

Lina Goodman, CEO of Tyre Stewardship Australia opening statement

Thank you Chair for the opportunity to address the Committee today.

Firstly, I would like to provide some context for my remarks.

TSA has ACCC authorisation to administer the voluntary Tyre Product Stewardship Scheme (the Scheme) for the past ten years. The industry has come a long way, but progress has plateaued.

And so, for the last few years, tyres have been on the Commonwealth Environment Minister's Product Stewardship Priority List - signalling the need for a stronger approach to tyre stewardship in Australia.

TSA supports the need for a stronger stewardship approach, and our submission, and remarks today highlights the important role of government social procurement in assisting the transition, by creating the demand 'pull' needed to sustain onshore recycling and jobs.

Now to the current situation.

Each year we see the equivalent of 58 million passenger tyres reach end of life in Australia. This is 500,000 tonnes of material, each and every year.

NSW alone accounts for close to one third of this total volume, that is 150,000 tonnes of used tyres each year including passenger, truck, bus and of course mining or off-the-road tyres.

The tyres that are collected for processing are largely exported to be used as fuel.

The tyres that we do not collect – mostly within the mining sector – are left on land or buried in pits.

What we know is, progressive countries and governments have used both the weight of government procurement **and** various forms of regulation to successfully amplify manufacturing, create jobs and develop most importantly, markets using recycled materials that would not thrive without these practical and effective interventions.

I am speaking particularly about the influence of government procurement and product stewardship regulation. The two work in unison to create circular economy jobs that process and re-manufacture products from recycled material; as well as creating end markets and demand to use those products.

We only have to look to Canada and in particular British Columbia, Ontario and Quebec as examples of governments that have effectively used regulation through tyre product stewardship to support initiatives, incentives and innovation in manufacturing using recycled materials.

One Quebec based manufacturer has advised us that the outcome of government intervention in the form of tyre product stewardship regulation, meant they moved from a \$20M business to a \$200M business, with the resultant increase in jobs that came with the tenfold increase in turn over.

British Columbia's product stewardship scheme advise that they are using ALL of their tyre waste locally. In fact, they have needed to supplement their supply with imports from other jurisdictions to meet demand.

These provinces enjoy successful manufacturing of innovative products that are sold across North America, creating many skilled jobs and economic activity in these local communities, with the resultant social benefits.

New Zealand has now set similar regulation and procurement principles in place.

New South Wales is well placed to take the lead and use procurement to contribute to the social development of the people of NSW. Social procurement could be part of this win-win solution, benefiting those peri-urban, regional, rural, and remote communities that currently bear the brunt of unrecovered tyres, and delivering benefits for the wider community.

For example:

1. We see the inclusion of tyre derived material in roads and transport infrastructure demonstrated in the Southern Sydney Regional Organisation of Councils (SSROC) project; which makes council roads more sustainable, higher performing and longer lasting, reducing capital and operating expenditure.
2. We see the retreading of giant mining tyres in Kurri Kurri, being supported by procurement principles.
3. We see the investment in state-of-the-art end of life tyre processing plants in Erskine Park creating local jobs and valuable materials to be used in the construction of the local built environment.

These initiatives can be well supported to continue to grow if NSW can lead with strong government procurement principles that support the use of tyre derived materials in the construction and road space. Without procurement principles in place these initiatives cannot and will not grow.

It's not a farfetched future.

Let's take a quick look at the roads market, remembering that local government manage 85% of our roads.

Mandating the use of our used tyres in road infrastructure would create a sizable end market for tyre derived materials. It would also set the benchmark of being the custodians of our own waste; support manufacturing and reprocessing and create jobs.

For example, in NSW in 2023, if procurement practices had mandated a 15% loading of crumb rubber in new roads, a market for approximately 85% of NSW's used truck tyres would've been created.

We know that for every 1000 tonne of waste recycled there is 1 job created. NSW generates 150,000 tonnes of used tyres each year that can support the creation of a significant number of ongoing permanent jobs.

It is now time for New South Wales to take the lead.

We can no longer accept the valuable resources in tyres being wasted, especially when the opportunity to reuse them for the economic, social and environmental benefit of the local community is achievable with government commitment to procurement practices and stewardship.

We commend the committee for exploring this important issue. And encourage the committee progress a pathway towards strong social procurement practices, and not let perfect be the enemy of the good.

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