the right intention and was making in-roads, it was not moving fast enough.

1.2.2 TSA Governance

The interviewees generally noted TSA's high level of corporate governance understanding and practice.

Nonetheless, TSA has several important opportunities to improve its governance:

- Multiple TSA Directors commented during their interviews that the Board is bigger than necessary, particularly given TSA's relatively low annual turnover. However, the terms of two Directors will come to an end in late 2022, reducing numbers from eleven to nine.
- Multiple TSA Directors preferred to transition the TSA Board from the representative board model to the skills-based model, given the diverse range of skills required to advance TSA's strategic direction. For example, interviewees commended the recent recruitment of TSA Directors who have circular economy expertise and government experience.⁴⁴
- TSA Directors did not unanimously support the Board becoming a skills-based board in the short-term. Some Directors preferred to retain the elements of the representative board which are in place currently but supported the potential transition to a skills-based board in the future, for example, were the TPSS to transition to a RAWR Co-Regulatory Scheme.⁴⁵
- Tyre Recycler interviewees strongly supported the transition to the skills-based model, emphasising the criticality of recycling industry experience. TSA is aware of this issue. TSA has put considerable effort into addressing this issue by commissioning an independent review of the conflict of interest issues raised by having recyclers on the Board, as well as by initiating the Industry Consultative Group (**ICG**). Despite this, Tyre Recyclers commented that the current engagement mechanisms are insufficient.⁴⁶ A key to improving this situation may be in the improved representation and engagement of the Tyre Recyclers in the Industry Consultation Group, according to an interviewee.

1.3 Conclusions

1.3.1 TPSS Public Benefit v. Public Detriment

The public benefits of the TPSS as administered by TSA very significantly outweigh any public detriment:

- The public benefits are strongly aligned to the organisational interests of the vast majority of stakeholders, including in terms of TSA’s achievements in administering the TPSS to:
 - Expand the TPSS to include the participation of OTR.⁴⁷
 - Build greater awareness of tyre stewardship issues, including EOLT.
 - Collect and report data to provide good quality information on EOLT.
 - Develop end markets for EOLT.
 - Be the focal point for EOLT issues and the go-to source of advice on EOLT issues.
 - Develop, share and leverage expertise on the policy, industry and market aspects of EOLT.
 - Be a professional, respected, informed and trusted industry body.⁴⁸
- The public costs to Australia’s economy and society as a whole are small, including the TPSS’ financial cost of approximately \$5 million in 2020-2021.⁴⁹

As context, the value of the tyre industry in Australia is approximately \$5.1 billion annually.⁵⁰ Annually, therefore, the TPSS’ costs are 1/1,000 of the industry’s value.

In contrast to the TPSS’ comparator schemes globally, these costs are:

- Extremely small, as would be expected, given that most TPSS Participants do not receive scheme payments to undertake scheme activities.
- Not allocated or recovered by the TPSS, but instead, by the industry participants themselves through their commercial decisions and arrangements – as the consequence of which the costs may be borne, for example, by:
 - The consumer, where the costs are passed through from the Tyre Importer to the Tyre Retailer to the consumer; or
 - The Tyre Importer, where no such cost pass-through occurs.

Figure 5: ACCC Assessment Criteria v. Independent Review Highlights

ACCC Assessment Criteria		Independent Review Key Points	
		Findings	Conclusions
Public Benefit	Environmental benefits	The majority of interviewees recognised the TPSS’ environmental benefits	The TPSS has demonstrable environmental benefits
	Economic benefits	A small minority of interviewees stated any views as to the TPSS’ economic benefits, or otherwise	The TPSS’ benefits outweigh its costs, which are small including by international standards, being 1 / 1,000 of the industry’s value
Public Detriment	Price increases	A number of Tyre Retailers and other interviewees stated that the TPSS has the effect of increasing tyre prices	
	Competition concerns	The findings do not include any significant competition concerns	The conclusions do not include any significant competition concerns

1.3.2 TSA Governance

TSA exhibits a high level of corporate governance understanding and practice. This performance is fundamental to the ACCC Authorisations, especially given the competition context.

At no point throughout the independent review process did any interviewees raise any concerns that TSA or any other person had acted in a manner which diminished this high level of corporate governance understanding and practice.

TSA revised the TSA Constitution to require a minimum of 1 and up to 2 Tyre Recyclers, or representatives with knowledge and experience in the circular economy. This revision was based on the conclusion of the independent expert governance review which TSA commissioned and received in 2020, that Tyre Recyclers with active commercial interests in the Australian market should not be TSA Board Directors, given the perception of “fundamental and wide-ranging conflicts of interest”.⁵¹

Finally, TSA has successfully completed its implementation of the majority of the recommendations of the previous independent review.⁵²

1.4 Recommendations

TSA should continue to actively prepare to exercise the default option of TSA 2024 Authorisation Application of the TPSS as a voluntary industry-led product stewardship scheme under the RAWR Act (**RAWR Voluntary Scheme**), which TSA attained in March 2021.⁵³

TSA should be secure in the knowledge that ACCC would be highly likely to approve the TSA 2024 Authorisation Application in recognition of the TPSS’ ongoing public benefits.

TSA may need to exercise the option of the TSA 2024 Authorisation Application, even if TSA also pursues the option of the TPSS becoming a RAWR Regulatory Scheme, because of the potential lead times associated with the Australian Government’s process to become a RAWR Regulated Scheme.

TSA Preferable Alternative

TPSS Transformation to
RAWR Regulated Scheme

2.1 Issues

2.1.1 RAWR Act Scheme Types

The TPSS is a RAWR Voluntary Scheme, which distinguishes the TPSS from the other product stewardship scheme types under the RAWR Act, which are:

- Co-regulatory scheme (**RAWR Co-Regulatory Scheme**); or
- Mandatory scheme (**RAWR Mandatory Scheme**).⁵⁴

Figure 6: RAWR Act Scheme Types

Government Regulation	Less ←—————→ More			
Type	No Scheme	Voluntary Scheme	Co-Regulatory Scheme	Mandatory Scheme
Characteristics ⁵⁵	Incidental regulation	Government may influence businesses to comply with voluntary industry codes, standards, guidelines	Government gives legislative/enforcement support to industry codes, standards, guidelines	Government explicitly legislates/enforces scheme compliance and sanctions non-compliance, with minimal interpretive flexibility
Example	Solar panels	Tyres	Televisions/computers ⁵⁶	Oil
How are funds raised?	–	Levy paid by participants	Levy paid by product importers/manufacturers ⁵⁷	Levy paid by producers/importers, which is collected by ATO/ABF ⁵⁸
What are funds spent on?	–	TPSS operations EOLT market development	Scheme operation to collect/recycle products Public knowledge-sharing communications ⁵⁹	Scheme operation Incentivisation of recycling operations ⁶⁰
Who decides how funds are spent?	–	TSA	Co-regulatory arrangement organisations Funding must be used to advance the scheme ⁶¹	Government oversees the scheme to support recycling operations ⁶²

2.1.2 RAWR Co-Regulatory Scheme Requirements

As a RAWR Co-Regulatory Scheme, the TPSS would use a combination of industry action and government regulation to achieve a range of specific outcomes to further the objects of the RAWR, such as recycling outcomes (**RAWR TPSS Outcomes**).⁶³

The RAWR TPSS Outcomes would be specified in the scheme rules which the Minister would make (**RAWR TPSS Rules**).⁶⁴ The RAWR TPSS Rules would delineate the matters to be dealt with by the TPSS.⁶⁵

The liable parties under the RAWR Act – which would include the Tyre Importers and Vehicle Manufacturers/Importers, as well as any parties specified in the RAWR TPSS Rules – would be required to be TPSS Participants, through a co-regulatory arrangement that is approved by the Minister (**RAWR**

TPSS Liable Party).⁶⁶

To list a RAWR Act Liable Party, the Minister must be satisfied that:

- The listing will further the RAWR Act's objects and satisfy the product stewardship criteria.⁶⁷
- EOLT has been included in the Minister's priority list at least 12 months prior, or if not, that special circumstances justify the Minister making the RAWR TPSS Rules in any case.⁶⁸

If the TPSS became a RAWR Co-Regulatory Scheme, there could be multiple co-regulatory arrangements approved by the Minister under the RAWR Co-Regulatory Scheme (**RAWR TPSS Arrangements**), with liable parties required to join a RAWR TPSS Arrangement.

TSA, as an intending administrator of a specific RAWR TPSS Arrangement (**RAWR TPSS Administrator**), would apply to the Minister to approve its arrangement as a RAWR TPSS Arrangement.⁶⁹

TSA's application would need to set out:

- The manner in which TSA's co-regulatory arrangement proposes to achieve the RAWR TPSS Outcomes.
- The matters dealt with by TSA's co-regulatory arrangement.
- Any other matter prescribed by the RAWR TPSS Rules.⁷⁰

The RAWR Act TPSS Outcomes may include:

- Managing EOLT as a resource.
- Ensuring the ESU of EOLT by appropriate EOLT reuse, recycling and recovery.
- Designing tyres to be more easily reused to reduce EOLT in the resource/waste hierarchy.⁷¹

To be approved by the Minister, TSA's co-regulatory arrangement would need to:

- Be designed to achieve the RAWR Act TPSS Outcomes.
- Deal with matters prescribed by the RAWR TPSS Rules.
- Have one or more members, which must be RAWR Liable Parties.
- Have TSA as the RAWR TPSS Administrator which has responsibilities to achieve the RAWR TPSS Outcomes.⁷²

The Minister cannot approve TSA's co-regulatory arrangement as a RAWR TPSS Arrangement if:

- The conditions have not been met.
- The arrangement is unlikely to achieve the RAWR TPSS Outcomes.
- The arrangement does not adequately deal with the matters which are specified for EOLTs.
- The public interest would not be served by the approval of the arrangement.⁷³
- TSA is unfit to be an Administrator.

TSA, as a RAWR TPSS Administrator, would be required to take all reasonable steps to ensure that the RAWR TPSS Outcomes are achieved in accordance with the RAWR TPSS Rules.⁷⁴

TSA's co-regulatory arrangement, as a RAWR TPSS Arrangement, would be reviewed at least every 5 years and could be cancelled in certain circumstances.⁷⁵

Figure 7: Case Study – National Television and Computer Recycling Scheme (NTCRS)

The NTCRS is one of Australia's two existing RAWR Co-Regulatory Schemes. Initially, from November 2011, the NTCRS was regulated by the Product Stewardship Act 2011 (Cth).

The NTCRS provides environmentally sound fates for end-of-life televisions and computers, as well as printers and computer products. The NTCRS' objectives include:

- Reducing waste to landfill.
- Increasing the safe, scientific and environmental recovery of reusable materials.
- Providing access to an industry-funded recycling service.⁷⁶

The Recycling and Waste Reduction (Product Stewardship – Televisions and Computers) Rules 2021 (Cth), which are the relevant RAWR Act Rules, provide:

- The RAWR Act liable parties are importers/manufacturers in Australia of more than 5,000 computers, televisions or printers, or 15,000 computer parts/peripherals.⁷⁷
- The NTCRS' outcomes include reasonable access to collection services, advertisement of collection services, meeting recycling and material recovery targets⁷⁸ and recycling by an approved RAWR Act co-regulatory arrangement at a certified facility.⁷⁹
- The method by which to determine recycling targets.⁸⁰
- The material recovery target of 90% of products, based on weight.⁸¹
- The matters to be dealt with by the RAWR Act co-regulatory arrangements, including governance, financing and procedures.⁸²
- The reporting requirements.⁸³

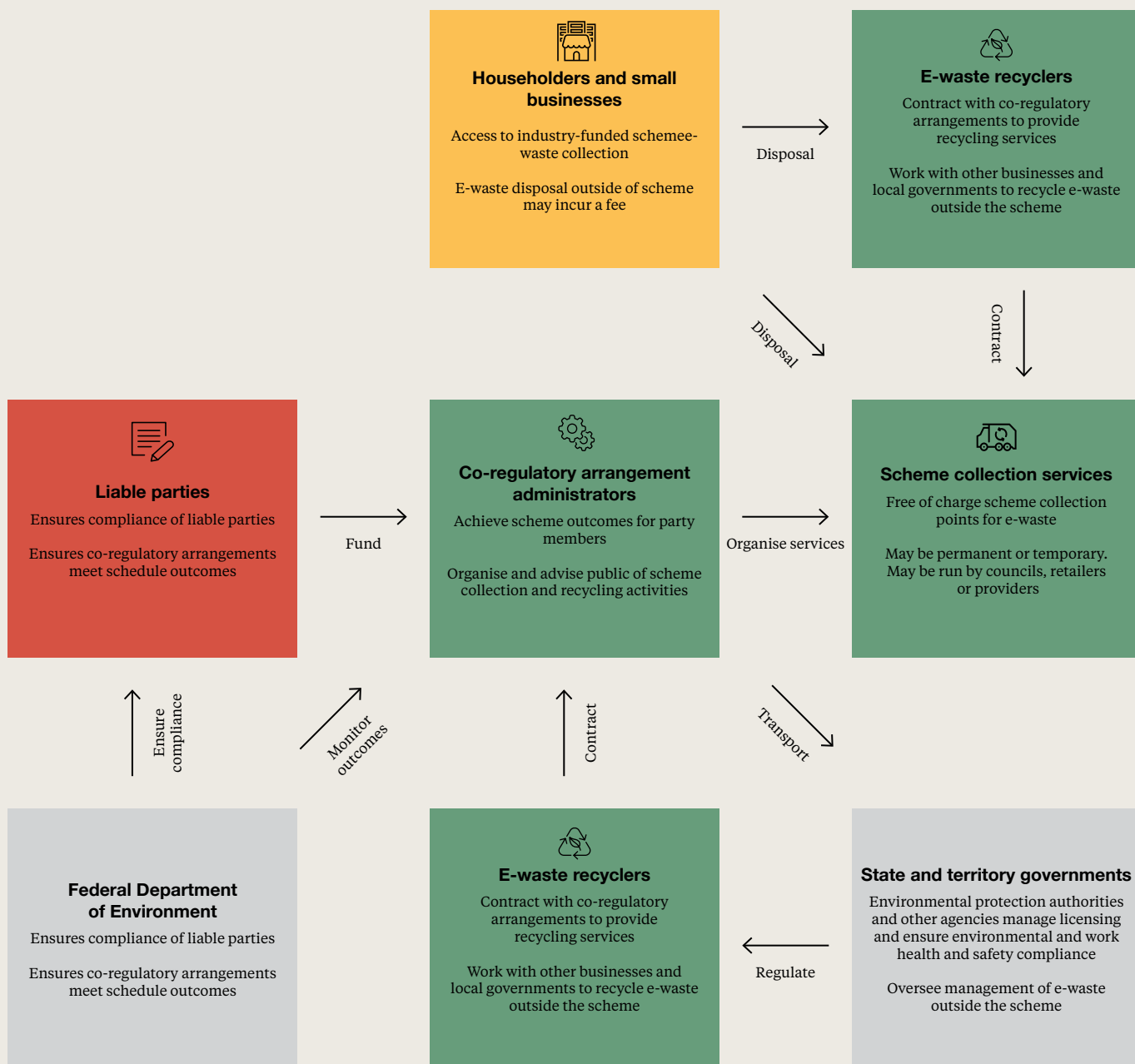
The RAWR Act liable parties must join one of the four currently-approved RAWR Act co-regulatory arrangements, which are Ecycle Solutions and TechCollect (run by the Australia New Zealand Recycling Platform (**ANZRP**)), Sustainable Product Stewards and Activ.

The RAWR Act liable parties which deal in products over a threshold must pay a RAWR Act fee in the form of:

- A levy under the NTCRS.
- A proportion of the NTCRS recycling costs through their membership.⁸⁴

The key roles and responsibilities in the NTCRS are centered on the RAWR co-regulatory arrangement administrators.

Figure 7.1: NTCRS Roles and Responsibilities⁸⁵



The key financial obligations are also centered on the RAWR co-regulatory arrangement administrators, which are Product Stewardship Organisations (**PSOs**).

Figure 7.2: NTCRS Financial Obligations

Entity	Obligations
Importer	Importers pay fee Manufacturers pay fee
Retailer	Retailer is not scheme participant, so no obligation
Consumer	Consumer has access to industry-funded Collector. Consumer may incur a fee if consumer disposes of e-waste without using Collector
Collector	Processor pays Collector for collection, under contract
Transporter	Transporter is not scheme participant, so no obligation
Processor	PSO pays E-Waste Recycler for processing, under contract
Manufacturer	Manufacturer is not scheme participant, so no obligation
PSO	PSO pays for: <ul style="list-style-type: none"> • Organising Collector/Processor activities • Advising public of Collector services, through communications • Staff costs, etc

2.1.3 RAWR Act Implications for TSA Governance

Under the RAWR TPSS Rules, TSA’s role as a RAWR TPSS Administrator would require revisions to its governance arrangements in the TSA Constitution, as well as the TPSS Guidelines, to ensure that:

- TSA’s company objects are aligned to TSA’s obligations as a RAWR TPSS Administrator to achieve the RAWR TPSS Outcomes,⁸⁶ including TSA’s obligations to carry out the TSA’s activities on the Commonwealth’s behalf in the Commonwealth’s performance of its functions or the exercise of its powers under the RAWR Act (**TSA Future Activities**).
- The TSA Constitution, as well as the TPSS Guidelines, reflect the status and obligations of the TPSS Participants as the RAWR TPSS Liable Parties,⁸⁷ including the potential requirement that a TPSS Participant could cease to be a TPSS Participant only if it ceased to be a RAWR TPSS Liable Party, or transferred to an alternative to the RAWR TPSS Arrangement.⁸⁸
- Board composition provisions are consistent with a skills-based board, as appropriate to TSA as a RAWR TPSS Administrator.⁸⁹
- Notice provisions contemplate notices to the Minister, in line with the reporting requirements in the RAWR Act.⁹⁰
- Winding-up provisions are fit-for-purpose, including the requirement to transfer surplus assets to an entity which has similar objects to the Company,⁹¹ as well as the requirement to notify the Minister under the RAWR Act.⁹²

2.1.4 RAWR Mandatory Scheme

The second option for the TPSS in becoming a RAWR Regulated Scheme is to become a RAWR Mandatory Scheme. Under this model, the Commonwealth Government would take full control of the TPSS.

The Australian Government may support the creation of a RAWR Mandatory Schemes in circumstances in which:

- A RAWR Voluntary Scheme or RAWR Co-Regulatory Scheme has been considered as an alternative but found to be unsuitable.
- A RAWR Mandatory Scheme would deliver greater community benefit.⁹³

2.2 Findings

The vast majority of interviewees stated that the TPSS should become a RAWR Co-Regulatory Scheme:

- The TPSS' financial sustainability would be underwritten by the TPSS being a RAWR Regulated Scheme. This is because the Tyre Importers and Vehicle Manufacturers/Importers – as well as any other specified TPSS Participants– would be required to be TPSS Levy Contributors who pay the TPSS Levy Contribution (**RAWR TPSS Importer Liability**),⁹⁴ as a fee under the relevant regulations (**RAWR TPSS Fee**).

Currently, as a RAWR Voluntary Scheme, the TPSS faces the existential risk of the TPSS “falling like a house of cards” if a big TPSS Levy Contributor were to discontinue its TPSS Levy Contributions as a consequence of its decision to leave the TPSS (**TPSS Financial Viability Issue**).

- The Tyre Importers and Vehicle Manufacturers/Importers would play on a level field because they would all be liable to pay the RAWR TPSS Fee under the RAWR TPSS Importer Liability. Currently, TPSS Levy Contributors asserted, the Tyre Importers and Vehicle Manufacturers/Importers which are not TPSS Levy Contributors are “free-riding” in the TPSS as a RAWR Voluntary Scheme when they argue for example that their ability to make TPSS Levy Contributions is precluded by the competing pressures of low margins (**TPSS Importer Liability Issue**).

Indeed, several non-TPSS Levy Contributors expressed their willingness to become TPSS Levy Contributors if the TPSS became a RAWR Regulated Scheme.

- The TPSS would grow revenue to resource TSA's activities to develop markets, accredit the TPSS Participants, and undertake new activities.
- The TPSS could achieve its potential as a RAWR Regulated Scheme. Currently, the TPSS “fights with one hand behind its back” and is “toothless”, according to many interviewees.
- TSA would be strengthened, better resourced and more able to advance its Mission,⁹⁵ in the view of TPSS Levy Contributors and others.
- The TPSS' transition to a RAWR Regulated Scheme has support at local government level.⁹⁶
- TSA would review its governance arrangements to ensure they were fit-for-purpose.

2.3 Conclusions

The overwhelming majority of interviewees stated that the TPSS should be a RAWR Regulated Scheme, based on a sound understanding of the benefits of such schemes.

A RAWR Co-Regulatory Scheme is likely to be a more suitable option for the TPSS than a RAWR Mandatory Scheme, as it allows for greater flexibility and retains scope for industry participation in arrangement design.

A key benefit of the TPSS being a RAWR Regulated Scheme would be that the TPSS Participants, including the Tyre Importers and Vehicle Manufacturers/Importers, would all pay the RAWR TPSS Fee – as TPSS Levy Contributors who pay the TPSS Levy Contribution – if required by the RAWR TPSS Rules.

