



ALGA

Australian Local
Government Association

Inquiry into the Australian tyre industry and circular economy

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

30 January 2026



Introduction

The Australian Local Government Association (ALGA) is the voice of local government in Australia, representing 537 councils across the nation.

ALGA was established in 1947 and throughout its history has been actively involved in issues of national significance affecting local government and local communities.

In structure, ALGA is a federation of state and territory local government associations. This submission should be read in conjunction with any separate submissions received from state and territory associations as well as individual councils.

ALGA is an observer to Environment Minister's Meeting where it advocates for mandatory product stewardship across a range of problematic resource streams, including tyres.

Councils are saddled with the costs of a failing tyre system

Local governments are key national partners in resource management. Reducing the environmental and operating costs associated with waste management are of keen relevance to the local government sector.

Local governments must grapple with, and pay for, the safe management of an ever-expanding list and volume of materials entering waste and recycling streams. This could worsen for councils in the future, should Australia's regulatory environment fall behind evolving international standards – which could see Australia become a 'dumping ground' for end-of-life tyres. Tyre Stewardship Australia notes that only a quarter of the 537kt of used tyres generated in Australia each year are recovered and recycled, while another forty per cent is recovered for energy.

Local governments and our environment shoulder the cost of a failing system.

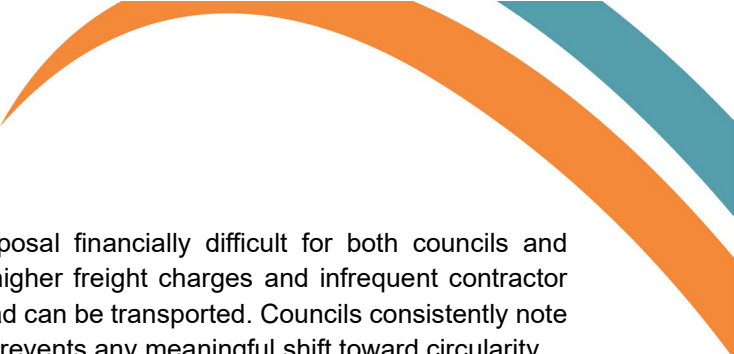
Tyre Stewardship Australia modelling from 2024 shows that local governments handled an estimated 300,000 end-of-life tyres in 2022-23. Each passenger car tyre costs an average of \$22 to retrieve, costing local governments nationally over \$6.5 million per year.

This is money which could otherwise be used on community services, amenities and infrastructure; and contributes to the real, significant and structural challenges to the financial sustainability of local governments.

Barriers to tyre recovery and reuse

Councils face high disposal costs, limited processing options, widespread illegal dumping, and regulatory barriers that make responsible management more difficult than it should be. This issue is exacerbated in regional areas, where significant transport costs only increase the likelihood of illegal disposal and in some cases make recycling cost prohibitive.

Transport costs are one of the most significant barriers, particularly for regional, remote and island communities. Many councils must move tyres over extremely long distances to reach a processing facility, with some travelling hundreds of kilometres in a single direction. These transport costs often exceed the



value of the tyre-derived material and make lawful disposal financially difficult for both councils and generators. Remote and island communities face even higher freight charges and infrequent contractor visits, which forces them to stockpile tyres until a viable load can be transported. Councils consistently note that the absence of local or regional processing capacity prevents any meaningful shift toward circularity.

Illegal dumping and stockpiling are pervasive across all jurisdictions. High disposal charges, limited access to lawful facilities, and the behaviour of unscrupulous operators all contribute to significant volumes of abandoned tyres. Councils frequently inherit the cost of cleanup, which imposes further financial strain and creates environmental and fire risks. Some communities have experienced extreme cases where private collectors accept tyres for a fee and later abandon them, leaving landowners and councils to manage the consequences.

Regulatory inconsistencies and immature standards also limit progress toward a functioning circular supply chain for tyres. End-of-waste criteria often do not align with the specifications and standards used in infrastructure projects, which prevents tyre-derived materials from being used in roads and civil construction. ALGA notes several projects undertaken by Austroads to improve knowledge of technical and operational aspects of using crumb rubber.¹

