



Tyres NEPM Impact Statement

Introduction

Much of the material contained in the Impact Statement is addressed in other documents (such as the Consultation Regulatory Impact Statement). Therefore there is some cross over between the various submissions.

Local government supports resource efficiency as an appropriate driver for policy and strongly supports the development of markets for tyre derived products (TDP's).

Statement of the Problem

Nature and Extent of the Problem

The Impact Statement uses data from 2004; this will substantially affect the accuracy of market predictions and assessment of the current situation. The recycling figure given for end-market usage is 17%. However, later in this paper, recycling rates of 20-25% are included. In other documents different figures are used again, for example the Industry Scheme Brochure gives the figure as 25%.

WALGA Recommendation 1: Use consistent figures throughout the document, or clearly identify why different figures have been used.

Information is also provided in the section on the recycling rates achieved in other countries; these countries are stated as 'comparable to Australia'. This statement is never quantified. The United States may have some comparable areas, given population density and distance to market. However, comparing Japan and Europe to Australia may not be meaningful.

WALGA Recommendation 2: If comparison with other jurisdictions is to be used to set targets, clear identification of the points of variation and similarity between Australia and those locations is needed.

Why Government intervention is required

The primary reason for intervention is given as to "correct the market failures caused by environmental externalities of tyre fires and illegal duping of end-of-life tyres". There is strong support from local government for this reasoning. Local communities are the ones directly affected by illegal dumping, both in terms of environmental impacts, amenity and the economic cost of clean up. As this is the prime rationale for action, the action *must* ensure this consideration is achieved. As it stands, the proposed method will not achieve this outcome for much of the state of Western Australia. See Overall Submission recommendation on the need for targets which directly measure illegal dumping and need for transport subsidies.

This section also includes a description of the proposed scheme and a justification of the 90% recycling figure. Its inclusion is inappropriate as it does not add to the discussion on risks to the environment and public health. The inclusion of the statements in the Impact Statement confuse the purpose of this section of the document – from a statement of why government action is required to a justification of what action should be taken.

WALGA Recommendation 3: The reasons for the selected approach be clearly segregated from a statement of the ‘problem’.

Specification of Regulatory Objectives

The Association has previously commented on the *Co-regulatory Framework* it was highlighted that co-regulation should not amount to self-regulation by industry alliances with free public policing of the free-riders. The danger is that such Agreements will be written entirely for the benefit of the industry, not the environmental outcomes they set out to achieve.

The desire to ensure the costs of tyre management as a price signal to consumers is supported. However, if the scheme is not fully effective in addressing the environmental impacts of illegal disposal, the cost signal will not reflect the true cost of tyre management, as this cost will still be borne by the local community where the tyres are illegally disposed of.

When identifying the value of a co-regulatory approach, including advantages such as increasing resource efficiency, there is no mention of decreasing illegal dumping or reducing environmental impacts. The document also states the “objective of the Tyres Product Stewardship Agreement is to ensure that full resource recovery from end-of-life tyres is realised by creating sustainable markets for end-of-life tyres in Australia”. This is only one of the objectives from the Agreement – the other two relate to preventing or reducing the environmental and human health risks associated with inappropriate disposal and reducing tyres to landfill.

WALGA Recommendation 4: It should be clear that the prevention and/or reduction of impacts on human health and the environment are specific outcomes of the Agreement and Scheme.

Identification and Analysis of Alternative Instruments

Comments on the various options as follows:

‘Do Nothing’ – comments in the administration section seem to identify economic costs to industry. It is not clear how ‘negative signals to the tyre industry (and other sectors) currently negotiating with governments regarding’ and ‘decrease in tyre industry willingness to participate in product stewardship initiatives due to concerns with ‘free riders’ are economic impacts. These are more operational issues for future schemes.

‘National vs Individual State’ – ***The Association supports a national approach.***

As mentioned in the overall submission, the justification for a NEPM is not entirely convincing. Tyres are a product which is predominantly imported; the Commonwealth will be collecting the data regarding this import then, under a NEPM, distributing it to

States to follow up. There will be a duplication of process in every state, requiring staffing (although funded through the Scheme) and processing through all of the separate parliaments. It would seem from an efficiency point of view that it would be more straightforward for a national regulation approach to be taken. Further, in relation to the issue of levying a charge, at the point of import it would seem less administratively complex to put the charge in place there. That way all imports would be regulated and funds collected at point of import.

Description of the Tyres NEPM

For comments on this section see MWAC Submission on NEPM (Tyres).

Identification of Alternatives and Analysis of Impact for Tyres

For comments on this section see MWAC Submission on RIS.

NEPM Implementation

For comments on this section see MWAC Submission on NEPM (Tyres) and MWAC Submission Threshold Study.

Consultation

This section offers the only notes on how these documents have been prepared and provides a clear picture of why the documents have been formulated in their current manner. The consultation processes have mainly focused on the tyre industry - based predominantly in New South Wales and Victoria. There has been limited or, in some cases, no consultation with Local Government; consequently the Agreement and the Scheme are focused predominantly on the issues and concerns of the Tyre Industry.

WALGA Recommendation 5: To ensure a comprehensive Scheme local government should be included in future consultation process.