However, the level of support of the Australian Government is unclear. The Australian Government may support the TPSS transitioning to a RAWR Co-Regulatory Scheme. To do so, the Australian Government would require TSA's application to be RAWR TPSS Arrangement to justify the transition by setting out:

- The TPSS' problems as a RAWR Voluntary Scheme, which TSA cannot solve unless the TPSS transitions to a RAWR Co-Regulatory Scheme (**RAWR TPSS Voluntary Problems**).
- The solutions TPSS would access by transitioning to a RAWR Co-Regulatory Scheme (**RAWR TPSS Co-Regulatory Solutions**).

In this regard:

- The TPSS Financial Viability Issue presents a stronger justification (**TPSS Financial Viability Justification**) because the relevant RAWR TPSS Voluntary Problem is an existential problem, which has a clear RAWR TPSS Co-Regulatory Solution.
- The TPSS Importer Liability Issue presents a weaker justification because the relevant RAWR TPSS Voluntary Problem is a relative, non-existential problem, which relates to free-riding, rather than the existence of the TPSS.

More specifically, TSA would need to address the significant design issues and regulatory steps in the TPSS becoming a RAWR Co-Regulatory Scheme.

If it were to become a RAWR Co-Regulatory Scheme, the TPSS would be regulated by the Australian Government under the RAWR Act through the RAWR TPSS Rules. Accordingly, the Department of Climate Change, Energy, the Environment and Water (**Department**) would be responsible for developing the regulations in consultation with industry. While TSA can expect the Department to consult closely with TSA in developing the RAWR Co-Regulatory Scheme, the Department would control the process, not TSA.

As a matter of Australian Government policy, the TPSS would need to complete the usual regulatory impact process requirements to become a RAWR Regulated Scheme.⁹⁷ The RAWR TPSS Rules would be assessed against the Government's impact analysis framework.⁹⁸ The RAWR TPSS Rules are likely to require a regulatory impact statement (**RIS**). This RIS would need to address the following seven questions.⁹⁹

Figure 8: RAWR TPSS RIS Seven Questions

No	Question	Description
1	What is the policy problem you are trying to solve?	Clearly identify and define the problem you are trying to solve
2	Why is government action needed?	Clearly identify why there is a legitimate reason for government to intervene
3	What policy options are you considering?	Identify a range of genuine and viable alternative policy options
4	What is the likely net benefit of each option?	Identify who is likely to be affected by each regulatory option and assess the economic, social and environmental costs and benefits
5	Who will you consult and how will you consult them?	Explain the purpose and objectives of consultation
6	What is the best option from those you have considered?	Indicate which of the identified options you are leaning towards
7	How will you implement and evaluate your chosen option?	Discuss what success looks like and how your implementation plan will achieve this

Accordingly, the key issues in assessing the TPSS Financial Viability Justification, for example, would be to identify:

- The range of genuine and viable alternative policy options, including the current TPSS RAWR Voluntary Scheme.
- The likely net benefits of the RAWR Co-Regulatory Scheme as against the RAWR Voluntary Scheme, by identifying who is likely to be affected by each regulatory option and assessing the economic, social and environmental costs and benefits.

Further, a consideration for the Australian Government in designing the RAWR TPSS Rules is the limits of its legislative powers under the Commonwealth Constitution. The Commonwealth does not have full, sovereign powers for all the matters which it may wish to include in the RAWR Co-Regulatory Scheme – these powers are shared with the States. Accordingly, the scope of the Commonwealth’s law-making powers may be limited, which in turn may limit some aspects of the design of the RAWR Co-Regulatory Scheme.

However, the TPSS would probably meet the requirements that – prior to approving the TPSS as a RAWR Co-Regulatory Scheme – the Minister must be satisfied that the TPSS would meet:

- The product stewardship criteria. The TPSS has the potential to significantly increase the recovery of resources used in tyres and to significantly reduce the environmental impact of EOLT.¹⁰⁰
- The objects of the RAWR Act. The TPSS seeks to minimise impacts of EOLT on human and environmental health, realise community and economic benefits of product stewardship and develop a circular economy.¹⁰¹

In this regard, the 2022-2023 Minister’s priority list – which is scheduled to have been announced by end June 2022¹⁰² – may include OTR tyres, which were nominated at the end of 2021 for inclusion by the industry. This nomination noted TSA’s hard work with the industry to overcome the significant barriers to recovering used OTR tyres.¹⁰³ The criteria for listing which OTR tyres may satisfy include the significant potential to:

- Increase the conservation or recovery of materials and resources from products and waste.
- Reduce the impact of the product on the environment and human health and safety.¹⁰⁴

For its part, TSA would need to weigh the consequences for TSA of a RAWR Co-Regulatory Scheme, which include TSA's:

- Increased liability as a RAWR TPSS Administrator, including civil penalties if TSA did not take all reasonable steps to ensure that the TPSS achieves the RAWR TPSS Outcomes, or if the TPSS fails to comply with the RAWR TPSS Rules to achieve the RAWR TPSS Outcomes.¹⁰⁵
- Risk of increased bureaucracy and administrative requirements, which could reduce the efficiency of the TPSS. For example, the RAWR TPSS Liable Parties and the RAWR TPSS Administrator must report to the Minister at certain times.¹⁰⁶
- Reduced control over the TPSS as a consequence of the Australian Government's involvement.

Finally, TSA would need to resolve the tensions which would exist between:

- TSA's legislated role as the RAWR TPSS Administrator.
- TSA's function as comparable to a tyre industry peak body, as perceived by some industry participants.

2.4 Recommendations

TSA should explore the option of seeking the Australian Government's support to make the TPSS a RAWR Regulated Scheme, which would probably, as well as preferably, be in the form of a RAWR Co-Regulatory Scheme.

The TPSS Financial Viability Justification should be a key RAWR TPSS Justification because the relevant:

- RAWR TPSS Voluntary Problem – the financial non-viability of the TPSS, were a TPSS Levy Contributor to depart the TPSS – is an absolute, existential problem.
- RAWR TPSS Co-Regulatory Solution – the RAWR TPSS Importer Liability – is a clear solution which also addresses the TPSS Importer Liability Issue of free-riding.

Immediately, given the 12-month timeframe, TSA should request that EOLT are included in the Minister's priority list or demonstrate that there are special circumstances justifying making the rules without that notification noting, however, that OTR is already nominated.

Finally, TSA should focus on the redesign of the TPSS Levy to be the RAWR TPSS Fees under the RAWR TPSS Rules, especially in terms of:

- Prescribing that all Tyre Importers and Vehicle Manufacturers/Importers are liable to pay the TPSS Levy under the RAWR TPSS Importer Liability.¹⁰⁷
- Specifying that the relevant amount of the TPSS Levy is the cost incurred by the Commonwealth in arranging and paying for TSA to carry out the TSA Future Activities on the Commonwealth's behalf in the Commonwealth's performance of its functions or the exercise of its powers under the RAWR Act.¹⁰⁸
- Prescribing the TPSS Levy by specifying its amount (**TPSS Levy Amount Specification**) or the method of determining the TPSS Levy (**TPSS Levy Determination Method**).¹⁰⁹

TSA Future Activities Redesign

3.1 Issues

Numerous interviewees compared TSA's administration of the TPSS to overseas arrangements with similar objectives. The interviewees exhibited varying degrees of understanding of the overseas schemes. This range of understanding could either demonstrate or create confusion about what TSA is designed to do and whether TSA is achieving its objectives in administering the TPSS. Nonetheless, the overseas schemes provide useful examples of the potential options for a redesigned TPSS.

3.1.1 French Scheme Activities

The French scheme takes a “cradle to grave” approach, in which it owns the entire process of tyre collection and recycling:

- The French Government began regulating tyre product stewardship in 2003, making collection mandatory for all producers, which are the tyre importers and vehicle manufacturers. Under the scheme, these producers have an obligation to ensure that the same weight of tyres which they put into the market the previous year are collected and recycled in the current year. Currently, the annual totals are approximately 500,000 tonnes in the French market, with a leakage of 30,000 tonnes.
- The French scheme involves six collective PSOs to which most producers contract out their extended producer responsibilities.¹¹⁰ Aliapur and FPR are the two largest provider organisations, accounting for around 90% of 2020 collections.¹¹¹ Aliapur deals with the majority of the market, processing about 400,000 tonnes annually.¹¹² Although there are two large providers, the competition in the market was described by one interviewee as “not a very tough one”, given that both provider companies are not for profit companies, which act in the public interest.
- Aliapur collects the €1.28 eco-fee (**French Eco-Fee**), which is considered low in the European context. Aliapur takes ownership of the tyre once it is collected and uses the French Eco-Fee to fund the operational steps of tyre collection and recycling. As such, the French Eco-Fee represents the entire cost of recovery and recycling, of which 45% goes to collection, 24% to transformation, 17% to transport and the remainder for administration, R&D and communications.¹¹³
- Given the limited available markets for TDPs, two-thirds of the tyres collected in France are exported.
- The French scheme includes the following financial, data and reporting obligations which involve the PSOs.

Figure 9: French Scheme Financial Obligations

Entity	Obligations
Importer	Importer of loose tyres pay €1.28 French Eco-Fee to PSO
Retailer	Vehicle manufacturer pays €1.28 French Eco-Fee to PSO
Consumer	Consumer has access to industry-funded Collector Consumer may incur a fee if disposes of EOLT without using Collector
Collector	PSO pays Collector for collection, with EOLT ownership transferring to PSO
Transporter	PSO pays Transporter for transportation
Processor	PSO pays Processor for processing
Manufacturer	PSO pays Manufacturer for manufacturing of TDP etc
PSO	PSO pays for: <ul style="list-style-type: none"> • Research/development investments • Staff costs • Communications costs

3.1.2 New Zealand Scheme Activities

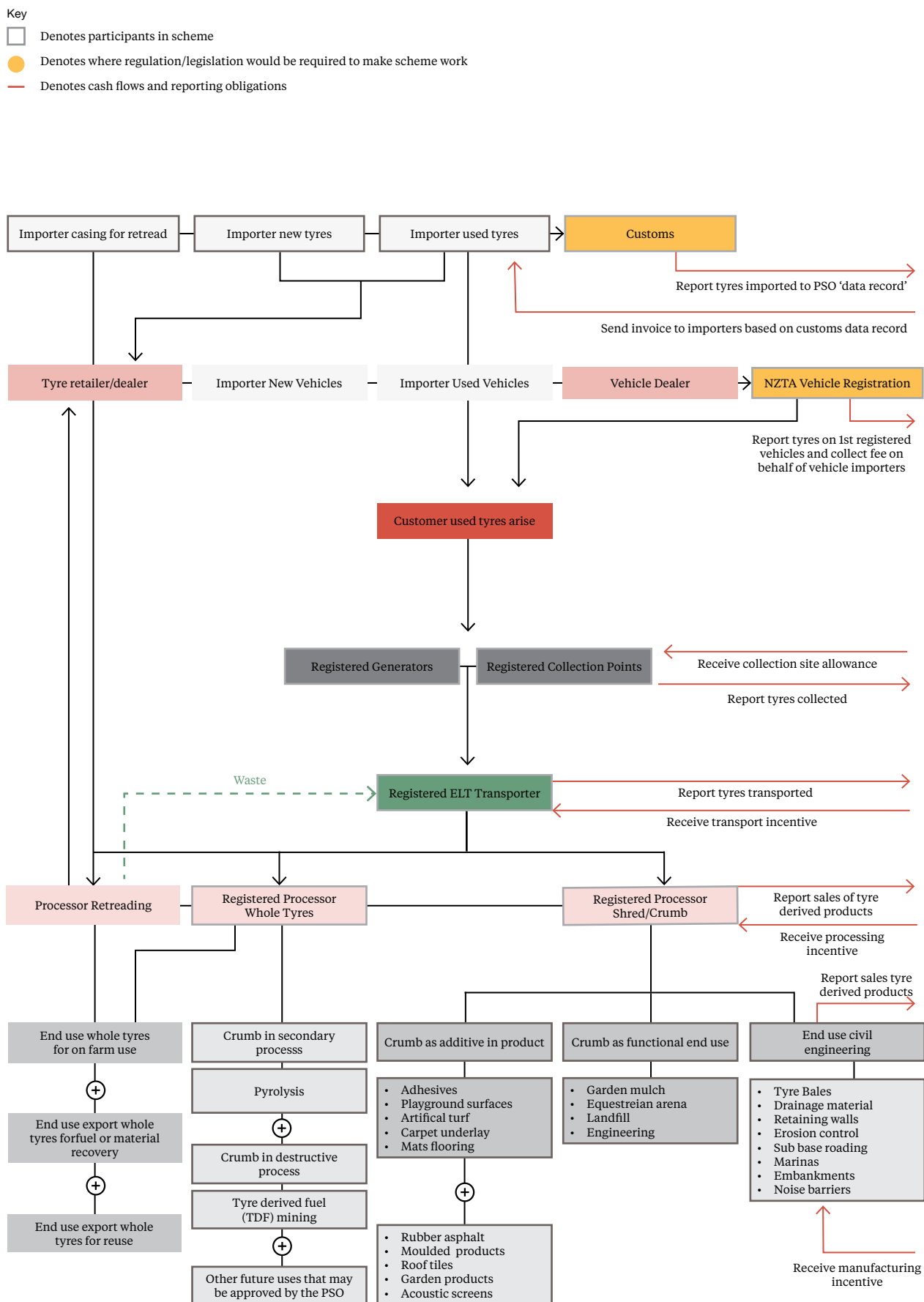
The New Zealand scheme is yet to be implemented, although considerable thought and effort have been put into designing it:

- New Zealand’s Tyrewise intends to take a “cradle to grave” approach by taking responsibility for the ESU of EOLT.¹¹⁴
- Tyrewise will be mandatory, based on the view that the voluntary alternatives are ineffective.¹¹⁵
- To avoid anti-competitive behaviour, Tyrewise will:
 - Use transparent, non-discriminatory and competitive procurement processes to contract out downstream services, including collection, sorting, recovery and disposal.¹¹⁶
 - Ensure that no collectors or recyclers – whether existing or new – are unfairly excluded from participation.¹¹⁷
 - Create opportunities for both large and small providers to compete fairly.¹¹⁸
 - Tyrewise’s model includes the following financial, data and reporting obligations which involve the PSO – which is akin to a RAWR Act Co-Regulatory Arrangement in Australia – as detailed in Figure 10.¹¹⁹

Figure 10: New Zealand Scheme Financial Obligations

Entity	Obligations	
Importer	New Zealand Customs Service reports loose tyre import to PSO PSO sends NZ Disposal Fee invoice to Importer	Importer pays NZ\$5.50 per EPU disposal fee ("NZ Disposal Fee") to PSO ¹²⁰
	NZ Transport Agency reports fitted tyre to PSO on 1st registered vehicle NZTA sends NZ Disposal Fee invoice to Importer Importer pays NZ Disposal Fee to NZTA	NZTA pays NZ Disposal Fee to PSO
Retailer	Retailer is not scheme participant, so no obligation	
Consumer	Consumer deposits EOLT with Collector at registered collection point free of charge Consumer may incur a fee if disposes of EOLT without using Collector ¹²¹	
Collector	Collector reports tyres collected to PSO	PSO pays Collector the Collection Site Allowance
Transporter	Processor reports sale to TDP to PSO	PSO pays Transporter the Transport Incentive
Processor	Processor reports sale to TDP to PSO	PSO pays Processor the Processing Incentive
Manufacturer	Manufacturer reports TDP sales to PSO	PSO pays Manufacturer the Manufacturing Incentive
PSO	PSO pays for: <ul style="list-style-type: none"> • Market development investments • Research/development investments • Orphan/legacy EOLT recovery costs 	

Figure 11: New Zealand Scheme - Financial, Data and Reporting Obligations¹²²



3.2 Findings

Interviewees indicated strong interest in the design of the TSA Future Activities:

- Many interviewees held up the French and New Zealand schemes as providing useful insights.
- A TSA Director proposed that customer-invoice-itemised disposal fees should contribute to the funding of a collection payment – the equivalent of the Tyrewise Collection Site Allowance – thereby providing a “clear line of sight”. The same might be said of the Tyrewise Transport Incentive, Processing Incentive and Manufacturing Incentive.
- TSA should redesign the TPSS to contemplate the Future TSA Activities, according to some interviewees, which are necessary to increase volumes of EOLT going to more ESUs, in pursuit of TSA’s Mission Statement and targets.
- TSA has “plateaued”, according to several interviewees, who suggested the need for TSA to expand the scope of its activities. TSA needs to make more demonstrable and measurable progress. TSA needs to “hotfoot” efforts if it is to achieve its objectives, as it is currently “behind where it should be at this point”. The leakage of EOLT through illegal dumping also suggests the need for more ambitious targets, supported by the necessary strategies.
- In particular, TSA needs to further support the diversion of EOLT away from landfill, with the focus on the complete diversion of OTR, according to one interviewee from the mining sector.
- TSA’s focus on market development and participant accreditation in TSA Current Activities was considered to limit the TPSS’ effectiveness by some interviewees, who instead stated that the real need in the TSA Future Activities is increased industry investment in recycling.
- TSA could take on a bigger role in the TSA Future Activities in the commercialisation of potential EOLT solutions to ensure research outcomes are translated to increased uptake of TDP. In their submission to the ACCC on TSA’s 2018 reauthorisation application, the Western Australia Local Government Association (**WALGA**) supported the removal of restrictions prohibiting TSA from contributing funds to companies to support commercialisation activities.¹²³

Figure 12: Case Study – Australian Renewable Energy Agency¹²⁴

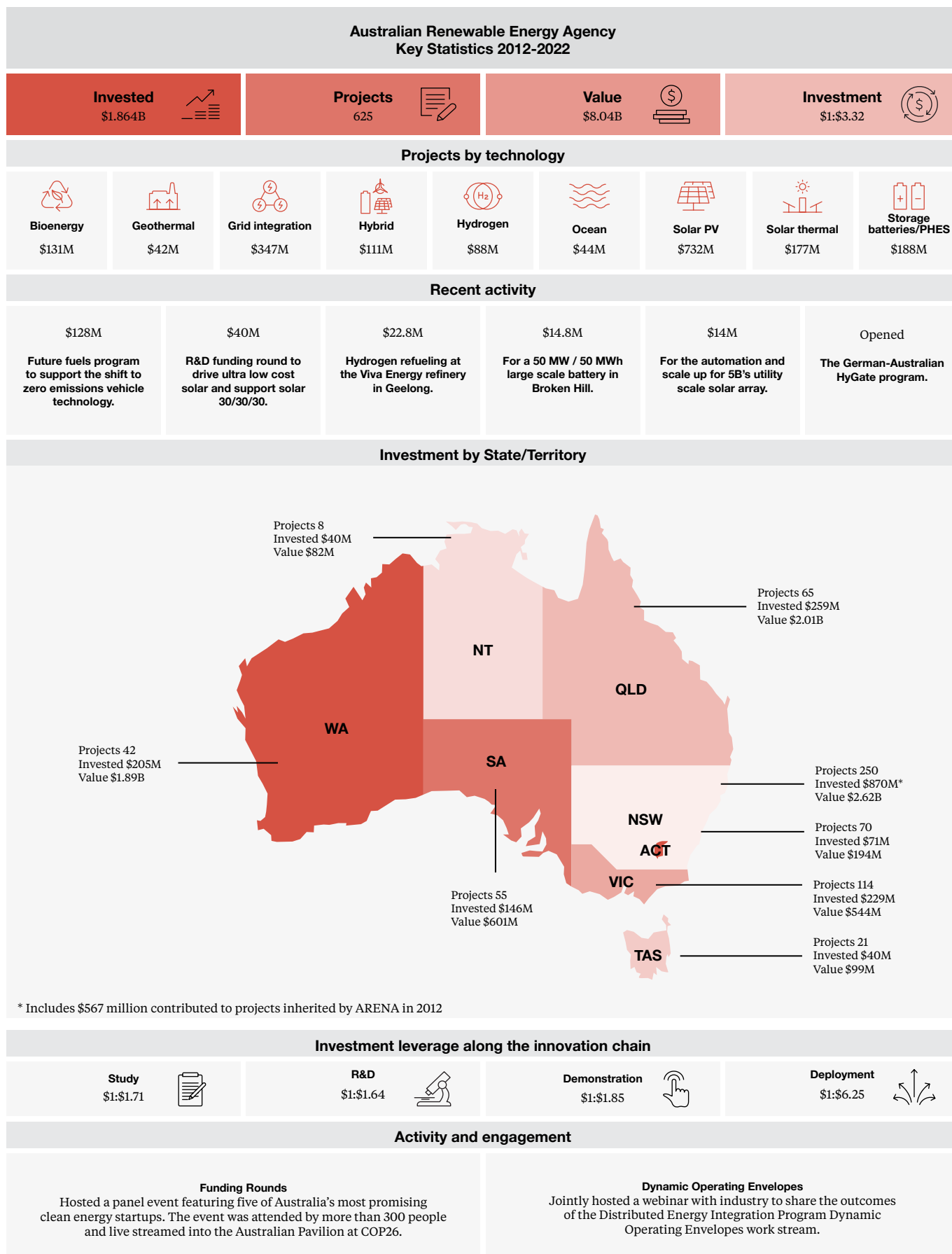


Figure 13: Case Study – Cotton Research and Development Corporation (CRDC)¹²⁵

CRDC delivers outcomes in cotton research, development and extension (**RD&E**) for the Australian cotton industry.