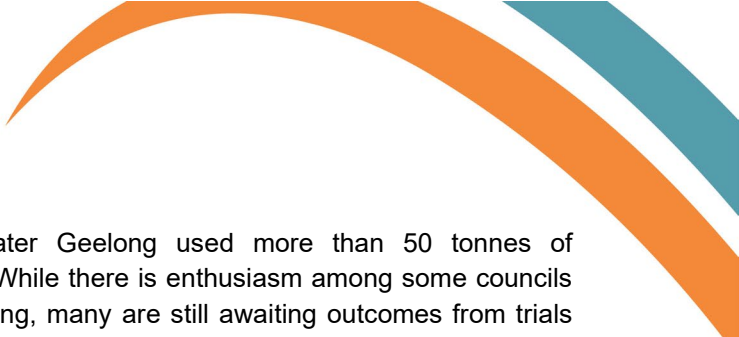
ALGA also sees variable progress across states and territories for securing approvals for tyre-derived materials in road pavements. For example, the Northern Territory has specific barriers, including limited local trials, engineering uncertainties, and the absence of Territory-aligned specifications. The Commonwealth should consider the particular challenges in each jurisdiction and devise a plan to address these in a context-sensitive manner.

Regulations in some jurisdictions create perverse disincentives to actively manage tyres. In the Northern Territory, councils in small and remote communities with populations of less than 1,000 people are not required to hold landfill licenses. If these councils collect and stockpile tyres to manage them responsibly, they can trigger extensive compliance obligations including ongoing regulatory oversight, mandatory environmental management plans, infrastructure upgrades (such as fencing, separation zones, fire management controls), and regular Northern Territory Environment Protection Agency inspections which bring the risk of compliance findings and fines. The costs and administration burden discourages such small councils from attempting to recycle or recover tyres.

Tyre specifications and standards are not only relevant in respect to reusing materials. The Commonwealth has relevant levers and responsibilities which can promote, for example, the longevity of tyres. The European Union's (EU) Euro 7 emission standard include proposed tyre abrasion limits to reduce particle emissions while extending the life of tyres. The Commonwealth must also use its responsibilities for regulating chemicals to address potential health risks associated with crumb rubber use and support its safe scaling up. The EU REACH framework, for example, makes it illegal to use crumb rubber which contains a particular level of carcinogenic chemicals like polycyclic aromatic hydrocarbon (PAH). Much of the EU's work could be adopted or adapted for Australian use.

Limited access to markets for tyre-derived products further undermines circularity. Councils are keen to use a range of recycled materials where appropriate, with some are already trialing crumb rubber in local

¹ *AP-R681-22 (2022): Passenger Cars and Other Non-truck Tyres Crumb Rubber in Asphalt: National Market Analysis, Review of Industry Practices and Technology Transfer*; *AP-T359-21 (2021): National Specification for Crumb Rubber Binders in Asphalt and Seals*; *ATS 3110 (2023): Supply of Polymer Modified Binders*



construction projects. For example, the City of Greater Geelong used more than 50 tonnes of recycled crumbed rubber to upgrade and athletics track. While there is enthusiasm among some councils to be using crumb rubber more broadly for road asphaltting, many are still awaiting outcomes from trials assessing performance of the material over time. Crumb rubber products are often not available locally or are prohibitively expensive due to freight costs – this is particularly true for regional, rural and remote councils which, with their large road networks, represent a significant opportunity to scale up crumb rubber application and spur end markets. Processing costs remain higher than the value of the material produced, which prevents industry investment and reduces the viability of recovery operations. Advancing economies of scale is fundamental if processing costs are to be reduced.

Mandatory product stewardship is fundamental if we want real tyre circularity

Creating a truly circular tyre supply chain is a priority for local governments. Councils at ALGA's National General Assembly in 2024 carried the following resolution advanced by the City of Melville (WA): *"This National General Assembly calls on the Australian Government to take urgent action to implement effective funded, mandatory product stewardship schemes for priority materials (electronic waste, tyres, mattresses and consumer packaging), which requires sustainable design for waste avoidance, increased lifecycle and end of life recovery throughout a product's lifecycle."*

The current voluntary national product stewardship scheme does not provide the stability, coverage, or incentives needed to support effective recycling or a functioning circular economy for tyres.

ALGA advocates for waste avoidance, mandatory product stewardship, and greater national and ongoing support for community education and awareness around resource recovery, its use, and waste – including for tyres.

Local government wants a full and national extended producer responsibility (EPR) scheme, mandated by the Commonwealth Government. EPR for tyres would:

- Reduce the volume of tyres going to landfills on a national scale, supporting the financial and operational sustainability of all councils in Australia
- Support consistency in community education nationally and for all Australians to benefit from the same national minimum standards
- Power-up end market development, research and development at scale
- Eliminate free riding, and
- Create one system that industry is asked to comply with, making implementation and compliance most efficient and effective.

Thank you again for the opportunity to provide input on this important issue. Please contact Eleanor Robson (Policy Director – Environment) for any further information you may require.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Burnett', with a stylized flourish at the end.

Mayor Matt Burnett
ALGA President

Contact details

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