



23 January 2026

House of Representatives Standing Committee
on Industry, Innovation and Science
PO Box 6021
Parliament House
Canberra ACT 2600

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

The Federal Chamber of Automotive Industries (FCAI) welcomes the opportunity to respond to the inquiry by the House of Representatives Standing Committee on Industry, Innovation and Science into the Australian tyre industry.

FCAI represents over 60 automotive Original Equipment Manufacturers (OEMs) who design, manufacture, import, distribute and sell light duty passenger vehicles, light commercial vehicles (LCVs), and motorcycles in Australia. FCAI members are essential stakeholders in the tyre lifecycle as they equip new vehicles with their first set of tyres.

The Australian market for passenger vehicle and LCV tyre collection is an exceptionally mature success story. Data consistently estimates the collection rate for these segments at 97% to 98%. Australia largely surpasses the collection thresholds that compelled other governments – such as New Zealand, which faced a 30-40% collection rate prior to 2024 – to introduce mandatory schemes. Existing commercial and voluntary mechanisms for passenger vehicle and LCV tyre collection are highly effective, with virtually every tyre replaced at a retail outlet entering the formal waste stream.

This success stands in stark contrast to the Off-The-Road (OTR) segment, where only 13% of End-Of-Life Tyres (EOLTs) from mining and agricultural vehicles are collected. This disparity underscores the need for sectoral differentiation in policy responses. A one-size-fits-all approach would fail to account for the vastly different logistical challenges, disposal practices, and existing market efficiencies of the light vehicle sector compared to the OTR sector.

While approximately 75% of recovered passenger and LCV tyres are currently exported as Tyre Derived Fuel (TDF), the tyre recovery market continues to transition this volume into domestic, higher-order recovery pathways without the need for mandatory intervention. Indeed, significant private investment is flowing into the tyre recovery market for crumb rubber production for road construction and maintenance, tyre remanufacturing, and to develop advanced recycling capabilities using pyrolysis and devulcanisation.



To ensure a proportionate policy response, it is also critical to analyse the mass balance of tyres entering the Australian market. New vehicle sales (approximately 1.2m units per annum) introduce about 5.4 million tyres into the fleet annually. When viewed against the total volume of tyres reaching end-of-life, OEM tyres represent only 11% of the annual EOLT volume. The remaining 89% of tyre waste is generated by the aftermarket replacement cycle.

Furthermore, new vehicle tyres are already subject to rigorous federal certification under Australian Design Rules (e.g. ADR 23, 42, 95, and 96). These standards ensure high-quality, standardised materials and permanent markings that provide a premium feedstock for recyclers. In contrast, replacement tyres are governed by a patchwork of State and Territory in-service rules which focus on mechanical fitment rather than material circularity.

The FCAI believes that any government intervention (including the possible implementation of a mandatory scheme) for the collection and recycling of tyres should focus on:

- Targeting market failures, i.e. illegal dumping, legacy stockpiles, and the OTR sector, rather than new passenger and LCV segments that operate effectively and efficiently.
- Market enablement: Incentivising domestic “offtake” markets (e.g. green procurement for roads) and providing financial support for advanced recycling technologies.
- Global harmonisation: Any further regulation of tyres fitted to new vehicles on material composition, eco-labelling for rolling resistance or digital passports for instance should align with relevant global UNECE standards and follow existing ADR review processes under the federal Road Vehicle Standards Act 2018 (RVSA).
- Implementation of appropriate governance structures: it is vital that, if there is a government-mandated scheme, it be managed by a suitably qualified regulator that has the capacity to lead and innovate to enhance the recycling industry and that can operate cooperatively and transparently with all sectors.

The FCAI would be pleased to provide further information if required to assist the Committee’s deliberations.

Yours sincerely,

Tony Weber

Chief Executive Officer

Tony.Weber@fcai.com.au