CRDC's investments are governed by its five-year Strategic RD&E Plan 2018-23. The RD&E Plan provides the roadmap for CRDC's investments, setting the direction for the industry, in commercialisation, as well as innovation and digital transformation.

CRDC's aim in the RD&E Plan is to contribute to creating \$2 billion in additional gross value of cotton production for the benefit of Australian cotton growers and the wider community.

Australian cotton growers and the Australian Government will co-invest \$18.9 million through CRDC into cotton RD&E during 2021-22, across approximately 300 projects, in collaboration with around 100 research partners.

CRDC works with:

- The Australian cotton industry to determine the sector's key RD&E priorities;
- The Australian Government to determine its overarching rural RD&E priorities; and
- Both the industry and Government to determine the Cotton Sector RD&E Strategy.

These priorities shape CRDC's strategic RD&E priorities, as formalised in the RD&E Plan.

CRDC is funded through:

- The R&D levy, which all growers pay, which equates to \$2.25 for each 227 kilogram bale of cotton, or \$4.06 per tonne of exported seed cotton; and
- The dollar-for-dollar matching of the R&D levy by the Australian Government.

Over the past 29 years, over \$340 million has been co-invested in cotton RD&E. The estimated return on investment for the industry is \$7 in benefits for every \$1 invested.

3.3 Conclusions

TSA can leverage the global experience in tyre stewardship schemes, including the French and New Zealand schemes, to inform TSA's design of TSA Future Activities. Such global experience can help illuminate the scope of possibilities. However, the unique context of Australia's tyre industry should inform the weight ascribed to these global models.

The potential expansion of TSA Future Activities to reflect the "cradle to grave approach" in the French and New Zealand schemes – in which TSA would own the entire process of EOLT recovery/recycling, or at least have financial obligations to support the collection, transportation, processing and/or manufacturing – would represent a significant change to TSA Current Activities.

TPSS Cost Allocation/Recovery Arrangements

TSA's decision as to whether to work with the Commonwealth to adopt such an expanded version of the TSA Future Activities will depend, in part, on their preferences as to the allocation and recovery of the costs of the TPSS in its expanded version.

Currently, in contrast to the TPSS' comparator schemes globally, including the French and New Zealand schemes, these TPSS costs are not allocated or recovered by the TPSS. Instead, these costs are covered by the industry participants themselves through their commercial decisions and arrangements, so costs may be borne, for example, by:

- the consumer, where the costs are passed through from the Tyre Importer to the Tyre Retailer to the consumer; or
- the Tyre Importer, where no such cost pass-through occurs.

In future, TSA might consider very different alternative arrangements. In particular, a customer-invoice-itemised disposal fee would provide a “clear line of sight” in contributing to the funding of:

- a collection payment – the equivalent of the Tyrewise Collection Site Allowance; and/or
- other disposal payments – including, for example, the equivalent of the Tyrewise Transport Incentive, Processing Incentive and Manufacturing Incentive.

However, currently, a consumer does not pay an Advance Disposal Fee in the French or New Zealand schemes, or in the NTCRS. Instead, broadly, the consumer:

- has access to an industry-funded collector, who receives a collection payment which is funded by the importer fee; and
- may incur a fee if the consumer disposes of the product without using the collector.

In principle, product stewardship experts advise the desirability of a scheme’s costs being passed transparently through to the consumer. However, they caution that such arrangements are not always easy to implement.¹²⁶ For example, even if levies are stipulated as a customer-invoice-itemised line item, there is a question as to whether base pricing is impacted by this pass-through.¹²⁷

Indeed, the most effective schemes may be those which, as is the case in the French and New Zealand schemes, either:

- fund the costs of the activities like the TSA Future Activities, which are necessary to manage the EOLT; or
- assign the financial responsibility for the EOLT to producers.¹²⁸

Accordingly, in future, TSA will need to address the questions in respect of the allocation and recovery of the TPSS costs by the TPSS within the TPSS. Notably, these questions include whether a customer’s contribution to the TPSS Levy will be:

- stipulated as a customer-invoice-itemised line item; and
- borne in fact as a genuinely passed-through cost to the customer in the form of an increased base price to the customer.

TSA TPSS Targets

TSA’s decision as to whether to work with the Commonwealth to adopt such an expanded version of the TSA Future Activities will also depend on their shared understanding as to:

- TSA’s progress in the TPSS achieving its targets (**TSA TPSS Targets**).
- TSA’s potential need to establish new TSA TPSS Targets.¹²⁹

Figure 14: TSA TPSS Progress v. Targets^{130 131 132}

Key
● Well below target
● Below target
● Above target

	Input Target	Output Target	Outcome Target	Impact Target
TPSS Participants / TSA Members	Tyre Importers • 75% 2020 • 85% 2023 • 90% 2028 ¹³⁴			
	Vehicle Manufacturers/ Importers • 50% 2020 • 75% 2023 • 90% 2028 ¹³⁵			
	Tyre Retailers • 65% 2020 • 75% 2023 • 90% 2028 ¹³⁶			
	Tyre Recyclers • 80% 2020 • 85% 2023 • 95% 2028 ¹³⁷			
EOLT Recovery / Recycling¹³⁸	Annual increase in EOLT volume collected by TSA-accredited TPSS Participants, or accounted for over time ¹³⁹	Annual increase in EOLT volume exported by TSA-accredited Tyre Recyclers and Tyre Collectors which have been verified as going to ESUs		
		Annual increase in potential market demand for Australian TDP associated with market development activities promoted, funded and/or supported by TSA	EOLT % to ESUs • 50% 2020 • 75% 2023 • 90% 2028 ¹⁴⁰	
Other	Annual increase in users seeking accreditation through TSA website and general website traffic			

TSA would need to carefully consider the TSA TPSS Targets in a RAWR Co-Regulatory Scheme, given:

- Legal issues, including TSA’s liabilities as a RAWR TPSS Administrator.
- Policy issues, including unintended outcomes.

For example, the ANZRP – which is the NTCRS’ biggest collection and recycling program – has noted that pure recycling targets will disincentivise the reuse of end-of-life material, including after repair.¹⁴¹

3.4 Recommendations

TSA should consider whether the TSA TPSS Targets where progress is below-target should be presented to the Australian Government as a RAWR TPSS Justification, albeit most likely a weaker justification.

TSA should align the TSA TPSS Targets to the RAWR TPSS Outcomes under the RAWR TPSS Rules as part of its broader engagement and consultation with the broad range of stakeholders, including the Commonwealth. The resource/waste hierarchy should be a key design feature to ensure the appropriate balancing of reuse against recycling, for example.

Currently, TSA TPSS Targets are limited to the single outcome target of the percentage of EOLT going to

ESUs from 68% in 2020-21 to 75% by 2023, then to 90% by 2028. This increase implies a 32% increase in the market for TDP/TDF, with significant implications for TSA Future Activities. In addition, the absence of impact targets represents a future opportunity and challenge to TSA.

TSA should establish new TSA TPSS Targets for Tyre Importers and Vehicle Manufacturers/Importers if the TPSS becomes a RAWR Co-Regulatory Scheme.¹⁴² In this event, 100% of these cohorts would be required to be TSA Members, therefore TPSS Levy Contributors. The current standing of the TPSS as a RAWR Voluntary Scheme may explain the fact that the TPSS's progress is well below target.¹⁴³

Ultimately, TSA should work with the Commonwealth and other stakeholders, including through detailed engagement and consultation, to build a shared understanding in the RAWR Co-Regulatory Scheme of:

- TSA Future Activities to achieve the TSA Mission.
- TSA TPSS Targets for the TSA Future Activities.
- TPSS Levy Contributions to fund the TSA Future Activities.

Finally, TSA should consider packaging these interdependent dimensions as a series of “menu options” to facilitate this engagement and consultation, supported by appropriate principles, as well as a policy and advocacy platform.

TPSS Financing Redesign

4.1 Issues

TSA is funded by the TPSS Levy, which is imposed on Tyre Importers, Vehicle Manufacturers/Importers and Mining Companies which are TSA Members or volunteer to become TPSS Participants under the current RAWR Voluntary Scheme.

These TPSS Levy Contributors pay their TPSS Levy Contributions:

- In proportion to the number of standard car tyres, or Equivalent Passenger Units (**EPUs**), which they import into Australia.¹⁴⁴
- As adjusted for a non-EPU tyre to reflect its potential recoverable resources relative to the EPU, which is estimated as a ratio based on relative rim sizes (**EPU Ratio**).¹⁴⁵

Accordingly, the TPSS Levy Determination Method in the form of the EPU Ratio is a volumetric method (**EPU Ratio Levy Method**).¹⁴⁶

TSA's redesign of the TPSS Levy would include the TPSS Levy Determination Method, as well as the TPSS Levy Amount Specification. The key principles include:¹⁴⁷

- Financial stability, in particular, the TPSS Financial Viability Issue.
- Impacts on incentives and outcomes, including in terms of the TSA TPSS Targets.
- Efficiency, effectiveness and equity, meaning that the TPSS Levy Determination Method must be practical, among other things.

4.2 Findings

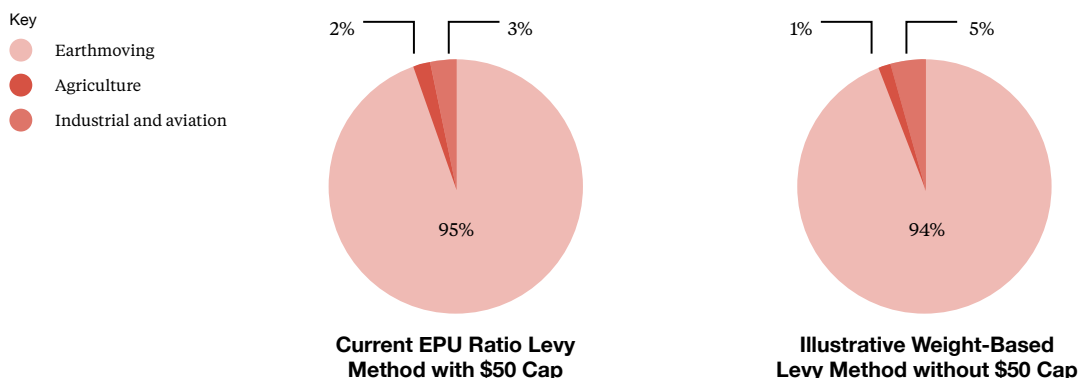
The interviewees indicated strong support to transition from the EPU Ratio Levy Method to a practical weight-based method, which might adjust for considerations which include collection costs and tyre composition (**Weight-Based Levy Method**).

The Weight-Based Levy Method would be better than the EPU Ratio Levy Method in reflecting the true costs of recycling, especially in the case of the bigger OTR and agricultural tyres.

An interviewee expressed the view that the current \$50 cap on large earthmover tyres should be removed because otherwise, the earthmoving sector is leaving the agricultural and industrial sectors to carry a disproportionate burden.

However, TSA's preliminary calculations in Figure 15 below indicate that the TPSS Levy Contributions are not disproportionately borne by agricultural and industrial sectors in comparison to the earthmoving sector under the current EPU Ratio Levy Method with the \$50 cap, when compared to an illustrative Weight-Based Levy Method without the \$50 Cap.

Figure 15: TPSS Levy Contributions by OTR Sector



4.3 Conclusions

4.3.1 TPSS Levy Determination Method

The NTCRS provides a practical example which could inform the design of the TPSS Weight-Based Levy Method.¹⁴⁸ Like the NTCRS, the TPSS Weight-Based Levy Method could categorise the relevant product types by weight bracket, then assign a kilogram-based conversion factor, then adjust for considerations which include collection costs and tyre composition.

Figure 16: NTCRS Determination Method

Colour televisions – product codes and conversion factors			
Item	Column 1 Description	Column 2 Product code	Column 3 Conversion factor (kg)
1.1	Colour televisions		
	(a) weighing less than 3kg	8528.72.00.01	2.4
	(b) weighing 3kg or more but less than 5kg	8528.72.00.02	4.2
	(c) weighing 5kg or more but less than 8kg	8528.72.00.03	6.7
	(d) weighing 8kg or more but less than 10kg	8528.72.00.04	8.8
	(e) weighing 10kg or more but less than 12kg	8528.72.00.05	11.1
	(f) weighing 12kg or more but less than 14kg	8528.72.00.06	13.01
	(g) weighing 14kg or more but less than 16kg	8528.72.00.07	14.7
	(h) weighing 16kg or more but less than 18kg	8528.72.00.08	17.2
	(i) weighing 18kg or more but less than 20kg	8528.72.00.09	18.4
	(j) weighing 20kg or more but less than 25kg	8528.72.00.63	23
	(k) weighing 25kg or more but less than 30kg	8528.72.00.64	28
	(l) weighing 30kg or more but less than 40kg	8528.72.00.65	35.2
	(m) weighing 40kg or more	8528.72.00.66	46.6
1.2	Other	8528.72.00.93	46.6

4.3.2 TPSS Levy Amount Specification

The amount of the TPSS Levy would also need to be determined.

The TPSS Levy could be set at a higher level if the TPSS is a RAWR Co-Regulatory Scheme because the RAWR TPSS Importer Liability means that the Tyre Importers and Vehicle Manufacturers/Importers all would pay the related RAWR TPSS Fee.¹⁴⁸

In contrast, under the RAWR Voluntary Scheme, the TPSS Levy has been low to encourage new TPSS Levy Contributors to volunteer and to discourage existing TPSS Levy Contributors from departing.

4.4 Recommendations

TSA should consider amending the TPSS Revised Guidelines to replace the EPU Ratio Levy Method with the Weight-Based Levy Method.

Further, 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.

TSA TPSS Policy and Advocacy Platform

5.1 Issues

TSA administers the TPSS in a complex ecosystem of stakeholders, including governments, regulators, industries, researchers and peers. TSA has become the essential node in this network, with its knowledge, expertise, relationships, networks and convening power.

As a result, TSA has become a key focus for stewardship issues, despite its limited mandate and budget. At times, TSA is a lightning rod for industry and business concerns with government policy, regulatory activity or market conditions.

5.2 Findings

Many interviewees, across a broad range of stakeholder types, described the need for a formalised policy and advocacy platform (**TSA TPSS Policy/Advocacy Platform**):

- TSA Directors, State Government interviewees and others supported an expanded scope for TSA's policy and advocacy work.
- Australian Government and State Government interviewees, in particular, noted that TSA was in a strong position to pursue this work, given its good relationship with the Australian Government. Furthermore, TSA was perceived as a reasonably independent voice that was in a unique position of being able to present a unified view of the industry.
- The dedicated platform would help to inform and align the understandings of stakeholders regarding TSA's role and position in relation to policy and advocacy issues.

For example, several interviewees did not have complete understanding that:

- TSA did not take an active role in the creation of the ban by the Council of Australian Governments on exporting whole used tyres (including baled tyres) (**COAG 2021 Export Ban**).
- TSA did take an active role in proposing that the transition timeline be appropriately set to enable organisations the necessary period to transition to compliance with the COAG 2021 Export Ban.

5.3 Conclusions

TSA TPSS Policy/Advocacy Platform would assist TSA in taking a consolidated, coherent and strategic approach to the complex work of engaging and consulting on the “menu options” of the TPSS RAWR Regulated Scheme, including in terms of:

- TSA Future Activities to achieve the TSA Mission.
- TSA TPSS Targets for the TSA Future Activities.
- TPSS Levy Contributions to fund the TSA Future Activities.

The TSA TPSS Policy/Advocacy Platform would help to:

- Negotiate, articulate and delineate the roles that need to be played by TSA and its stakeholders, which would help to resolve the tensions between:
 - TSA's legislated role as the RAWR Act Scheme Administrator of the TPSS.
 - TSA's function comparable to a tyre industry peak body, as perceived by some industry participants.
- Advocate to governments the roles they need to play, in particular:
 - The Australian Government's roles in supporting the TPSS to become a RAWR Regulated Scheme, exploring opportunities to create and enforce minimum quality standards for imported tyres, and supporting the domestic crumb rubber market, or other emerging markets which may provide ESUs of EOLT; and
 - The State/Territory Governments' roles in preventing leakage to unsustainable end uses for EOLT and in creating a level playing field for industry participants. State Government interviewees indicated that a future ban on landfilling and onsite disposal of EOLT was desirable but would need to be supported by market development to find alternatives.
- Canvass alternative TPSS designs which draw on global best practice, test the TPSS redesign appetite of stakeholders and articulate the differences in the design of the TPSS compared to its global counterparts.
- Articulate TSA's position on the resource/waste hierarchy of uses available for EOLT, as well as the achievable volumes for EOLT in end markets, including as captured in the TSA TPSS Targets.

The NTCRS provides a case study example of the ways in which stewardship schemes can benefit from the establishment and development of formalised policy and advocacy platforms.

Figure 17: NTCRS ANZRP Policy/Advocacy Platform¹⁴⁹

The NTCRS' frequent engagement with the Australian Government has allowed the NTCRS to contribute to policy and advocacy in the best interests of the scheme on behalf of members. NTCRS has been pushing for a level playing field and lobbying government to enforce the highest recycling standards.

ANZRP positions itself as a key industry actor through multiple routes, which include its responses to government consultation on new policy and advocating on members' behalf, as well as working with industry to create innovative and sustainable solutions. ANZRP provides regular commentary and insight to the Australian Government.

In 2020, ANZRP issued a White Paper which recommended numerous enhancements, including the NTCRS' expansion to include all electrical and electronic equipment waste (**EEE**).¹⁵⁰ The Department had recommended that this expansion to include EEE should be assessed for feasibility. The Government responded that it would assess the relevant options, costs and benefits. The White Paper is detailed and comprehensive, setting out:

- ANZRP's reasons to support the expansion to include EEE, as well as its key recommendations.
- The benefits of EEE reuse and recycling, the relevant legislative frameworks, the benefits of co-regulatory product stewardship for EEE and the implications of scope expansion for the NTCRS.
- The design changes which are required to expand the scope to include EEE, as well as the required supporting government actions.

ANZRP's other White Papers include the 2017 NTCRS Review, which assesses key elements of the NTCRS, including the targets, reasonable access requirements and governance.¹⁵¹

ANZRP's policy and advocacy is supported and guided by its clear vision and goals, which include expanding the NTCRS' scope to achieve environmental, social and economic improvements. ANZRP has taken a consistent and coherent approach to policy and advocacy by setting clear strategies, actions and goals, supported by various formalised measures, including the White Papers.

5.4 Recommendations

TSA should establish TSA TPSS Policy/Advocacy Platform to assist TSA to take a consolidated, coherent and strategic approach, in particular to the complex work of engaging and consulting on the "menu options" of the potential TPSS RAWR Regulated Scheme.

TSA TPSS Innovation and Improvement

6.1 Issues

6.1.1 Legislation, regulation and policy changes

Since the ACCC 2018 Re-Authorisation, TSA has faced several significant developments, including significant changes in Australian and State/Territory Government legislation, regulation and policy, as well as market developments.

The Australian Government now has clear policy and regulatory approaches that it can use to achieve its EOLT objectives, including the 2018 National Waste Policy, albeit that currently, the 2018 National Waste Policy does not set specific performance measures for EOLT.

The establishment and implementation of the COAG 2021 Export Ban was a turning point in the ESU of EOLT onshore in Australia. In part, the COAG 2021 Export Ban was a response to China's National Sword policy, which restricts the importation of many materials into China for recycling, including EOLT.¹⁵²

A number of emerging legislative developments will affect TSA in the near future.

- On 1 July 2022, the changes will take effect to the CO2 emission factor for EOLT in the National Greenhouse and Energy Reporting Scheme:
 - Of the 460,000 tonnes of EOLT generated annually in Australia, if 100,000 tonnes were used to replace coal in fuel burning applications as TDF – including cement kilns and steel works – then a potential carbon dioxide reduction of 87,000 tonnes would be possible, making a substantial contribution to Australia's greenhouse gas abatement programme.
 - The changes encourage replacing coal with TDF resulting in emission reductions. The changes also include the creation of two new fuel types for EOLT, allowing National Greenhouse and Energy reports to more accurately reflect emissions associated with tyre combustion.
 - In 2021, TSA commissioned a report which proposed more representative energy and emissions factors for EOLT, with the aim to better recognise and facilitate the use of TDF as a fossil fuel replacement. The TSA report became a key supporting document to assist the consultation process. The proposed amendments were generally supported by public submissions.
- On 7 June 2022, the Victorian Government tabled the Environment Legislation Amendment (Circular Economy and Other Matters) Bill before Parliament. This Bill proposes to introduce a series of changes related to Victoria's waste management regime, including:
 - A new Victorian Recycling Infrastructure Plan.
 - A new Circular Economy Risk Consequence and Contingency Plan, to be required of entities with "significant responsibilities" in the waste and recycling sector, which would entail annual reporting to Recycling Victoria.
 - A new Waste to Energy Scheme, including a licensing and cap framework, which involve caps on, and licences to operate, thermal waste to energy facilities like TDF facilities.¹⁵³

6.1.2 Market developments

In addition to the COAG 2021 Export Ban, several transformational changes have occurred in national and global market conditions.

In particular, international shipping costs have increased dramatically due to severe supply chain disruptions largely due to the COVID-19 pandemic and the war in Ukraine. In some cases, shipping costs have increased ten times in this period. Some international shipping operators are declining to ship TDPs at all.¹⁵⁴

Structurally, the interests of consumers, shareholders, governments and communities are driving the increasing prominence of environmental, social and governance considerations (**ESG**).

6.2 Findings

The stakeholder interviewees made the following key points:

- TSA should strengthen the focus of its market development funding and activities on strategically important uses of EOLT, where there is a sufficient potential demand to make a meaningful contribution to cost-effectively absorbing EOLT supply. In particular, TSA should pursue a greater diversity of EOLT options by looking beyond crumb rubber in roads. This approach is broadly supported by TSA Directors, as well as Tyre Recyclers. One recycler described TSA's focus on roads as an end-use as "single-minded". Ultimately, TSA is yet to find a significant new market with a high capacity to take EOLT.
- TSA should review the flow of investment. However, interviewees had divergent views on how EOLT investment should be prioritised. Some argued the focus should be on creating demand to incentivise recycling, whereas others asserted supply should be increased to meet demand in markets TSA has identified to date. Either way, interviewees commented that TSA's efforts need to be increased. This could be done by raising awareness of how EOLT can be used, creating databases of products containing recycled products and incentivising procurers to purchase products containing Australian recycled materials.
- A number of interviewees indicated that TSA should support market development by continuing to deepen TSA's understanding of barriers faced by stakeholders, particularly in implementing recycled rubber products, to better assist in addressing these issues.
- TSA should structure market development priorities based on the waste hierarchy, for example, by prioritising reuse through re-treading, as well as prioritising TDP over TDF. Interviewees supported reusing material again over pyrolysis, seeing it as "more circular". TSA should also make its hierarchy of preferences explicit to ensure industry best practice.
- The TPSS Revised Guidelines should be amended to omit unnecessary duplication of State and Territory regulation, including workplace health and safety and some environmental regulation for Tyre Retailers in particular. The TPSS Guidelines do not necessarily add value to areas that are already regulated under other laws.

However, the compliance of TPSS Participants with these laws is required for accreditation. Accordingly, TSA could increase the sharing of information with regulators to help to ensure this compliance.

Currently, TSA needs to audit the relevant sites to ensure compliance. However, TSA could explore the value-add opportunities to support sites which go beyond compliance to achieve best practice performance instead.

- Multiple Tyre Retailers commented that they did not receive sufficient support from TSA during difficult periods, including in the aftermath of the COAG 2021 Export Ban.

6.3 Conclusions

TSA continues to respond effectively to the broader challenges and opportunities which the TPSS has faced since the ACCC 2018 Re-Authorisation, due to the big changes in legislation, regulation, and policy, as well as market developments.

Nonetheless, TSA has a range of opportunities for innovation and improvement of the TPSS.

6.4 Recommendations

TSA should continue its ongoing efforts to:

- 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.¹⁵⁵

Substantive Materials

Annex 1.1 Independent Review

ACCC 2018 Re-Authorisation Summary

The TPSS is a voluntary industry-led scheme that aims to increase the rate of EOLT being put to ESU. The TPSS was launched in 2014, and TSA initially focused on increasing participation in the TPSS and developing public awareness. TSA has also invested more than \$2 million in market development projects since the commencement of the TPSS

Among other things, the TPSS imposes obligations on accredited participants to only deal with other accredited participants in the tyre supply chain and imposes a \$0.25 per tyre levy on certain participants (tyre importers, vehicle manufacturers and miners). The levy does not directly fund the recycling of EOLT but rather seeks to find and promote new uses for these materials. Participants are also required to regularly report to TSA about the volume and destination of EOLT.

In TSA's application for the ACCC 2018 Re-Authorisation, TSA sought authorisation for 10 years for specific provisions of the TPSS Revised Guidelines. TSA submitted that this would give it greater flexibility in administering the TPSS, allowing it to adapt to best achieve the TPSS' objectives.

TSA sought the ACCC 2018 Re-Authorisation on behalf of current and future participants in the TPSS. A wide range of businesses or organisations in the tyre supply chain can join the TPSS, including importers, retailers, recyclers and collectors. Their commitments to the TPSS vary, depending on what role the business or organisation has in the tyre supply chain.

In assessing TSA's application for authorisation, the ACCC's role is to assess whether the public benefits generated under the authorisation are likely to outweigh public detriments in accordance with the authorisation test set out in the Competition and Consumer Act 2010. A key reason for the need for an ACCC authorisation in the context of product stewardship schemes is the collection of levies by scheme administrators.¹⁵⁶ The ACCC's role is not to design the ideal scheme, set environmental policy, or police participants' compliance with the TPSS. The ACCC Determination AA1000409 considers that government regulation could also be an effective way to address the problems with disposing of EOLT.

The ACCC considers that the TPSS, administered pursuant to the Revised Guidelines, is likely to result in public benefits. In particular, it is likely to result in a reduction in the volume of tyres entering the domestic waste stream or exported overseas to be burned for fuel in an environmentally unsound manner, and therefore reduce the environmental and health and safety hazards associated with such disposal methods.

The ACCC also considers it is likely that public benefit will be generated through the research and development financed by TPSS levy funds. In particular, the ACCC considers that TSA's proposed research and development, coupled with its industry and public awareness activities, could assist in developing industry recognition of the commercial value of EOLT and identify potential markets for tyre-derived products.

The ACCC considers that the TPSS is unlikely to generate any significant public detriment because:

- participation in the TPSS is voluntary;
- any detriment arising from restrictions on supply imposed on accredited participants of the TPSS is mitigated by their ability to deal with unaccredited businesses in certain circumstances; and
- the levy charged under the TPSS represents a minimal proportion of the total retail cost of new tyres for consumers.

It also appears unlikely that participation in the TPSS will lead to broader coordination or collusion between participants on matters beyond the scope of the authorisation. In light of the above, the ACCC considers that the public benefits are likely to outweigh any public detriment generated by the proposed TPSS.

However, the ACCC acknowledges concerns raised by interested parties in relation to the effectiveness of the TPSS, including in respect of industry engagement and compliance. For example, interested parties submit that there were issues relating to:

- insufficient industry representation on the TSA Board, particularly in relation to the tyre recycling sector;
- accreditation, under the TPSS, of businesses who were not compliant with TPSS obligations; and
- insufficient oversight of EOLT which are exported overseas.

These concerns have been raised in relation to the current operation of the TPSS, as well as any future operation under the Revised Guidelines.

While the ACCC takes these concerns seriously, the ACCC acknowledges that the TPSS is evolving, and TSA appears to be taking steps to remedy these issues. Examples of these steps taken include nominating an additional recycling industry representative to the Board, agreeing to form an Industry Consultative Group, introducing a suspension mechanism for non-compliant participants, introducing more rigorous accreditation processes regarding capacity to meet TPSS commitments and developing verification procedures for the destination of exported EOLTs.

Taking these steps by TSA into account, the ACCC considers that the public benefits of the TPSS are likely to outweigh any public detriment and that it is not necessary to impose conditions of authorisation.

Further, the ACCC notes that the Revised Guidelines commit TSA to publish annual reports about the progress of the TPSS and for independent reviews to be conducted every four years; therefore removing the need for the ACCC to impose similar reporting conditions as it did in 2013.¹⁵⁷

Annex 1.2 Recycling and Waste Reduction Act 2020 (Cth)

1. General Approach

The RAWR Act establishes a framework for managing Australia's recycling and waste reduction and aims to minimise the impacts of products and waste material.

The key objectives of the RAWR Act include reducing the impact of products and waste on human and environmental health and developing a circular economy to maximise continued use and account for environmental impacts.¹⁵⁸ These objectives are to be achieved through regulating the export of waste, encouraging and regulating reuse and recycling, and encouraging and regulating key actors within the supply chain to take responsibility for products.¹⁵⁹

These objectives are progressed through the use of product stewardship arrangements. Under the RAWR Act, there are three levels of product stewardship – voluntary, co-regulatory and mandatory.

2. Minister's Priority List

Through the Minister's Priority List, the Minister for the Environment specifies priority products and materials to be considered for product stewardship action. The list identifies products, details why they have been listed and recommends actions and timeframes for industry action.¹⁶⁰

The purpose of the list is to provide certainty and transparency to communities and industries about what is being considered for regulation under the RAWR Act.¹⁶¹ The Minister must review whether recommended actions have been taken in accordance with the list every 12 months.¹⁶²

If industry has taken action to address the issues identified either through a product stewardship arrangement or by other means, the product can be removed from the list. If insufficient action has been taken, the Minister must either make further recommendations or decide that some form of regulation under the Act is appropriate for the product.

3. Voluntary Product Stewardship Arrangements

Voluntary arrangements provide an opportunity for industry leadership to ensure that products and waste are managed in an environmentally appropriate manner.¹⁶³

Under the RAWR Act, voluntary arrangements can be accredited by the Minister to further the objects of the Act. This accreditation contributes to public confidence in the voluntary arrangements and their ability to aid in achieving Australia's waste management objectives.¹⁶⁴ Accreditation enables certain people within the arrangement to use a product stewardship label in connection with the product.¹⁶⁵

The Minister must have regard to certain matters when deciding whether to accredit an arrangement, including that:

- the arrangement must be designed to further the object of the RAWR Act by achieving at least one measurable outcome in relation to a product;
- a written document must exist that sets out who will be authorised to exercise the Commonwealth's intellectual property rights in a product stewardship logo in connection with the product and the circumstances in which those persons will be authorised to exercise those rights; and
- the arrangement must provide for a corporate administrator to be responsible for ensuring outcomes are achieved.¹⁶⁶

The further matters to which the Minister must have regard in deciding whether to accredit a voluntary arrangement include whether:

- the arrangement has been established and, if it is not yet operating, whether it will be ready to start operating within a reasonable period;
- the arrangement adequately deals with governance and organisational matters, financial and funding arrangements, environmental/health/safety policies, the use of the product stewardship logo in relation to the arrangement, monitoring and evaluating performance and managing risk;
- the administrator provided further information requested by the Minister;
- the administrator has given false or misleading information; and
- the administrator is a fit and proper person.¹⁶⁷

The Minister may also have regard to any other matter the Minister considers relevant. The Minister must be satisfied that the arrangement will result in an overall benefit to the environment, or human health and safety, during the lifecycle of the relevant product.¹⁶⁹

The accrediting authority must refuse accreditation if:

- an outcome of the arrangement will not further the object of the RAWR Act;
- the arrangement is unlikely to achieve one or more of the RAWR Act's outcomes;
- the product stewardship criteria are not satisfied in relation to the product; or
- it is not in the public interest to accredit the arrangement.¹⁷⁰

The administrator of an accredited voluntary arrangement has various obligations, including notifying the Minister of certain events affecting the arrangement, reporting annually to the Minister on the arrangement's operation and publishing a description of the arrangement.¹⁷¹

The accreditation of an arrangement lasts for up to 5 years and may be subject to conditions.¹⁷² Accreditation may also be varied, such as to vary conditions or impose new ones.¹⁷³ The Minister must cancel the accreditation of an arrangement if the relevant product is no longer sold in more than one State or Territory.¹⁷⁴ The Minister may cancel the accreditation of an arrangement on request from the administrator on various other grounds such as failure by the administrator to comply with obligations, failure to meet accreditation conditions or if the administrator is not a fit and proper person.¹⁷⁵

The purpose of voluntary schemes is to promote and recognise product stewardship without regulating and to assure the community that a product stewardship scheme is in operating to achieve the outcomes to which it has committed.¹⁷⁶

4. Mandatory Product Stewardship Arrangements

Under mandatory arrangements, rules are made requiring specified persons to do or not do certain actions in relation to certain products.¹⁷⁸ This may include restricting manufacture or import, prohibiting products from containing certain products, labelling and packaging requirements or other requirements regarding design or end of use.

These arrangements may involve product return payments. Product return payments are payments required to be given to someone that returns a product for reuse, remanufacture, recycling, recovery, treatment or disposal.¹⁷⁹

Mandatory arrangements must further the objects of the RAWR Act, satisfy the product stewardship criteria and the product must have been included in a Minister's priority list at least 12 months prior or there must be special circumstances justifying the making of the rules without that notification.¹⁸⁰

Annex 1.3 EPU Consultation

Levy Payments and Reporting by Tyre Importers TPSS Revised Guidelines

Equivalent passenger unit ratios

EPU is a standard passenger car tyre. The weight of an EPU for a new standard passenger car tyre is standardised as 9.5kg; and the weight of an EPU for an end-of-life standard passenger car tyre is standardised as 8 kg.

The following EPU ratios reflect the potential recoverable resources from the various types of tyres. The first set is to be used by tyre importers, vehicle manufacturers and importers and miners for reporting data to TSA as part of their specific commitments. The second set is to be used by recyclers for reporting data to TSA as part of their specific commitments. Each set reflects the categorisations used by the respective industries. Reporting can be in EPUs or by weight.

EPUs for reporting by tyre importers, vehicle manufacturers and miners

Type of tyre	EPU ratio
Motorcycle	0.5
Passenger Car	1
Light Truck/SUV	2
Truck small (17.5" & 19.5")	3
Truck large (20" & 22.5")	5
Small Specialty/Ag (skid steer, forklift 8"-15", front tractor & backhoe 15" to 18")	3
Medium Specialty/Ag (20" – 30")	5-8
Large Specialty Ag (32" and above)	20-30
Small Earthmover (24" – 25")	50
Medium Earthmover (29" – 35")	100
Large Earthmover (above 35")	200

EPUs for reporting by recyclers

Type of tyre	EPU ratio
Motorcycle	0.5
Passenger	1
Light Truck	2
Super Single	5
Truck	10
Solid small (up to 0.3m high)	3
Solid medium (>0.3m up to 0.45m)	5
Solid large (>0.45 m up to 0.6m)	7
Solid extra large (> 0.6m)	9
Tractor small (up to 1m high)	15
Tractor large (>1m up to 2m)	25
Fork lift small (up to 0.3m high)	2
Fork lift medium (>0.3m up to 0.45m)	4
Fork lift large (>0.45m up to 0.6m)	6
Grader	15
Earth mover small (up to 1m high)	20
Earth mover medium (>1m up to 1.5m)	50
Earth mover large (>1.5 up to 2m)	100
Earthmover extra large (>2m up to 3.0m)	200
Earthmover giant (>3 up to 4m)	400
Bobcat	2

Stakeholder Interests

TPSS Participant Category	TPSS Participant Specific Commitments ¹⁸¹
Stakeholder 4.1 Tyre Importers Vehicle Manufacturer /Importers¹⁸²	<ul style="list-style-type: none"> • Contribute funding to support the administration and activities of TSA. The amount of funding to be contributed is based on a levy of a minimum \$0.25 per EPU imported into Australia, or an equivalent membership fee. • Provide data to TSA on the tyres and number of tyres imported, as directed by TSA. • Only import tyres that are compliant with the relevant Australian standards, whether the tyres are imported as loose replacements or fitted to new vehicles. • Promote participation in the Scheme to businesses and other organisations to which they supply tyres, including through the development of an Action Plan.
Stakeholder 4.2 Tyre Retailers¹⁸³	<ul style="list-style-type: none"> • Take responsibility for the ESU of EOLT left with retailers when consumers purchase tyres. • Deal only with Tyre Collectors and Tyre Recyclers accredited by TSA when disposing of EOLT, or where dealing with a non-accredited Tyre Collector, ensure contractual arrangements specify that all EOLT are provided to an accredited Tyre Recycler for ESU. • Regularly report data to TSA on the types and numbers of EOLT provided to tyre collectors and/or recycler and/or their alternative disposal route, as directed by TSA. • Deal ethically and transparently with consumers, specifically in relation to the fees and charges associated with the ESU of EOLT. • Undertake regular reviews of arrangements with Tyre Collectors and Tyre Recyclers.
Stakeholder 4.3 Vehicle Fleet Operators¹⁸⁴	<ul style="list-style-type: none"> • Take responsibility for the ESU of the EOLT they generate. • Deal only with Tyre Retailers or Tyre Importers accredited by TSA when purchasing or replacing new tyres for their fleets.
Stakeholder 4.4 Tyre Collectors¹⁸⁵	<ul style="list-style-type: none"> • Ensure all EOLT collected from retail and other outlets with a recycling gate fee are passed to domestic Tyre Recyclers accredited by TSA. • Provide regular data (report) to TSA as directed by TSA. • Deal ethically and transparently with Tyre Retailers and other outlets, specifically in relation to the fees/charges associated with disposal of EOLT.
Stakeholder 4.5 Tyre Recyclers¹⁸⁶	<ul style="list-style-type: none"> • Guarantee that all EOLT received from Participants go to an ESU. • Provide data to TSA on the number and fate of tyre EPU processed and sold or otherwise provided for an ESU, as directed by TSA.
Stakeholder 4.6 OTR Users. Mining Companies¹⁸⁷	<ul style="list-style-type: none"> • Contribute funding to support the administration and activities of TSA, in particular funding to improve the logistics and technology required to recycle EOLT generated by miners. • Provide data, as directed by TSA, regarding the numbers of tyres being imported and reaching end of life. • Promote participation in the Scheme to businesses and other organisations, including those they engage to collect or recycle EOLT. • Make best endeavours over time to ensure that all EOLT for which they take, or are required to take responsibility, are dealt with in a way that represents ESU.
Stakeholder 4.7 Local Government Authority¹⁸⁸	<ul style="list-style-type: none"> • Take responsibility for the ESU of the EOLT they generate through their own operations. • Deal only with Tyre Retailers accredited by TSA when purchasing or replacing new tyres for their own fleets. • Ensure tyres being collected by hard rubbish collectors or being dropped off at transfer stations are being appropriately managed, and where possible are being recycled by a TSA-accredited Tyre Collector or Tyre Recycler, or where dealing with a non-accredited Tyre Collector, ensure contractual arrangements specify that all EOLT are provided to an accredited tyre recycler for ESU. • Undertake regular reviews of arrangements with Tyre Collectors and Tyre Recyclers.

Interview Summaries

Interview Questions

Stakeholder 1 TSA Board

Interview Summary

Generally, Board Directors considered that TSA has had a substantial impact in terms of tyre stewardship. As evidence of this, TSA activity has increased recycling rates, but it was acknowledged this was difficult to quantify. Directors consider that these increased recycling rates have improved both environmental and community health and safety outcomes. These improvements were described as stemming from improved accountability and oversight, increased consumer awareness and market development. Market development was characterised as particularly important to encourage investment and to make recycling attractive. Directors consider that TSA is not yet at the point of directly influencing consumer decision-making.

Directors stated that TSA's existence adds value to the industry. Without TSA, the EOLT situation in Australia would be "more of the same". TSA has acted as a "brake" on behaviour such as illegal dumping. Without TSA, such issues would have a much lower profile, and fewer tyres would be recycled. Directors considered that TSA plays a unique role in circumstances where other actors, such as EPAs, have scope to be doing more.

The Board highlighted the great progress which TSA has made, as well as the importance of TSA making further demonstrable progress. TSA must "hotfoot" efforts if TSA is to achieve its objectives. Recycling capacity and end markets were highlighted as a key focus for improved efforts. Directors acknowledged the risks to TSA in terms of member retention if progress is not visible. TSA must continue to communicate its achievements to help mitigate these risks.

A Director described TSA as being at a point now where it can now expand its scope, for example, through broader policy and advocacy work. TSA's maturation was described by a Director as having undergone an initial administrative set-up phase and subsequent growth, but that TSA has now "plateaued". A Director stated that although TSA had made good progress, the TPSS was "behind where we should be at this point".

Generally, the Directors consider that TSA remains limited in its current form. While the Australian Government wants industry to lead on tyre stewardship, TSA does not have the necessary teeth. As long as the TPSS is voluntary, participation will always be limited. Potential participants face competing pressures, including low margins, which mean they will not commit to the TPSS unless everyone else does. As one Director stated, "the notion of free markets seldom deals effectively with waste". Market failures such as price disparities in imported crumb and the illegal dumping of tyres make the TPSS ineffective as a voluntary scheme. Without regulation, some Directors suggested, TSA would find it harder to achieve its objectives, and there would be a bigger risk of failure.

Being a voluntary scheme puts TSA in a difficult position, according to Directors. In some instances, TSA is "treading on eggshells" to keep members on side, without TSA always being able to act as strongly as it would like to. Concurrently, TSA faces pressures to perform or else runs the risk of losing members. One Director described the risk of importers leaving as akin to operating as a "house of cards", with existential consequences for TSA.

To support TSA, Directors would like to see the Australian Government ensure consistency across states, enforce firm regulations and further put pressure on non-members to join. Some Directors commented that TSA was in a strong position to pursue these initiatives, given TSA's strong relationship with the Australian Government. Some Directors pointed to Aliapur in France and the emerging scheme in New Zealand as good examples of scheme design. At least one Director, however, was hesitant about government intervention due to the risk of increased complexity and bureaucracy.

A number of Directors suggested that the TPSS becoming co-regulatory would enable TSA to be more effective and progress faster.

Directors observed that a number of stakeholders did not have complete understanding that TSA did not take an active role in the creation of the COAG 2021 Export Ban, but did take an active role in

proposing that the transition timeline be appropriately set to enable organisations the necessary period to transition to compliance with the COAG 2021 Export Ban.

In the future, Directors would like to see TSA's operations expanded, supported by increased internal resources. Increasing participant numbers could fund this growth. In terms of activities, Directors believe TSA needs to look at a greater diversity of EOLT options beyond crumb rubber in roads. For example, more research could be done on TDFs.

Most Directors commented on the Board's achievements in terms of the strong governance of TSA. Directors valued having independent members. The recent additions of Directors with government and circular economy experience were viewed very positively. The Directors discharge their duties in a very satisfactory manner. Directors stated that the Board is highly impartial. Directors did not recall a Director seeking to act in their own interests or the interests of their organisation, as opposed to TSA's interests. Directors indicated that the Board has an effective mechanism for managing conflicts. In terms of disposition of Directors, the Board should comprise "forward-looking" members.

A number of Directors stated that the Board was "too big", especially in relation to the relatively low annual turnover. Some Directors also expressed the opinion that the Board is not made up by the right mix of people. Understandably, the members who contribute financially through the EPU mechanism want a seat at the table. However, Directors shared a desire to move away from the representative model of the Board to a skills-based Board. A few Directors, however, supported the representative model for the time being but said the Board would need to be skills-based if the TPSS became co-regulatory. For example, a recycler could be on the Board if the TPSS was co-regulatory.

Interview Questions

1. TSA Organisation

- What is TSA's overall performance and maturation as an organisation?
- What is TSA's impact on improving sustainable EOLT outcomes?
- How is TSA's relationships with stakeholders?
- What is needed to increase TPSS contributors and participants?
- What are the improvement, innovation and strategic opportunities for TSA/TPSS?
- What are the implications of the COAG 2021 Export Ban for the strategy, role and governance of TSA?

2. TSA Governance

- Is the allocation of director positions in TSA Constitution appropriate?
- As TSA and the TPSS grow and evolve, are there other categories of directors that should be added? If so, are there categories that should have fewer directors?
- Do you think the Directors act at all times in the best interests of the company, TSA, as distinct from representing their organisation or category of organisation?
- Do TSA Constitution reference to "representative" create any role confusion for Directors?
- Does the Board have the range of skills and capabilities to guide TSA and the TPSS through the growth it needs to achieve its goals?

Stakeholder 2 Australian Government

Interview Summary

Australian Government interviewees stated that TSA uses the TPSS to achieve great impact in terms of environmental stewardship. One interviewee said that TSA was very good at bringing value to its members. To date, this has predominately been in the passenger tyre space, but OTR and heavy vehicle tyres are now getting greatly increased attention. Interviewees saw TSA as facilitating creative solutions to the problem of EOLT. Without TSA, interviewees expected that far more tyres would be sent to landfill.

Interviewees positively viewed TSA's relationship with the Australian Government. TSA's activities align with Australian Government policy, including the National Waste Policy. Interviewees saw TSA as critical to the industry's capacity to meet its own targets. Interviewees described their work to support TSA, explaining how they are escalating demands on owners to join the scheme.

Multiple interviewees applauded TSA's proactivity in approaching the Australian Government with creative solutions rather than presenting problems. Interviewees viewed TSA as a trusted partner.

One interviewee described the TPSS as being one of Australia's more successful product stewardship schemes, given the buy-in from brand owners and retailers.

On the matter of the TPSS' voluntary nature, an interviewee noted that the government at the time (prior to the 2022 federal election) prefers voluntary schemes. This point was also made by interviewees in other stakeholder cohorts. The reasons for this preference include that the industry had more control over voluntary levies and that voluntary schemes are more cost-effective. However, the interviewee acknowledged that the Australian Government might be prepared to regulate the TPSS if free riders cannot be dealt with under the voluntary TPSS.

Interview Questions

1. Government Policy

The Commonwealth Government is taking a more active role in waste and recycling policy

- Can you describe the drivers for this activity from the Commonwealth?
- Can you describe the evolution of this activity, and the state of play at present?

2. Product Stewardship

The Commonwealth is using a range of different tools to implement its waste and recycling policy, including regulation, export controls and bans, and supporting product stewardship schemes

- Can you describe the role that product stewardship schemes play?
- What is the Commonwealth's view of the role of stewardship schemes compared to other interventions, such as regulation and direct Commonwealth Government funding?

3. Tyre Stewardship Australia

- Do the activities of TSA align with Commonwealth Government policy?
- Apart from the collecting the tyre levy and allocating it to projects to grow the market for EOLT use, what role does TSA play for the Commonwealth?
- What role has TSA played in the recent baled tyre export ban and export regulation?
- Who do you 'go to' in the industry when you have a tyre waste problem that needs addressing?
- How does TSA compare to other Australian product stewardship schemes?

Stakeholder 3 State/Territory Governments

Interview Summary

State Government interviewees identified a number of key benefits which TSA creates through the TPSS. Broadly, interviewees concurred that TSA's activities align and support the interests of governments in reducing waste and contributing to circular economy efforts. TSA gives governments more confidence in EOLT options, and helps save government time and money.

One interviewee described TSA as helping to "tidy up the industry", through the accreditation of industry actors. An interviewee described TSA as making a unique contribution to the industry by being a

reasonably independent voice in the discussion on feasible technological and operational options for the management of EOLT. Several interviewees highlighted TSA's role as an important partner in dealing with OTR-related issues.

Interviewees identified several key points for attention in the EOLT context. Interviewees noted that there is still significant leakage of EOLT through illegal dumping. One interviewee stated that TSA was limited in its ability to respond to this issue because TSA focusses on the compliance of its own accredited members rather than looking to the broader system of actors. Another barrier identified by interviewees was the lack of community awareness of EOLT-related issues. One interviewee explained that the main driver for action on EOLT was not community concern, but rather the concern of industry participants to maintain their reputations.

Interviewees indicated that a future ban on landfilling and onsite disposal of EOLT was desirable. To make such a ban feasible, however, market development must be progressed further to provide alternatives.

State Government interviewees also commented on the potential future of TSA, as well as the TPSS. One interviewee highlighted that TSA should revisit the TPSS' design, given that the operating space it sits within has changed significantly since the TPSS was first implemented. For example, there is a greater need to incentivise collectors to go further afield to obtain EOLT in the face of increasing costs. The same interviewee suggested that TSA could explore the potential for a levy benefit model which would fund the entire EOLT value chain, replacing the environmental fee charged by retailers. Another interviewee suggested that TSA could add more value to the industry by formalising its policy and advocacy role, and should be more vocal in general about the role they play in heightening public visibility.

One interviewee said that the TPSS could benefit from transitioning to a co-regulatory model so long as industry retained control. This was seen as important because the people who know the sector best should lead the TPSS. Another interviewee described the markers of success of a product stewardship scheme as including clear outcomes, clear lines of responsibility and a clear funding mechanism. Achieving those elements under a voluntary scheme, the interviewee explained, was the ideal scenario. Where, however, a voluntary scheme falls short, there may be a need to move to a regulated scheme.

Interview Questions

1. Government Policy

The State and Territory Governments, along with the Commonwealth Government, are taking a more active role in waste and recycling policy

- Can you describe the drivers for this activity from the State / Territory?
- Can you describe the evolution of this activity, and the state of play at present?

2. Product Stewardship

The Commonwealth is using a range of different tools to implement its waste and recycling policy, including regulation, export controls and bans, and supporting product stewardship schemes

- Can you describe the role that product stewardship schemes play?
- What is your State / Territory's view of the role of stewardship schemes compared to other interventions, such as regulation?

3. Tyre Stewardship Australia

- Do the activities of TSA align with your State / Territory Government's waste / recycling policy?
- Apart from the collecting the tyre levy and allocating it to projects to grow the market for EOLT use, what role does TSA play for your State/Territory?
- What role has TSA played for your State/Territory in the recent baled Tyre Export Ban?
- What role has it played when you have had issues with the industry in your jurisdiction?
- Who do you go to in the industry when you have a tyre waste problem that needs addressing?

Stakeholder 4.1.1 Tyre Importers

TPSS Participants

Interview Summary

TPSS-Participant Importers had varying views on the value that TSA delivers through the TPSS.

While one interviewee said that its TPSS participation helped it to achieve its sustainability goals, others stated that they experienced minimal value from participating. One interviewee said that it only contributes to the TPSS to keep up with its competitors. Another said that it only contributes for CSR purposes and that consumers were unaware of the TPSS.

One importer said that the sole determinant of TSA's success was its ability to create a market value for EOLT in order to replace the levy. Another was sceptical that TSA would achieve this objective, questioning whether TSA was looking for a "holy grail" in trying to find uses for EOLT to absorb all EOLT in Australia.

A common theme amongst all interviewees was the need for TSA to make demonstrable progress through the TPSS. Interviewees described frustration at the lack of tangible results from the TPSS. Multiple interviewees pointed out that demonstrating value is particularly important in getting remaining industry players to sign on to participate in the TPSS.

TPSS-Participant Importers had various ideas about the desired future direction of the TPSS. Some focussed on the need for government support to strengthen the TPSS. Others highlighted the need to work toward circularity. Interviewees suggested that TSA could broaden its activities by looking to reduce EOLT through better utilisation of tyres, reuse by re-treading and implementing subsidies to make crumb more affordable.

Multiple interviewees emphasised the need to crack down on free-riders. However, another interviewee wanted the TPSS to remain voluntary, so their organisation would be free to leave, for example, if the TPSS Levy was raised too high.

Generally, interviewees considered that the make-up of the Board was unsatisfactory, in the sense that the Board was not reflective of the skills which are needed to govern TSA. One interviewee thought this was a symptom of internal politics. Some interviewees thought recyclers should be on the Board, along with more independent members, as well as members with science-based expertise. However, interviewees also pointed out the necessity to retain at least some industry experience on the Board.

When asked about the EPU Ratios, interviewees generally supported a move to a Weight-Based Levy Method, which took into account the ease of recycling.

One interviewee thought a Weight-Based Levy Method should evolve since major TPSS Levy Contributors could opt out if the TPSS Levy were to become too expensive. However, another interviewee stated that the amount of the TPSS Levy did not matter as long as the TPSS Levy was paid by all TPSS Participants. The amount of the TPSS Levy should be determined by what TSA is trying to achieve through the TPSS – which is, according to one interviewee, a 100% target for recovery and recycling. In that view, the amount of the TPSS Levy should be sufficient to fund the whole tyre recovery process. All interviewees said this process would be easy, fair and effective.

Interview Questions

1. TSA Organisation

- What value does TSA/TPSS provide to your organisation?
- How does this value translate to value for your customers?
- How could other tyre importers be encouraged to become contributors?
- Are TSA's processes for collecting levies and information efficient? How could they be improved?

- What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
- What changes might be required to the TPSS to achieve this aim?

2. EPU Ratios

- What principles should inform the design of the relative contributions from different contributors? Fairness: Is reflecting potential recoverable resources a fair way to apportion contributions? Is there a fairer way?
 - Simplicity: Is the current way of determining contributions simple to follow and administer for contributors? Is there a simpler way? If so, how would it affect fairness?
 - Durability: Will the current / your proposed method stand the test of time? Do ratios change much over time? Is the \$0.25/EPU value the right amount?
 - Do the current EPU Ratios accurately reflect the recoverable resources from the various tyre types?
- Is reflecting the recoverable resources the most appropriate basis for calculating the levy?
- If not, what other basis would you suggest? For example, weight at end-of-life, composition?
- Should all TPSS participants be required to pay the levy, to create a level playing field?
- Should contributors be able to pass the levy cost through the value chain to wholesalers / retailers?
- How might the quality standards of Australian tyres be improved, if at all – by regulation? Or incentivisation, perhaps through the levy?

3. TSA Governance

- Is the allocation of director positions in TSA Constitution appropriate?
- As TSA and the TPSS grow and evolve, are there other categories of directors that should be added? If so, are there categories that should have fewer directors?
- Do you think the Directors act at all times in the best interests of the company, TSA, as distinct from representing their organisation or category of organisation?
- Does the word “representative” in TSA Constitution create any confusion about the roles of Directors?
- Does the Board have the range of skills and capabilities to guide TSA and the TPSS through the growth it needs to achieve its goals?

Stakeholder 4.1.2 Tyre Importers

Non-TPSS Participant Passenger

Interview Summary

TSA is perceived as improving the awareness of the need to have options for EOLT.

Further, TSA is helping organisations create manufacturing capacity to create products from EOLT. However, a small difference only had been made in EOLT outcomes to date due to the magnitude of the task. TSA had taken significant steps, including by making investments.

Without TSA, the same investment would not exist in local capacity to deal with EOLT and Australia would still be exporting whole tyres, thereby “passing the problem off to someone else”.

The principle and concept of the TPSS are sound, but an interviewee was yet to join due to equity concerns. Specifically, their organisation could not afford to join the TPSS unless everyone else joined, given their tight margins of cents per unit. The interviewee supported the TPSS becoming regulated, in the sense that a regulated TPSS would help to address environmental challenges and to level the playing field.

On the EPU Ratios, an interviewee said that rim size is irrelevant to the determination of the TPSS Levy, which should instead be based on the ease of recycling the waste EOLT.

Interview Questions

1. TSA Organisation

- Why doesn't your organisation participate in the TPSS?
- What would need to change for your organisation to participate?
- What are the barriers to your participation?

2. EPU Ratios¹⁸⁹

Stakeholder 4.1.3 Tyre Importers

Non-TPSS Participant OTR

Interview Summary

Non-TPSS Participant OTR Importers described TSA through the TPSS as having contributed to some general improvement in increasing tyre recovery and end markets, but not huge gains.

In particular, the interviewees noted that the TPSS was working well for small, city-based tyres, but not well for OTR. Interviewees would like to see a TPSS that motivates recycling, which they believed TSA was currently not achieving through the TPSS. More broadly, interviewees wanted to see further support and encouragement to get EOLT away from landfill.

One interviewee indicated that they had no trust in TSA. This lack of trust was described as stemming from unproductive interactions with TSA, in which the interviewee felt "used and abused". For example, the interviewee felt the constant push by TSA for offline discussions as opposed to open forums was counterproductive to the maintenance of trust.

If the TPSS was to become mandatory, the industry would need to trust TSA. Interviewees would like to see a focus on recycling in the future TPSS.

Interviewees thought that the EPU Ratios were fair, save for the OTR tyre limit.

Interviewees characterised the 200 EPU/\$50 cap on large earthmovers (above 36") as unfounded and unfair compared to other tyre types. This imbalance left other sectors, such as agriculture, carrying the burden of the TPSS Levy, whilst the mining sector got off lightly. According to an interviewee's own calculations, the OTR cap represented 0.01% of the total cost of a tyre, whereas the TPSS Levy was closer to 2-3% on the cost of other tyres. The interviewees considered that there was no valid explanation for this apparent inequity and expressed frustration at the way TSA had dealt with their concerns.

Interview Questions

1. TSA Organisation

- Why doesn't your organisation participate in the TPSS?
- What would need to change for your organisation to participate?
- What are the barriers to your participation?

2. EPU Ratios¹⁹⁰

Stakeholder 4.2 Tyre Retailers

Interview Summary

Retailer interviewees acknowledged TSA had achieved some positive outcomes but generally saw progress as insufficient. Generally, interviewees perceived that TSA has the right intention and framework, but that TSA is too slow-moving. Without TSA, most retailers accepted that the situation with EOLT in Australia would be “further back than where we are now”. Despite this, many characterised TSA as being at the beginning of a long journey. Although TSA is making “inroads”, interviewees tended to consider that no material impacts have been achieved yet. One interviewee thought that it might be 10 years before TSA makes a meaningful contribution. Another interviewee went as far as to say that there was “zero” value in being a participant of the TPSS, as there were burdensome compliance requirements but no obvious benefits.

Those interviewees that did see some value in TSA’s existence pointed to increased industry awareness, the formation of valuable partnerships and market development. Some interviewees saw being a participant as the right thing to do. Others noted that participation also helped them from a CSR perspective.

Interviewees discussed the relationship between consumers and TSA. Some described a general lack of awareness amongst the wider community, but others a level of interest nonetheless. One retailer articulated the view that consumer concern for EOLT fates is not at a point where there is sufficient groundswell to make a difference, nor would that point probably ever be reached.

There was a divergence of views on the COAG 2021 Export Ban. One interviewee saw it as catastrophic, leading to stockpiling, illegal dumping etc. This interviewee expressed annoyance at TSA’s perceived support of the COAG 2021 Export Ban. However, another retailer supported the COAG 2021 Export Ban, noting that its environmental and public health benefits were an important step in Australia becoming “a country that can consume its own waste”. Whether or not interviewees supported the COAG 2021 Export Ban, there was general agreement that it had created pressures in the industry which were affecting business.

Interviewees expressed various views on the ways to improve the sustainability of EOLT fates. Generally, interviewees expressed the sentiment that TSA’s efforts needed to be upscaled. One suggestion was that an import tax be imposed for the whole cost of the tyre disposal upfront. Another was that investment in recycling, collection and market development should be increased. Interviewees’ views diverged on the aspects of EOLT investment which should be prioritised. One argued that the focus should be on demand, to incentivise recycling. Conversely, another asserted that the focus needs to be on creating supply, as TSA has done a good job of identifying markets, but there is not enough product to meet the demand in those markets. Interviewees also suggested that the government needs a better understanding of industry issues and could provide specific support to the TPSS, for example, by implementing tariffs to encourage the use of local crumb.

As to the future, a range of opinions were expressed on TSA’s functions, TPSS participation rates and the voluntary status of the TPSS. Regarding TSA’s functions, one interviewee described the random audit of retailers as “brutally ridiculous”. The interviewee held this view because auditing was perceived to be the role of State/Territory-based organisations including EPAs, which TSA was unnecessarily duplicating.

Some retailers considered that industry participation could be increased if TSA could demonstrate outcomes and communicate wins. Others were more pessimistic, however, stating that it would be difficult to grow participation as some parties will always be unwilling to join. One reason given for this is that Retailers are used to operating in a business-as-usual frame and do not tend to view themselves as waste producers.

One interviewee described TSA as a “toothless tiger”, explaining that TSA would have no influence without legislative support. Other interviewees agreed that the TPSS should not remain voluntary. In the

view of one interviewee, although the TPSS should be mandatory, it would be undesirable for government to take control, because TSA represents the industry in the industry's efforts to own the responsibility for the issues.

Interviewees gave varied responses in commenting on their relationships with TSA. Words used to describe TSA included "helpful", "cordial" and "professional". One retailer said they had "no reason to distrust TSA" and that TSA's reporting gave them confidence, although the speed of change did not correlate to the rate of increasing costs. Multiple interviewees said they did not hear enough from TSA, especially in difficult periods, such as during the fallout from the COAG 2021 Export Ban. One interviewee felt growing distrust and angst regarding TSA, expressing frustration at TSA's supposed advocacy role in the COAG 2021 Export Ban, then subsequent lack of support for participants. These negative views may be explained by the comments of another interviewee, who described how TSA has been used as a scapegoat for industry issues.

Interview Questions

1. What value does TSA/TPSS provide to your organisation?
2. How does this value translate to value for your customers?
3. How could other tyre retailers be encouraged to become contributors?
4. Are TSA's processes for collecting information efficient? How could they be improved?
5. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
6. What changes might be required to the TPSS to achieve this aim?

Stakeholder 4.3 Vehicle Fleet Operators

Interview Summary

The Vehicle Fleet Operator interviewees highlighted a need for increased awareness about TSA's role, as well as the benefits which TSA provides. The interviewees commented on a need for TSA to further communicate and engage with the sector. They suggested that more media and marketing could be valuable, to demonstrate that joining TSA is the "right thing to do".

Vehicle Fleet Operators also identified opportunities for TSA to increase its value-add, including in terms of encouraging big retailers to position themselves as TSA-accredited, improving the tracking of tyres through the supply chain and leveraging government and corporate Vehicle Fleet Operators.

Interview Questions

1. What value does TSA/TPSS provide to your organisation?
2. How could other fleet operators be encouraged to become participants?
3. Are TSA's processes for collecting information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 4.4 Tyre Collectors

Interview Summary

The Tyre Collectors interviewed held a very positive view of TSA. TSA was described as playing an important advisory role and having the ability to “open up minds” in relation to alternative EOLT fates. TSA should pursue a future in which 100% of Australian EOLTs are recycled in Australia, according to collectors. One collector spoke of how TSA had inspired their transition from baling to shredding to ordering a crumb plant and investigating opportunities to make products from crumb.

Tyre Collectors described the high value of TSA as being demonstrated in their strong relationships with customers and manufacturers.

Interview Questions

1. What value does TSA/TPSS provide to your organisation?
2. How could other tyre collectors be encouraged to become participants?
3. Are TSA's processes for collecting information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 4.5 Tyre Recyclers

Interview Summary

Recyclers varied quite substantially on their views of TSA's value through the TPSS. Some had positive opinions, crediting TSA with lifting the previously negative reputation of the waste industry and having a significant impact on the civil construction industry. These interviewees saw TSA as aiding ongoing work that had already been happening in the sector whilst also making a unique contribution in some areas.

Other interviewees did not see the same value provided by TSA. These interviewees thought that TSA's impact was minimal and that not much would be different without TSA.

One interviewee offered a potential explanation for these differing conceptions, explaining that it was hard to measure TSA's progress without a benchmark.

In looking to the future, interviewees had several suggestions. First, TSA should be more aggressive and show more teeth.

Secondly, TSA could do more to encourage the uptake of Australian crumb rubber. For example, TSA could bring pressure to bear on actors to prioritise the sale of products containing locally-produced crumb rubber and advocate for a ban on importing products with recycled rubber, to complement the export ban. TSA could work with councils to further encourage the uptake of recycled materials.

Thirdly, several interviewees had suggestions on how TSA approaches finding uses for EOLT. TSA should use the waste hierarchy to prioritise TSA's efforts. TSA should expand its horizons beyond putting rubber into roads. One interviewee characterised TSA's focus on roads as an end-use as “single-minded”. Another suggested that rubber into asphalt is not a high-value use. It was noted that the use of rubber in roads was nearly at a plateau point and that TSA could make bigger gains if TSA explored other options.

Interviewees shared different experiences of the quality of their relationships with TSA, including from

the trust perspective. Some interviewees had strained relationships, explaining that they lacked confidence in TSA and felt that working with TSA was like “pushing against a wall”. Other interviewees, however, reported more positive experiences and high levels of trust.

Interviewees tended to share a dim view of TSA’s governance structure. All interviewees felt that the recycling sector had been wrongfully excluded from the Board and that the Board lacked crucial market knowledge. Interviewees thought that the Board make-up was wrong, and the Board should be skills-based rather than representative. One interviewee thought that the Board felt that it could control TSA because the Directors whose organisations were TPSS Levy Contributors saw their organisation’s TPSS Levy Contributions as funding the TPSS, making them self-described “shareholders”. Another interviewee perceived TSA as only supporting the interests of Vehicle Manufacturers/Importers and Tyre Retailers.

Interview Questions

1. What value does TSA/TPSS provide to your organisation?
2. How could other recyclers be encouraged to become participants?
3. Are TSA’s processes for collecting information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 4.6 OTR Users, Mining Companies

Interview Summary

Mining sector interviewees saw great value in TSA’s work through the TPSS.

One interviewee said that TSA’s expertise, as well as TSA’s willingness to share it, was highly valuable to their organisation. In working with OTR users to review options for EOLT, an interviewee said TSA was opening doors for onshore recycling solutions for OTR tyres. This partnership was valuable in helping the organisation to achieve its sustainability goals. Another interviewee noted that TSA had helped draw attention to the issue of mining tyre burial and was able to provide support in light of unsatisfactory responses from the relevant EPAs.

Interviewees made several suggestions relating to the future of TSA, as well as the TPSS. Multiple interviewees suggested that landfilling of OTR tyres needs to be phased out. As one interviewee described, landfilling needs to be banned because “no one can compete with free burial”. To ensure a smooth transition, TSA should help facilitate various economically-viable options for EOLT use. One interviewee preferred reusing material again over pyrolysis, seeing it as “more circular”.

Interviewees would also like TSA to take a multifaceted approach to achieve its mission. According to one interviewee, this approach should include an expanded policy and advocacy role, in which TSA uses its knowledge and experience to leverage government. One interviewee suggested that TSA should keep broader considerations in mind. For example, the issue was raised of Aboriginal land being loaned under false pretences without proper consultation, then being returned with tyres buried in it.

Interviewees in the mining sector described having positive relationships with TSA, characterised by high levels of trust and professionalism.

Interview Questions

1. What value do you expect TSA/TPSS to provide to your organisation?
2. How could other miners be encouraged to become participants?
3. Are TSA’s processes for collecting levies and information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 4.7 Local Government

Interview Summary

Local Government interviewees tended to think highly of TSA's work through the TPSS.

Interviewees indicated that TSA brings value in its ability to influence the market through its extensive research and development capacity. In this way, TSA has contributed to the national circular economy by focusing on market developments and improving technologies. One interviewee indicated this could become a global contribution were TSA to share knowledge and research with the global community. One interviewee described TSA as passionate and highly knowledgeable. Interviewees said that TSA was readily available and was willing to share useful knowledge and advice.

Interviewees described TSA as being instrumental in enabling the use of crumbed rubber, having a direct impact through promoting its use and helping Local Government to overcome the financial barriers associated with trialling the product. Interviewees described TSA as an “enabler” in this regard. One interviewee said they could not have done their study on crumb rubber uses without TSA's support, and another said that TSA funding greatly accelerated their own study.

One interviewee explained that the hesitancy in some industry sectors to use new products is an issue across all new sustainable products, but that such hesitancy to use crumb rubber products is relatively low, given the supporting IP, as well as the available data. The internal experience of that interviewee was that engineers have been supportive of crumb rubber products and that this support is growing.

Interviewees indicated that the Recycled Product Minimum Quality Specifications should be expanded in light of new recycled products appearing in the market. Before road specifications can be updated in reference to crumb rubber products, a deeper understanding of the products is needed in terms of their performance against the Recycled Product Minimum Quality Specifications. TSA is seen as able to contribute to building this momentum. Once the relevant Recycled Product Minimum Quality Specifications are established, Local Government expects that uptake of products containing crumb rubber will be greater.

Speaking of their relationships with TSA, interviewees were again positive and complimentary. TSA is a highly trusted organisation with a professional reputation. One interviewee particularly valued TSA's strong involvement in projects which TSA funded, indicating that TSA worked hard to be engaged in the project rather than just handing out money. However, the interviewee noted that such engagement should be maintained throughout a relationship, as they felt that communication from TSA had dropped off recently. There were discrepancies in the ease of contracting with TSA, however, with one interviewee describing the process as “easy”, whilst another said the contract for funding was “tedious and onerous”.

Interviewees indicated that TSA could improve in the future, including by improving its communications. TSA should communicate successes and promote good news stories with the global community to contribute to the worldwide circular economy. Furthermore, an interviewee suggested that opportunities through TSA should be better publicised, as they came across the opportunity for funding by chance.

TSA should also continue to deepen its understanding of barriers faced by stakeholders, particularly in implementing recycled rubber products, to better assist in addressing these issues. Within the broader policy sphere, interviewees want to see work done to strengthen the recycling industry. Alongside this, interviewees suggested that demand and awareness of recycled rubber products should be increased. This could be done by raising awareness as to how EOLT can be used, creating databases of products containing recycled materials, and incentivising procurers to purchase products containing Australian recycled materials. Interviewees tended to agree that the TPSS is limited by its voluntary status. Describing how TSA currently “doesn't have teeth”, interviewees supported the idea of a mandatory TPSS.

Interview Questions

1. What value do you expect TSA/TPSS to provide to your organisation?
2. How could other miners be encouraged to become participants?
3. Are TSA's processes for collecting levies and information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 5 Other Stakeholders

Interview Summary

Interviewees in this cohort tended to view TSA, as well as the TPSS, as successful.

Multiple interviewees spoke to TSA's positive environmental impact, pointing to increased recycling, reduced waste and increased uptake of products containing EOLT as evidence. Interviewees described market development as an essential element of this impact. According to interviewees, TSA has had a positive impact on R&D and has coordinated previously rudimentary and unstable end markets. Interviewees also valued TSA's funding to support market development, such as providing money for shovel-ready projects to cover the premium of using crumb rubber mix in roads. TSA has effectively raised awareness, although one interviewee noted that there is still a long way to go before there is widespread adoption of products containing recycled tyres. Interviewees also thought TSA has improved community health and safety through its work on tyre fuming, stockpiles and general strengthening of the regulatory landscape. One interviewee highlighted that the standards implemented by TSA have also raised professionalism and performance in the industry.

Interviewees identified TSA as having added value to the industry and the fates of EOLT. Without TSA, interviewees explained, there would be more illegal dumping and stockpiling. Although other actors are doing some work on recovery and recycling, interviewees perceived TSA's market development work as a unique contribution to the industry. Some interviewees described TSA as a "catalyst" which sped up work that would probably still happen without it, albeit much more slowly. Without TSA, one interviewee said, it would be a lot harder to find information about using recycled tyre products such as crumb rubber.

By engaging in market development, TSA is seen to be nurturing the "green shoots of sustainable end markets". TSA's other unique contributions include work done on OTR tyres. Interviewees also noted that the industry would be more fragmented and lack a united voice without TSA. According to interviewees, TSA also adds value by providing a relatively impartial and unified voice to advocate and communicate both within and beyond the industry. Multiple interviewees noted that they could not have undertaken the research they have on EOLT and end uses without TSA's support.

Interviewees discussed the range of uses for EOLT. The focus of EOLT use, interviewees noted, has been using crumb rubber in roads. Some interviewees explained that engineers had been hesitant to use this product, because although they wanted to use sustainable materials, they are risk-averse and lack confidence in the quality and lifetime of new products. Furthermore, the costs can be prohibitive as crumb rubber road mix is more expensive than traditional options. The interviewee suggested that this could be addressed through a flow of influence – once bodies like VicRoads start accepting and using the products, local government will gain confidence. According to one interviewee, however, crumb rubber only makes up 1-2% of road mixes by mass, meaning that other options need to be explored. Another interviewee explained that the focus should be on increasing rubber in spray sealing, which could have a mandated minimum percentage of crumb. Interviewees discussed other potential applications, such as rail and civil infrastructure. Ultimately, TSA is yet to find a significant new market with a high capacity to take EOLT.

Interviewees commented on the areas in which TSA could improve. One interviewee suggested that TSA could increase engagement with other sectors and consumers. Interviewees suggested that TSA

could continue focusing on market development, as there is still a heavy reliance on exporting shredded rubber. Interviewees also noted that market development work should look to expand beyond road use and emphasise finding markets for products with higher portions of used tyres. As well as developing new markets, however, one interviewee highlighted the concurrent need to monitor the health of existing markets. To encourage the uptake of new EOLT products, one interviewee indicated that confidence-building was an essential task for TSA to undertake through continued funding, research and promotion. Another interviewee suggested that TSA also take on a more significant role in commercialisation after research is completed. One interviewee also said that TSA's policy and advocacy work was critical for progressing market development.

Other interviewees focussed on operational improvements. One interviewee suggested that TSA should refine its guidelines and could look to other stewardship schemes to see how they provide clarity and certainty. Another interviewee proposed that TSA firm up, plus make explicit, its hierarchy of preferences regarding end uses, in terms of TDF-related energy uses versus TDP-related material recovery, as well as domestic use versus export. Interviewees also suggested that TSA may benefit from more internal resources.

Some interviewees suggested improvements related to the broader policy sphere. For example, an interviewee identified conflicts between some state government regulations and interactions that add cost and complexity. Another interviewee expressed a desire to see a genuine commitment to creating a circular economy by the Australian Government. This could include giving a strong regulatory underpinning to TSA's administration of the TPSS. Interviewees saw TSA as able to progress these policy improvements by communicating and advocating on behalf of the industry.

Interviewees generally disapproved of the voluntary status of the TPSS. Interviewees identified inherent limitations with voluntary schemes and considered that it would be hard to get universal coverage as long as the TPSS is voluntary. One interviewee said that while the TPSS remains voluntary, it will "always be fighting with one hand behind its back". That interviewee pointed to the NTCRS, explaining that the regulatory underpinning of the NTCRS gives it greater control of its destiny. If TSA were to achieve a 100% target for recovery and recycling, interviewees said, then the TPSS would need broader coverage by being regulated, as well as better resourced. However, another interviewee highlighted the risks of moving towards a mandatory framework. They explained that under a voluntary framework, the TPSS has pressure to prove its work and strive for continuous improvement. However, as a mandatory scheme, the TPSS would generate less motivation, as members could not leave of their own volition if they did not see results.

Most interviewees described having good, supportive working relationships with TSA, as well as high levels of trust in TSA. Interviewees gave reasons for this trust, including TSA's perceived independence, authenticity and frankness ("they don't oversell themselves"). In contrast, one interviewee felt that the industry's trust in TSA was "patchy", primarily due to some actors having big expectations, without understanding TSA's limitations.

Interview Questions

1. What value does TSA/TPSS provide?
2. How could other entities be encouraged to become participants?
3. Are TSA's processes for collecting information efficient? How could they be improved?
4. What is required to achieve the aim of the TPSS to eliminate tyres being dumped, stockpiled, landfilled, or exported to one of these end uses?
5. What changes might be required to the TPSS to achieve this aim?

Stakeholder 6 Global Circular Economy Peers

Interview Summary

Interviewees in this cohort had mixed views on TSA's success. Some interviewees thought that TSA was adding value to the sector, for example, through its market development and communication efforts. Multiple interviewees, however, noted that these benefits were limited. Interviewees saw this limitation as rooted in the voluntary nature of the TPSS as administered by TSA, which interviewees thought constrained TSA's chances of success. Another limiting factor identified was the low amount of the TPSS Levy, by international standards. One interviewee stated that they did not know what could be accomplished with such a low TPSS Levy.

In looking to the future, interviewees suggested that TSA would need to be strengthened by government support and regulation, with Europe seen to exemplify the benefits of such an approach. Interviewees also indicated that TSA should make more effort to be connected to the international market, as Australia tends to be perceived as remote.

Interviewees provided valuable insights into the workings of the schemes in their own jurisdictions. In Europe, more than 90% of EOLTs are mandatorily collected.

Multiple interviewees held up France's Aliapur as the best example of a tyre product stewardship scheme. The French scheme is based on extended producer responsibility, including importers and manufacturers. The collection of tyres is mandatory. The scheme is highly regulated. The €1.28 eco-fee funds the entire process of collection and recycling. Aliapur takes ownership of the tyre and the process but has competition, albeit within the constraints of a duopoly. If TSA is serious about achieving a 100% target for recovery and recycling, one interviewee suggested that a similar approach should be considered in Australia.

The UK takes an informal approach which focuses on best practice. Because landfilling is banned, there is an obligation to do something else with tyres, but many of them are exported, some as whole tyres.

Interviewees had varied responses when asked about their perception of TSA. One said they had a high level of trust in TSA, due to the value of their activities and the excellent work they produced. That interviewee said that by sharing its experience, TSA contributed to the global circular economy. Others, however, felt that TSA had little to no impact on international perspectives. One interviewee also said that they were unclear on TSA's role and on its difference from a trade body.

Interview Questions

1. Can you describe the tyre product stewardship arrangements in your jurisdiction?
2. How long has it been in operation?
3. How effective is it? How has it impacted EOLT fates?
4. What is your knowledge of the Australian stewardship arrangements?
5. What are the elements of the Australian scheme that stand out to you?
6. How is the Australian model influencing thinking in your jurisdiction?
7. What contribution does TSA make to the global circular economy for end-of-life tyres?
8. How is TSA recognised by its peers internationally?

General Interview Questions

All Interviewees

1. Strategic Goal 1: Increase used tyre recovery and end markets

- Can you describe the impact TSA and the TPSS are having on improved environmental outcomes?
- Does TSA's work help to ensure the community's environmental health/safety? Does the community benefit from TSA's work?
- What would be the situation with EOLT use in Australia without TSA and the TPSS?
- Have TSA and the TPSS been successful?
- How might TSA improve its performance?
- What is needed to achieve the TPSS' aim to reduce the amount of EOLT negatively impacting the environment via landfill etc, while increasing the recycling rate? ¹⁹¹

2. Strategic Goal 2: Continue to improve data/information on all used tyre fates, Australia and overseas

- What are the best sources on information and intelligence on the tyre and used tyre supply chain? How does TSA compare with these sources?
- How could TSA improve its data and information?
- As a Participant, is the process simple / effective to submit the information/data which TSA requires?

3. Strategic Goal 3: Growth in the number of organisations contributing to and participating in the TPSS

- Can you describe TSA's successes in growing the numbers of contributors and participants?
- What is required to achieve growth in contributors?

4. Strategic Goal 4: TSA is a trusted entity, building relationships and value for its stakeholders

- Who do you 'go to' in the industry when you have a tyre waste problem that needs addressing?
- What is your level of trust in TSA as an entity?
- What is the quality of TSA's relationships with your organisation and others in the industry?
- Apart from operating the TPSS, what other value does TSA create for your organisation?

5. Strategic Goal 5: TSA is a significant contributor to the global circular economy for end-of-life tyres

- What contribution does TSA make to the global circular economy for end-of-life tyres?
- How is TSA recognised by its peers internationally?

6. Improvement, innovation and strategic opportunity

- How could TSA and the TPSS evolve in the future?
- How does the public benefit of the TPSS compare with the public detriment, notably, the cost?
- What is needed to eliminate EOLT from unsustainable end uses by 2030?

2017 Review Recommendations Implementation Progress Status

Performance, targets, reporting and data collection

Recommendation		Implementation Progress	
Summary	Detail	Comment	Status
Recommended revised outcomes focused performance targets include the ambitions:	The percentage of EOLTs that go to an ESU both in Australia and overseas, increases to 50% by 2020.		Complete
	The volume of locally recycled TDP sold as an input into new products and/or processes is 15% of the volume of EOLTs by 2020.	<ul style="list-style-type: none"> TSA has achieved 14% for passenger, truck and bus tyres 	In progress
Recommended revised outputs focussed targets include the ambitions	The percentage of tyre importers that are participants/members in the scheme increases to 90% by 2020 (measured as market share of total tyre imports).		Not complete
	The percentage of vehicle manufacturers/ importers that are participants/ members in the scheme increases to 90% by 2020 (measured as market share of total new vehicle sales).		Not complete
	The percentage of tyre retailers that are participants/members in the scheme increases to 90% by 2020 (measured as market share of total tyre sales).		Not complete
	The percentage of tyre recyclers that are participants in the scheme increases to 90% by 2020 (measured as market share of EOLTs).		Not complete
	TSA's short-term focus should be on improving reporting systems (including compliance with reporting) and setting and implementing well-articulated strategies to identify how growth is to be achieved.	<ul style="list-style-type: none"> Online reporting platform enhancements for users have been completed Further enhancements are underway to improve data capture and transparency, including new reporting channels for end markets for greater data insights TSA is better resourced (e.g. Compliance Officer) to ensure reporting requirements are understood by participants (through user guides and support) –TSA is preparing a strategy targeted at retailer reporting compliance 	In progress

<p>TSA establish appropriate criteria for ex-ante assessment of proposals for funding through the TSRF. The criteria should be consistent with the objectives of the TSRF. TSA should also undertake an ex-post assessment of funded projects to assess whether they have been successful in furthering the objectives of the TSRF with results of the evaluations being published.</p>	<ul style="list-style-type: none"> • This process is in place with external consultants, such as Urban EP, who conducted ex-post assessment of funded projects in 2018. A further assessment has recently been completed¹⁹³ 	<p>Complete</p>	
<p>A set of communications outcomes should be developed focussing on further enhancing communications to Scheme members, potential members and consumers and on consumer awareness.</p>	<ul style="list-style-type: none"> • Revised website and collateral targeted at different participant channels, such as OTR & Related Products¹⁹⁴ • Another example is Retailer Toolkit¹⁹⁵ • The way TSA further refines its website will ensure targeted engagement with participants • mytyresmychoice campaign for consumers to choose sustainable tyre retailers • CRM • ICG • Regular reviews with participants • A strong library of information for participants available on TSA website 	<p>In progress</p>	
<p>The following changes to reporting and data collection are recommended.</p>	<p>TSA should continue to require accredited TSA importers and vehicle manufacturers and importers to provide data on tyre type and number of tyres imported. This is not expected to be company specific data due to commercial sensitivities and could be consolidated by ATIC where necessary.</p>		<p>Complete</p>
<p>TSA should continue with current reporting arrangements with respect to obtaining detailed tyre type and end of life destination data from retailers, recyclers and collectors. Ideally, over time this should extend to other market participants such as miners, governments and fleet owners.</p>		<p>Complete</p>	

The following changes to reporting and data collection are recommended.	Where practicable, TSA should expand the reporting categories for EOLTs that are exported to be consistent with the categories used for EOLTs that are not exported.	<ul style="list-style-type: none"> Used Tyres Supply Chain and Fate Analysis Report¹⁹³ 	Complete
	Into the medium term, as participant data continues to develop, TSA should also seek to obtain more comprehensive and granular data from ATRA and all tyre recyclers and collectors on the extent and nature of tyres being recycled.	<ul style="list-style-type: none"> Such data acquisition is established as part of TSA's online reporting system, with monthly data required from recyclers and collectors ATRA and TSA now has data sharing agreement to cover data and also audit reports to avoid duplication – ATRA is seeking this info from TSA, not the other way around 	Complete
	TSA should undertake to rectify key system functionality issues as soon as is practicable while also putting in place data integrity processes. Once these are rectified it should move to strictly enforce compliance with reporting.	<ul style="list-style-type: none"> Further to points above, significant enhancements have been applied to the TSA online reporting system, including to user interface as well as data integrity / password management and generation TSA is working towards ISO certification for data integrity – also conducting penetration testing to ensure data sovereignty 	Complete
	TSA should establish data collection systems necessary to report against proposed new R&D and communications targets.	<ul style="list-style-type: none"> Further to post ante assessment points above, there is possibly a greater understanding on end product volume 	Complete
TSA should immediately devote sufficient ongoing resources to ensure that they can achieve these reporting outcomes.	<ul style="list-style-type: none"> The team has been bolstered by engagement of resources (eg. Audit & Compliance Officer), as well as support from technical consultants to enhance the reporting platform to achieve desired reporting outcomes 	Complete	
A full-time Communications Manager be appointed and report to the CEO.	<ul style="list-style-type: none"> Yes – expanded over time 	Complete	

A forum be established as a mechanism to gather stakeholder views but also provide stakeholders with information on and progress of the development of the scheme.

- TSA established the Industry Consulting Group. The ICG is made up of EOLT supply chain representatives – including importers/exporters, retailers, collectors/recyclers. New terms of reference have been implemented with an expanded group to gain insight from the industry on the market conditions, as well as to provide TSA feedback on initiatives and implementation of the TPSS

Complete

Governance

Recommendation	Implementation Progress	
	Comment	Status
TSA should list independent Board members on its website.		Complete
Nominating members should be required to clarify which Board position category or categories they are nominating under.	<ul style="list-style-type: none"> These stipulations are set out on the TSA website and in the TSA annual report 	Complete
The term 'representatives' in section 34.1 of the Constitution, as applied to Board positions, be defined in the Constitution but in the longer term, consideration should be given to removing references to representation in the Constitution.	<ul style="list-style-type: none"> Representative defined but have not removed references to representation 	In progress
The terms 'representatives', 'members' and 'participants' should be defined in the Constitution.	<ul style="list-style-type: none"> Representatives and members defined, participants not 	In progress
The Board should continue to view State and Commonwealth Ministers accountable for environmental matters as key stakeholders and a key audience of their Annual Report.		Complete
TSA should seek accreditation of the TSS under the Product Stewardship Act and progress processes toward achieving accreditation.		Complete
Through the accreditation process, the Australian Government clarify accountability arrangements and requirements for the Board.	<ul style="list-style-type: none"> The accreditation process does not require this level of reporting, however TSA has supplied information in respect of the Board representation, Board director categories, etc 	Partially complete, although not required
The Board develop a skills matrix and identify skill requirements for the Board and develop a transparent approach for undertaking a skills assessment for all Board applicants.	<ul style="list-style-type: none"> Board conducts an evaluation and review of skills Board skills matrix in place Board performance is reviewed regularly 	Complete
The Board, clarify processes and protocols for managing conflicts of interest.	<ul style="list-style-type: none"> TSA has Conflict of Interest Policy Register is maintained by Company Secretary 	Complete
The Board should ensure robust ex-ante and ex-post economic evaluations are undertaken to demonstrate value for money of R & D investments.	<ul style="list-style-type: none"> As noted above, this process has been implemented 	Complete

TSA KPIs

Annex 5.1 2020-23 Strategy – KPIs

Strategic Goal 1: Increase used tyre recovery and end markets

1. Increased capacity for passenger EOLT in Australia.
2. Increased use of Australian tyre derived products within Australia, including replacing imports of these products.
3. Strengthened collaboration between TSA and the mining industry to explore the sustainable solutions for used OTR tyres.
4. Agreements with government, private and public procurement policies to support the increased productive use of EOLT.
5. Increased commercialisation of TSA's market development projects.
6. Further the model for the sector that reflects the true cost of recycling within Australia, encouraging investment and creating local jobs.

Strategic Goal 2: continue to improve data and information on all used tyre fates, both in Australia and overseas

1. The destination of all Australian EOLT is known.
2. The overseas destinations for Australian EOLT is verified through TSA's foreign end markets program.
3. A global framework to stamp out poor operators who may cause environmental/social harm.
4. A strong monitoring/compliance program that ensures legitimate recovery of tyres to mitigate stockpiling, dumping and mismanagement.

Strategic Goal 3: Growth in the number of organizations contributing to and participating in the TPSS

1. Increased number of:
 - Tyre importers contributing to 80% of market share, measured by sales of new tyres applicable to the TPSS levy
 - Vehicle manufacturers / importers participating to 75% of market share, measured by total new vehicle sales
 - Tyre retailers participating to 75% of market share, measured as market share of passenger tyre sales by retailers
 - Tyre recyclers participating to 85% of market share, measured as market share of available EOLT for recycling – excluding the recovery/export of whole tyres.
2. OTR tyre producers and users begin contributing and participating in the TPSS.
3. Collaboration between TSA and third parties to explore the challenges/solutions for managing EOLT in regional/remote areas.
4. Continued engagement with Government in relation to a potential regulatory framework.

Strategic Goal 4: TSA is a trusted entity, building relationships and value for its stakeholders

1. TSA is a thought leader, expert and information hub on EOLT.
2. TSA provides effective, transparent and timely communication.
3. TSA is seen to deliver value to stakeholders.
4. TSA collaborates effectively with stakeholders willing to work towards better outcomes for EOLT.
5. There is increased public awareness about EOLT and the TPSS.

Strategic Goal 5: TSA is a significant contributor to the global circular economy for end-of-life tyres

1. TSA is contributing to a global framework for EOLT.
2. TSA is collaborating/engaging with other tyre stewardship schemes and relevant organisations.
3. TSA is engaging with foreign regulators.
4. TSA is participating in an exchange of knowledge, know-how and expertise across global markets.
5. TSA has benchmarked Australian end of life tyre data against international data.
6. Australian innovations, technology and entrepreneurship is exported.

Annex 5.2 Annual Reports – KPIs

Current KPI 2020-21, 2019-20 and 2018-19	Previous KPI 2017-18, 2016-17 and 2015-16	Key Difference
<ul style="list-style-type: none"> KPI 1: Increase the number of TPSS Participants KPI 1A: Tyre importers 2023 target – 80% participation of tyre importers market share (units) KPI 1B: Vehicle manufacturers 2023 target – 75% participation of vehicle manufacturers/ importers market share (new vehicle sales) KPI 1C: Retailers 2023 target – 75% participation of tyre retailers market share (by passenger tyre sales) KPI 1D: Recyclers 2023 target – 85% participation of tyre recyclers market share (by EOLT) 	<ul style="list-style-type: none"> KPI 1: The number of TPSS Participants KPI 2: The percentage of tyre importers and vehicle manufacturers and importers that are TPSS Participants – the aim being to have 90% in the TPSS within 5 years 	<ul style="list-style-type: none"> KPI 1: Current KPI provides specific target indicators that data can be tracked against for key TPSS Participants KPI 1: Current KPI 1 also incorporates the previous KPI 2, but changes the target percentage
<ul style="list-style-type: none"> KPI 2: The volume of EOLT collected by accredited TPSS Participants, or accounted for over time increase annually 	<ul style="list-style-type: none"> KPI 3: The national resource recovery and recycling rates of end-of-life tyres (EOLT) – monitors the following EOLT destinations: energy recovery (local); material reuse and recycling (local); civil applications (local); steel recycling; exported tyre derived fuel, baled, OTR and casings; landfilled; operational stockpiles; mining/landfill/existing stockpile additions; unknown destination KPI 4: The resource recovery and recycling rates of end-of-life tyres that can be attributed to the Scheme 	<ul style="list-style-type: none"> Previous KPI 3 had broader focus of tracking EOLT destinations, but this changed to the volume collected by accredited TPSS Participants – the current KPI therefore monitors the accreditation TPSS output Previous KPI 4 is similar to the current KPI 2 in the way that it tracks the recovery and recycling rates of EOLT attributed to the TPSS Previous KPI 4 measures in rates (does not specify how rate is measured) and current KPI 2 measures in volume (tonnes) – current is more measurable, therefore can be monitored each year
<ul style="list-style-type: none"> KPI 3: The volume of EOLT exported via accredited tyre recyclers and collectors that have been verified as going to environmentally sound use increases annually 	<ul style="list-style-type: none"> KPI 6: The volume of tyre-derived products sold or otherwise provided for environmentally sound use – monitors EOL destinations: material reuse – castings; civil applications; material recycling; energy recovery; exported 	<ul style="list-style-type: none"> Current KPI 3 is specifically on exported tyres, whereas previous KPI 6 includes local and exported destinations
<ul style="list-style-type: none"> KPI 4: Increase the % of EOLT going to an environmentally sound use (2023 target – 75%) 	<ul style="list-style-type: none"> KPI 5: The % increase of EOLT going to environmentally sound uses – the TPSS performance target is to increase from 16% to 50% by the end of 5 years 	<ul style="list-style-type: none"> Current KPI 4 is similar to previous KPI 5; has an increase in target percentage
<ul style="list-style-type: none"> KPI 5: Increased TSA website traffic of users seeking accreditation 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> No similar previous KPI
<ul style="list-style-type: none"> KPI 6: Growth of the demand for Australian TDPs associated with market development activities promoted, funded and/or supported by TSA 	<ul style="list-style-type: none"> KPI 9: An explanation of how the funds being spent is contributing to achieving the TPSS’s objectives – that is, to increase resource recovery and recycling and to minimise the environmental, health and safety impacts of EOLT in Australia; and to develop the domestic tyre recycling industry and markets for TDPs 	
<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> KPI 7: The total levy funds collected under the TPSS 	<ul style="list-style-type: none"> No similar current KPI
<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> KPI 8: A breakdown of how levy funds were spent during the period 	<ul style="list-style-type: none"> No similar current KPI

Annex 5.3 Comparison and Commentary – KPIs

[A] TPSS KPIs ACCC 2018 Re-Report Authorisation, MJ Report	[B] Previous Annual Report KPIs 2015-16 – 2017-18	[A] v [B]	MJ KPI Comments	[C] MJ Proposed KPI	[D] Current Annual Report KPIs 2018-19 – 2020-21	[C] v [D]
1. The number of TPSS Participants	KPI 1: The number of TPSS Participants	Same	This is an appropriate high scheme participation target, but it would be useful to refine the wording to reflect the objective of increasing recruitment to the TPSS over time	<ol style="list-style-type: none"> 1. The percentage of tyre importers that are TPSS Participants increases to 90% by 2020 (measured as market share of total tyre imports) 2. The percentage of vehicle manufacturers/ importers that are TPSS Participants increases to 90% by 2020 (measured as market share of total new vehicle sales) 3. The percentage of tyre retailers that are TPSS Participants increases to 90% by 2020 (measured as market share of total tyre sales) 4. The percentage of tyre recyclers and balers that are TPSS Participants increases to 90% by 2020 (measured as market share of EOLT) 	<ul style="list-style-type: none"> • KPI 1: Increase the number of TPSS Participants • KPI 1A: Tyre importers 2023 target – 80% participation of tyre importers market share (units) • KPI 1B: Vehicle manufacturers 2023 target – 75% participation of vehicle manufacturers/ importers market share (new vehicle sales) • KPI 1C: Retailers 2023 target - 75% participation of tyre retailers market share (by passenger tyre sales) • KPI 1D: Recyclers 2023 target – 85% participation of tyre recyclers market share (by EOLT) 	The subject of each percentage target is the same in the current KPI. A different target percentage and target year is used in the current KPI 1
2. The percentage of tyre importers and vehicle manufacturers / importers that are TPSS Participants – the aim being to have 90 per cent of tyre and vehicle importers in the TPSS within 5 years	KPI 2: The percentage of tyre importers and vehicle manufacturers and importers that are TPSS Participants – the aim being to have 90% in the TPSS within 5 years	Same	The current measures focus on the percentage of TPSS Participants. An improvement on this approach is to focus on market share (i.e. percentage of tyres), as this provides a better reflection of the total number of tyres that are impacted by the TPSS Participants			

3.	The resource recovery and recycling rates of EOLT that can be attributed to the TPSS	KPI 4: The resource recovery and recycling rates of EOLT that can be attributed to the TPSS	Same	<p>These performance targets are all outcomes focussed targets and, as such, they are inadequate at present. Specifically:</p> <ul style="list-style-type: none"> The terms 'resource recovery', 'recycling' and 'environmentally sound use' are not clearly defined and are used interchangeably, creating uncertainty as to what targets 3,4, 5 and 6 are seeking to achieve and giving the impression that they are duplicative. It is recommended, therefore, that separate and explicit performance targets be developed for environmentally sound use and recycling (a subset of environmentally sound use), with both terms being clearly defined 	N/A	KPI 2: The volume of EOLT collected by accredited participants, or accounted for over time increase annually	The current KPI 2 focuses on accredited participants which identifies the volume attributed to the scheme, which blends the previous KPI 3 and KPI 4. Further, current KPI 2 does not have a percentage target, but a target to increase volume annually
4.	The national resource recovery and recycling rates of EOLT	KPI 3: The national resource recovery and recycling rates of EOLT	Same	<ul style="list-style-type: none"> It is not clear whether the performance targets are intended to be met through actions undertaken domestically only or through actions completed either at the domestic or international levels. It is recommended, therefore, that it be stated explicitly in the targets whether they are intended to be achieved 	5. The volume of locally recycled tyre product sold as an input into new products and/or processes is 15% of the volume of end-of-life tyres by 2020		
5.	The % increase of EOLT going to ESUs – the TPSS performance target is to increase from 16% to 50% by the end of 5 years	KPI 5: The % increase of EOLT going to ESUs – the TPSS performance target is to increase from 16% to 50% by the end of 5 years	Same	Through domestic actions or through a combination of domestic and international actions. It is doubtful whether it will be possible to specifically attribute increased resource recovery and recycling rates to the TPSS (Target 3). It is recommended therefore, that this target be removed	6. The percentage of EOLT that go to an ESU, both in Australia and overseas, increases to 50% by 2020	KPI 3: The volume of EOLT exported via accredited tyre recyclers and collectors that have been verified as going to ESU increases annually KPI 4: Increase the % of EOLT going to an ESU (2023 target - 75%)	The current KPI 3 and 4 has separated the recommendation into exported and (assumed) local
6.	The volume of tyre derived products sold or otherwise provided for an environmentally sound use	KPI 6: The volume of TDPs sold or otherwise provided for environmentally sound use	Same		5. The volume of locally recycled tyre product sold as an input into new products and/or processes is 15% of the volume of end-of-life tyres by 2020 (same as 5 above)	N/A	MJ recommend combining previous KPI 3 and KPI 6 into a new target. However the current KPI 2 is not directly related to the recommended target

7.	The number of users of TSA's website		Not reflected	As is discussed in section 5.3, there needs to be a greater focus in the TPSS on the interests and understanding of tyre consumers. Given this, the existing target is too specific, in isolation, to provide a useful measure of communications success. It is likely that a range of performance targets are needed relating to communications to consumers in particular but also to TPSS members and potential members	N/A		KPI 5: Users seeking accreditation through TSA website. Increased website traffic	There was no recommended KPI, and there was no previous KPI on this. However the feedback from MJ was not directly reflected in the current KPI
		KPI 7: The total levy funds collected under the TPSS	Not reflected	N/A	N/A		N/A	No recommended or current KPI 8: A breakdown of how levy funds were spent during the period
		KPI 8: A breakdown of how levy funds were spent during the period	Not reflected	N/A	N/A		N/A	No recommended or current KPI
		KPI 9: An explanation of how the funds being spent is contributing to achieving the TPSS's objectives – that is, to increase resource recovery and recycling and to minimise the environmental, health and safety impacts of EOLT in Australia; and to develop the domestic tyre recycling industry and markets for TDPs	Not reflected		N/A		KPI 6: Growth of the demand for Australian TDPs associated with market development activities promoted, funded and/or supported by TSA	The previous KPI 9 is not directly related to current KPI 6. MJ does not provide a recommendation on this KPI as it focused on the 7 performance targets. Current KPI 6 does not reflect the performance targets, but it does link with the strategic goals more generally

Notes

Notes

1. ACCC Authorisation Number AA1000409 (TPSS, 2018), <https://www.tyrestewardship.org.au/wp-content/uploads/2020/04/ACCC-determination.pdf>, paragraph 65. The three key deliverables of the Independent Review are to:
 - Assess TSA/TPSS performance, governance and reporting.
 - Report recommendations, conclusions and findings based on this assessment.
 - Specifically recommend to TSA any necessary revisions to the TPSS, as a basis for a potential authorisation application by TSA to the ACCC.
 2. IBISWorld “Tyre Retailing in Australia: Market Size 2007–2028” (last updated 31 May 2022), <https://www.ibisworld.com/au/market-size/tyre-retailing/>.
 3. TSA “ACCC Determination and Guidelines for Tyre Stewardship Australia”, <https://www.tyrestewardship.org.au/accc-authorisation>.
 4. ACCC Authorisation Number AA1000409, above at [1], paragraphs 205-206. Annex 1.1 contains a summary.
 5. Ibid.
 6. ACCC Authorisation Numbers A91336-A91337 (TPSS, 2013), <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australian-tyre-industry-council-authorisation-a91336-a91337>.
 7. TSA “Guidelines for the Tyre Product Stewardship Scheme: Amendment 1.1” (1 March 2019), <https://www.tyrestewardship.org.au/about-tsa/scheme/>.
 8. <https://williambuck.com/>
 9. ACCC Authorisation Number AA1000409, above at [1], page iii.
 10. The ACCC 2018 Re-Authorisation specified mining companies, but presumably now would apply equally to other OTR tyres.
 11. Department of Climate Change, Energy, the Environment and Water “Product Stewardship Accreditation” (2021), <https://www.awe.gov.au/environment/protection/waste/product-stewardship/product-schemes/voluntary-product-stewardship>.
 12. Competition and Consumer Act 2010 (Cth), section 90(7).
 13. Queensland Co-operative Milling Association Ltd (1976) ATPR 40-012 at 17,242; cited with approval in Re 7-Eleven Stores (1994) ATPR 41-357 at 42,677.
 14. Re 7-Eleven Stores (1994) ATPR 41-357 at 42,683.
 15. As demonstrated in the following authorisation decisions:
 - ACCC Authorisation Number AA1000429 (AgStewardship, 2018), <https://www.accc.gov.au/system/files/public-registers/documents/AA1000429%20-%20Revocation%20and%20Substitution%20of%20A91382%20-%20AgStewardship%20Australia%20Limited%20-%20Final%20Determination%20-%2019.12.18%20-%20PR.pdf>;
 - ACCC Authorisation Number AA1000536 (Paintback, 2021), <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20and%20Interim%20Authorisation%20Decision%20-%2027.05.21%20-%20PR%20-%20AA1000536%20Paintback.pdf>;
 - ACCC Authorisation Number AA1000537 (Refrigerant Reclaim, 2021), <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%2012.05.21%20-%20PR%20-%20AA1000537%20-%20RRA.pdf>.
 16. Ibid.
 17. ACCC Authorisation Number AA1000429, above at [15].
 18. As seen in:
 - ACCC Authorisation Number AA1000476 (Battery Stewardship Council, 2020), <https://www.accc.gov.au/system/files/public-registers/documents/Draft%20Determination%20-%2014.07.20%20-%20PR%20-%20AA1000476%20BSC.pdf>;
 - ACCC Authorisation Number AA1000536, above at [15];
 - ACCC Authorisation Number AA1000537, above at [15].
 19. ACCC Authorisation Number AA1000476, above at [18].
 20. Ibid.
 21. Ibid.
 22. ACCC Authorisation Number AA1000429, above at [15].
 23. ACCC Authorisation Number AA1000429; ACCC Authorisation Number AA1000537; ACCC Authorisation Number AA1000536, above at [15].
 24. Ibid.
 25. ACCC Authorisation Number AA1000536, above at [15].
 26. TSA “Guidelines”, above at [7] page 14.
 27. Ibid. TSA’s expanded list of corporate objectives are:
 - Implement the TPSS, including managing accreditation and monitoring, auditing and reporting on the development of the TPSS.
 - Promote the TPSS and the value of EOLT utilisation.
 - Contribute to technology and market development activities that increase utilisation of EOLT, including through proactive investment in research and development projects, skills development, national outreach, international engagement, and supporting collaborative research in high priority technologies.
 - Retain local expertise in, and attract international expertise to, Australia.
 - Support growth in skills and capacity in Australian technologies for the domestic and international markets.
 - Engage with government, industry and the community in promoting, developing and implementing EOLT technologies and the interests of the Australian research and development community.
 - Provide a forum to discuss ideas and promote multidisciplinary research and institutional collaboration.
- TSA “Who is TSA?”, <https://www.tyrestewardship.org.au/about-tsa/overview/>.
- In administering the TPSS, TSA aims to achieve the following objectives:
- Increase resource recovery and recycling and minimise the environmental, health and safety impacts of EOLT generated in Australia.
 - Develop Australia’s tyre recycling industry and markets for TDP.
28. Environment Protection and Heritage Council and the Department of Environment, Water, Heritage and the Arts “National Waste Report 2010” (2010), page 21.
 29. TSA “Guidelines”, above at [7], page 14.
 30. TSA “Annual Report 2015” (2015), <https://www.tyrestewardship.org.au/wp-content/uploads/2020/05/tsa-annual-report-2015-wfirwzomkzc.pdf>.
 31. TSA “Constitution” (last updated 2021), <https://www.tyrestewardship.org.au/reports-facts-figures/constitution/>, article 34.1. TSA may, from time to time, establish advisory committees to provide specialist or expert advice to the Board.
 32. Ibid, article 34.2.
 33. Ibid. This requirement reflects an independent review which concluded that Tyre Recyclers with active commercial interests in the Australian market should not be TSA Board members, given the existence of “fundamental and wide-ranging conflicts of interest”: Landell “TSA: Conflict of Interest and Governance Considerations Associated with Board Membership” (12 November 2020), pages 4-5. Historically, TSA Constitution Article 34.1 required TSA Board to comprise a minimum of 1 and up to 2 Tyre Recyclers.
 34. TSA “Constitution”, above at [31], article 34.2.
 35. Ibid.
 36. ACCC Authorisation Number AA1000409, above at [1], pages 9-10.
 37. Except where no viable alternative is available, subject to State/Territory legislation; for example, in rural and remote areas where appropriate recycling facilities are not available or transportation costs are prohibitive.
 38. The Australian Government’s ban on the export of baled tyres from Australia has crystallised the requirement in the ACCC 2018 Re-Authorisation to contribute to the elimination of the inappropriate export of baled tyres from Australia.
 39. Annex 2 sets out these specific commitments of the TPSS Participants.
 40. TSA “Contributing Tyre and Auto Brands”, <https://www.tyrestewardship.org.au/accreditation/find-contributing-tyre-brands/>.
 41. Based on data from TSA “Tyre Consumption and Recovery” (2022), <https://www.tyrestewardship.org.au/wp-content/uploads/2022/03/TSA-Tyre-Consumption-Recovery.pdf>.
 42. TSA “Annual Report 2020-21” (2021), <https://crm.tyrestewardship.org.au/static/uploads/files/tsa-annual-report-2021-wfpyuwgqtvs.pdf>, page 48.
 43. Ibid, page 37.
 44. Landell “Conflict of Interest and Governance Considerations”, above at [33], page 12. A further impetus towards a Skills-Based Board may also be that TSA Board was “relatively homogenous”.
 45. Section 2 of this Report.
 46. Landell “Conflict of Interest and Governance Considerations”, above at [33], page 12, found that TSA could consider the opportunities to increase the corporate governance role of Tyre Recyclers by:
 - Strengthening of consultative mechanisms for Tyre Recyclers. In particular, TSA could explore ways to convert the ICG to a recycling-specific forum or make changes to it that would incorporate a recycling focus. The ICG comprises Tyre Recyclers, Tyre Retailers, Tyre Importers and other stakeholders. The ICG meets quarterly and provides advisory services to TSA. The ICG would be an ideal mechanism if it were changed to be a recycling forum, or perhaps a sub-group of the ICG could have a recycling-specific focus
 - Revising TSA Constitution to provide for:
 - Overseas tyre recycling industry representatives not involved in the Australian market who could attend Board meetings remotely.
 - Recycling industry experts in non-tyre related markets (Australia or overseas).
 47. Randell Environmental Consulting “Mining Industry Off the Road Used Tyre Analysis” (2020), <https://www.tyrestewardship.org.au/reports-facts-figures/mining-industry-off-the-road-otr-used-tyre-analysis/>.
 48. Annexes 2 and 3.
 49. TSA “Annual Report 2020-21”, above at [42], page 37.
 50. IBISWorld “Tyre Retailing in Australia”, above at [2].

51. Landell “Conflict of Interest and Governance Considerations”, above at [33], page 4.
52. Annex 4 of this Report: Marsden Jacob Associates, “Review of the Tyre Stewardship Scheme and Tyre Stewardship Australia” (April 2017), <https://www.tyrestewardship.org.au/wp-content/uploads/2020/05/marsden-review-2017.pdf>.
53. Annex 1.2: Recycling and Waste Reduction Act 2020, <https://www.legislation.gov.au/Details/C2020A00119>.
54. Annex 1.2; Department of Climate Change, Energy, the Environment and Water “Product Stewardship Accreditation”, above at [11]; TSA “Tyre Stewardship Australia recognised as best practice product stewardship” (16 March 2021), <https://www.tyrestewardship.org.au/news/tsa-recognised-as-best-practice-product-stewardship/>. The RAWR Act came into effect on 16 December 2020, repealing and replacing the Product Stewardship Act 2011 (Cth). In 2020–21, the following industry-led product stewardship also were accredited under the RAWR Act:
- Big Bag Recovery, which aims to ensure that plastic bags for industrial products over 15 kilograms or 15 litres are recycled into other plastic products.
 - Battery Stewardship Scheme, which is a national battery collection network that will increase the recovery and recycling of end-of-life handheld batteries.
55. Department of Treasury and Finance “Victorian Guide to Regulation” (2007), page 9.
56. Section 2.3 of this Report sets out a case study of the scheme.
57. Department of Climate Change, Energy, the Environment and Water “National Television and Computer Recycling Scheme”, <https://www.awe.gov.au/environment/protection/waste/product-stewardship/products-schemes/television-computer-recycling-scheme>.
58. Department of Climate Change, Energy, the Environment and Water “Product Stewardship for Oil (PSO) Scheme”, <https://www.awe.gov.au/environment/protection/used-oil-recycling/product-stewardship-oil-program>.
59. Department of Climate Change, Energy, the Environment and Water “National Television and Computer Recycling Scheme – Roles and Responsibilities infographic”, <https://www.awe.gov.au/environment/protection/publications/infographic-roles-and-responsibilities-infographic>.
60. Australian Taxation Office “Product Stewardship for Oil Program” (last updated August 2021), <https://www.ato.gov.au/Business/Fuel-schemes/Product-stewardship-for-oil-program/>.
61. RAWR Act 2020, Part 4.
62. Department of Climate Change, Energy, the Environment and Water “Product Stewardship Benefits”, <https://www.awe.gov.au/environment/protection/used-oil-recycling/product-stewardship-oil-program/benefits>.
63. Minister for the Environment “Recycling and Waste Reduction Bill 2020 Revised Explanatory Memorandum” (2020), https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r6573_ems_32bac37e-ac9b-46fb-8535-fed9f89d4f6d/upload_pdf/Recycling%20and%20Waste%20Reduction%20Bill%202020_Revised%20Explanatory%20Memorandum_JC000390.pdf;fileType=application%2Fpdf.
64. RAWR Act, section 155.
65. Ibid, sections 79–80.
66. Ibid, section 76, 77; Minister for the Environment “Explanatory Memorandum”, above at [63]. The RAWR Act provides that it is a strict liability offence (carrying civil penalties) to not join the scheme, as a RAWR Act Liable Party.
67. Ibid, section 77(3).
68. Annex 1.2. RAWR Act, section 77(3).
69. RAWR Act, section 84(1).
70. Ibid, section 84(2).
71. Minister for the Environment “Explanatory Memorandum”, above at [63].
72. RAWR Act, section 85(3).
73. Ibid, section 85(2).
74. Ibid, sections 81–82.
75. RAWR Act, sections 86–87.
76. Department of Climate Change, Energy, the Environment and Water “NTCRS Operation of the Scheme” (2015), <https://www.awe.gov.au/sites/default/files/documents/factsheet-national-television-and-computer-recycling-scheme-operation.pdf>
77. Recycling and Waste Reduction (National Television and Computer Recycling Scheme) Rules 2021, rule 6.
78. Department of Climate Change, Energy, the Environment and Water “NTCRS”, above at [57].
79. Recycling and Waste Reduction (Product Stewardship—Televisions and Computers) Rules 2021, rule 7.
80. Ibid, rule 11.
81. Ibid, rule 16.
82. Ibid, rule 17.
83. Ibid, Part 5.
84. The RAWR Act Co-Regulatory Arrangements in the NTCRS:
- Must deal with the financial arrangements and funding to achieve the outcomes and requirements in the Rules: Rule 17(b)
 - May take liable party’s exports into account when determining membership fees: Department of Climate Change, Energy, the Environment and Water “Importers and manufacturers (liable parties)”, <https://www.awe.gov.au/environment/protection/waste/product-stewardship/products-schemes/television-computer-recycling-scheme/liable-parties>.
- Accordingly, the four providers of the RAWR Act Co-Regulatory Arrangements will determine their relevant RAWR Act Fees.
85. NSW EPA “Television and Computer Recycling in New South Wales” (2016), <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/epa/television-and-computer-recycling-guide-160449.pdf?la=en&hash=07372952DF592C4EEB9F8540B51A6C8B74ABC878>, page 6.
86. TSA “Constitution”, above at [31], clause 5; RAWR Act, sections 81–83.
87. TSA “Constitution”, above at [31], clauses 8, 9, 2.
88. Ibid, clause 11.
89. Ibid, clause 34.
90. Ibid, clauses 52–56; RAWR Act, sections 82–83.
91. TSA “Constitution”, above at [31], clause 57.
92. RAWR Act, section 72.
93. Centre of Excellence for Product Stewardship “Product Stewardship”, <https://stewardshipexcellence.com.au/product-stewardship/#:~:text=Mandatory%20product%20stewardship%20is%20used,greater%20benefit%20to%20the%20community>. Annex 1.2 provides further information on RAWR Mandatory Schemes.
94. Section 2 of this Report.
95. “A nation that is 100% sustainable and accountable for end-of-life tyres”: TSA “Annual Report 2020–21”, above at [42], front cover.
96. The submission of the WALGA on TSA’s 2018 ACCC Re-authorisation application advocated that the Australian Government should implement either a RAWR Co-Regulatory Scheme or a RAWR Mandatory Scheme which assigns financial or physical responsibility for EOLT to producers: WALGA “Submission ACCC AA1000409: Tyre Stewardship Australia” (2018), <https://www.wastenet.net.au/documents/336/walga-submission-tsa-acc-authorization-february-2018>, page 1.
97. Minister for the Environment “Explanatory Memorandum”, above at [63].
98. The Office of Best Practice Regulation “The Impact Analysis process”, <https://obpr.pmc.gov.au/impact-analysis-process>.
99. The Office of Best Practice Regulation “The 7 RIS Questions”, <https://obpr.pmc.gov.au/resources/guidance-impact-analysis/7-ris-questions>.
100. RAWR Act, section 14.
101. Ibid, section 3.
102. Department of Climate Change, Energy, the Environment and Water “Minister’s Priority List”, <https://www.awe.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list>.
103. Currently, the recovery of OTR is around 15%, whereas passenger, truck and bus EOLT is 90%.
104. Diane Dowdell “Product Stewardship: Minister’s priority list” (2021), page 3.
105. RAWR Act, sections 81–82.
106. Ibid, section 83.
107. Section 2 of this Report.
108. Section 3 of this Report.
109. Section 4 of this Report.
110. Randell Environmental Consulting “Global Management of Used ‘Off-the-Road’ Products” (2022), page 9.
111. Ibid.
112. Aliapur “What is Aliapur”, <https://aliapur.fr/en/actualite/1-what-is-aliapur.html>.
113. Aliapur “Our Missions”, <https://www.aliapur.fr/en/actualite/1-what-is-aliapur.html>.
114. Tyrewise, <https://www.tyrewise.co.nz/>.
115. Tyrewise Project Managers (3R Group) “Tyrewise Master Report” (2020), <https://110ppppax8b3fccwh3zobtwsw-engine.netdna-ssl.com/wp-content/uploads/2020/07/Tyrewise-2.0-Master-Report-Final-Released-22July2020-with-disclaimer.pdf>, page 90.
116. Ibid, page 253.
117. Ibid.
118. Ibid.
119. Ibid, page 101.
120. Randell Environmental Consulting “Global Management”, above at [110], page 7.
121. Tyrewise Project Managers “Tyrewise Master Report”, above at [115], page 90.
122. Ibid, page 103.
123. WALGA “Submission ACCC AA1000409”, above at [96], page 11.
124. Australian Renewable Energy Agency “ARENA at a Glance” (last updated 31 March), <https://arena.gov.au/arena-at-a-glance/>.
125. CRDC “Research & Development” <https://www.crdc.com.au/research-development>.
126. Centre of Excellence for Product Stewardship “Funding Product Stewardship Initiatives” (Webinar, 12 May 2022), <https://stewardshipexcellence.com.au/webinars/>.
127. Ibid.
128. WALGA “Submission ACCC AA1000409”, above at [96], page 4.
129. For example, CSIRO proposes EOLT targets by 2030, which include:
- 42% exported as shredded tyres.
 - 8% re-treaded for reuse.
- CSIRO envisages a future state in which Australia experiences no whole tyre exports, landfilling, on-site disposal, stockpiles or dispersed dumping by 2030:

- CSIRO "A circular economy roadmap for plastics, tyres, glass and paper in Australia" (2021), <https://www.csiro.au/en/research/natural-environment/circular-economy>.
130. Figure 14 classifies TSA TPSS targets as:
 - Input: A measure of scheme inputs.
 - Output: A measure of scheme outputs.
 - Outcome: A measure of what was actually achieved.
 - Impact: What difference was made?

The quality of the targets increases from the left to the right of the table.
 131. TSA "Guidelines", above at [7]. Currently, the 2018 National Waste Policy does not set specific performance measures for EOLT. The 2019 National Waste Policy Action Plan, however, sets a target for an 80% average resource recovery rate from all waste streams by 2030: Department for Agriculture, Water and the Environment "National Waste Policy Action Plan 2019" (2019), <https://www.awe.gov.au/sites/default/files/documents/national-waste-policy-action-plan-2019.pdf>.
 132. Annex 5 of this Report.
 133. TPSS Participants numbered 1,661, as at EOFY 2021: TSA "Annual Report 2020-21", above at [42], page 8.
 134. 47% 2020-21: *ibid*, pages 8-9. Measured as market share of total tyre imports.
 135. 9% 2020-21: *ibid*. Measured as market share of total new vehicle sales.
 136. 56% 2020-21: *ibid*. Measured as market share of total tyre sales.
 137. 96% 2020-21: *ibid*. Measured as market share of EOLT.
 138. On average, Australia generates 459,000 tonnes of EOLT annually. Around 330,000 tonnes, or 70%, of the waste tyres generated are recovered each year. Of the total recovered tyres 18.6% are reused (e.g. through retreading or repair), 40.9% are recovered (e.g. processed into TDPs, used in thermal processing etc), 27% go to landfill, and 3% are dumped. The recovery rate varies substantially based on the tyre type. For passenger and truck tyres, 89% are recovered. In comparison, only 12% of OTR are recovered. Key factors contributing to the lack of OTR recovery include the size and composition of the tyres, and their use in sectors such as mining and agricultural. These characteristics make OTR more difficult to handle and process. TSA "Tyre Consumption and Recovery", above at [41].
 139. TSA "Annual Report 2020-21", above at [42], page 10. This volume has steadily increased. In 2020-21, the volume increased by approximately 12%.
 140. 68% 2020-21: *ibid*.
 141. Centre of Excellence for Product Stewardship "Funding Product Stewardship Initiatives", above at [126].
 142. Figure 14 above.
 143. *Ibid*.
 144. TSA "Guidelines", above at [7], section A4.
 145. *Ibid*, Appendix 1. TSA may amend the TPSS Guidelines from time to time: Section A4.6. In the event of a major amendment, where there are potential impacts on TPSS Participants, TSA must undertake a consultation process with the relevant stakeholders in relation to the proposed amendment, which includes TSA seeking comments from the stakeholders ("EPU Consultation"). Accordingly, the EPU Consultation has involved a number of interviews with a sample of the TPSS Levy Contributors. The key objective of the EPU Consultation is to provide TSA with the EPU Recommendations, as a basis for TSA to consider the potential revisions or alternatives to the EPU Ratios. The key deliverables of the EPU Consultation are:
 - Assess effectiveness, efficiency and fairness of the use of the EPU Ratios ("EPU Ratio Assessment") to REFLECT the potential recoverable resources from the various types of EOLT.
 - Report findings, conclusions and recommendations based on the EPU Ratio Assessment ("EPU Assessment Outcomes").

Specifically recommend potential revisions or alternatives to the EPU Ratios ("EPU Recommendations").
 146. Centre of Excellence for Product Stewardship "Funding Product Stewardship Initiatives", above at [126].
 147. *Ibid*.
 148. CSIRO proposes the TPSS being:
 - Funded by:
 - The RAWR TPSS Importer Liability at an increased TPSS Levy Amount Specification; and
 - A transparent, consistent and higher recycling fee for all new tyres, with a higher proportion of that fee going to Tyre Recyclers.
 - Supported by Imported Tyre Minimum Quality Standard to ensure durability and recyclability. CSIRO "A circular economy roadmap", above at [129].
 149. ANZRP "Annual Report 2020/21" (2021), <https://www.awe.gov.au/sites/default/files/documents/anz-rp-annual-report-2020-21.pdf>.
 150. ANZRP "White Paper NTCRS Scope Expansion" (2020), https://www.anzrp.com.au/wp/wp-content/uploads/ANZRP_White_Paper_NTCRS_Scope-Expansion.pdf.
 151. ANZRP "White Paper Review of the NTCRS" (2017), <https://www.anzrp.com.au/wp/wp-content/uploads/ANZRP-NTCRS-and-PS-Act-Review-White-Paper-FINAL-Aug-secured.pdf>.
 152. Department of Climate Change, Energy, the Environment and Water "National Waste Policy" (2018), <https://www.awe.gov.au/environment/protection/waste/publications/national-waste-policy-2018>.
 153. Norton Rose Fullbright "Regulation of waste infrastructure planning and waste to energy licensing framework, new cost recovery powers for the EPA" (June 2022), https://www.nortonrosefulbright.com/en-au/knowledge/publications/982be7e6/regulation-of-waste-infrastructure-planning-and-waste-to-energy-licensing-framework-new-cost?utm_campaign=Legal%20Update%20-%20Australia%20%7C%20Environment%20Legislation%20Amendment%20Bill%20seeks%20to%20amend%20the%20Circular%20Economy%20Act%202021%20&utm_medium=email&utm_source=Eloqua.
 154. TSA "Why is it so hard to get used tyres collected?" (2022), <https://www.tyrestewardship.org.au/handbooks/why-is-it-so-hard-to-get-used-tyres-collected/>.
 155. TSA is a member of:
 - International Rubber Study Group: <https://www.rubberstudy.org/welcome>
 - Global Platform for Sustainable Natural Rubber: <https://sustainablenaturalrubber.org/>
 156. Department of Climate Change, Energy, the Environment and Water "Product Stewardship Accreditation", above at [11].
 157. ACCC Authorisation Number AA1000409, above at [1].
 158. RAWR Act, section 3(1).
 159. *Ibid*, section 3(2).
 160. *Ibid*, section 67(1).
 161. Department of Climate Change, Energy, the Environment and Water "Annual Report 2020-21: Recycling and Waste Reduction Act" (2021), <https://www.transparency.gov.au/annual-reports/department-agriculture-water-and-environment/reporting-year/2020-21-27>.
 162. RAWR Act, section 67(4).
 163. Department of Climate Change, Energy, the Environment and Water "Annual Report 2020-21: Recycling and Waste Reduction Act", above at [162].
 164. *Ibid*.
 165. RAWR Act, section 69; sections 73-75.
 166. RAWR Act, section 71.
 167. Recycling and Waste Reduction (Product Stewardship—Accreditation of Voluntary Arrangements) Rules 2020 ("RAWR Rules"), section 9.
 168. *Ibid*, section 9(2).
 169. *Ibid*, section 10(1).
 170. RAWR Act, section 70(4).
 171. RAWR Rules, sections 13, 21, 23.
 172. *Ibid*, section 11.
 173. *Ibid*, sections 14-17.
 174. *Ibid*, section 18.
 175. *Ibid*, section 19.
 176. Minister for the Environment "Explanatory Memorandum", above at [63].
 178. RAWR Act, section 92.
 179. *Ibid*, section 92(8).
 180. *Ibid*, section 93.
 181. TSA "Guidelines", above at [7].
 182. A businesses/organisation which is engaged in tyre importing, vehicle importing or vehicle manufacturing, thereby being the participant which first supplies a tyre to the domestic market.
 183. A business/organisation which offers a tyre for sale at retail through any means, including sales outlets, catalogues or the internet. For the purposes of the TPSS, Tyre Retailers include Tyre Re-treaders. For the purposes of the Independent Review, Tyre Retailers include Tyre Repairers.
 184. An entity which owns/operates a fleet of vehicles, including an Australian Government, State/Territory Government or private entity.
 185. An individual/business/organisation which collects/ transports the EOLT in any part of Australia for recycling, reuse or disposal. Collectors which are also Recyclers are required to apply for membership in both the Collector and Recycler categories.
 186. A business/organisation which recovers rubber, steel, textile and/or other materials, then either:
 - Processes the material, including through shredding, into a form which is useable as an intermediate product in the manufacture of TDP; or
 - Uses the EOLT to recover energy through pyrolysis, as TDF.

Recyclers which are also Collectors must apply for membership in both the Collector and Recycler categories.
 187. An operator of mining vehicles which imports more than 1,000 EPU's annually.
 188. A council which TSA has supported.
 189. The EPU Consultation Questions are set out above, under "Stakeholder 4.1.1".
 190. *Ibid*.
 191. TSA "Guidelines", above at [7].
 192. TSA "Urban EP Valuation Report" <https://www.tyrestewardship.org.au/reports-facts-figures/updated-md-project-evaluation/>.
 193. TSA "Used Tyres Supply Chain and Fate Analysis Report" <https://www.tyrestewardship.org.au/reports-facts-figures/used-tyre-supply-chain/>
 194. <https://www.tyrestewardship.org.au/otr/>
 195. <https://www.tyrestewardship.org.au/tyreretailerstoobox/>