



WESTERN AUSTRALIAN
LOCAL GOVERNMENT ASSOCIATION

Submission on the Technology and Market Development for Tyre Derived Products Report

Status of this submission

This submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (the Association). The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

In addition to general consultation, MWAC held a workshop open to all Local Government representatives to elicit direct feedback on the Report. The workshop was attended by 33 Local Government representatives (16 metropolitan and 10 non-metropolitan and 7 Regional Government representatives). Discussion from the workshop is the primary driver for this submission.

Summary

The Report overall was found to be a well structured and robust analysis of current and potential markets for tyre-derived products in Western Australia. Of the four tyre-related papers released by the Waste Management Board (WMB) recently, this paper was found to provide the clearest picture of the used tyre environment in Western Australia.

Local Government is willing to support the efforts of the Federal and State Governments and the tyre industry to improve the recovery of resources bound in used tyres through strengthening the markets for tyre derived products in Western Australia. However, this support is qualified in that Local Government has identified a number of issues that were not fully addressed in the paper. Although not all fall directly under the specifications of the Report; Local Government considers that they are issues that require resolution. There is concern that, without appropriate resolution of the identified issues, the drive to create markets for tyre-derived products could have unintended negative impacts on the community as a whole. These issues, and recommendations for their resolution, are expanded upon in the following submission.

Local Government Recommendations

WALGA Recommendation 1: That the introduction of any scheme designed to increase the supply of tyres to re-processing markets only be considered with the caveat that any corresponding risk of an increase in the illegal disposal of tyres will be controlled.

WALGA Recommendation 2: That, in support of the National Tyre Stewardship Scheme, a range of Extended Producer Responsibility (EPR) schemes be investigated as potential options to make the importer and/or manufacturer of a tyre responsible for ensuring the collection, transport and re-processing of that product; and that such schemes are introduced as appropriate.

WALGA Recommendation 3: That the Board expeditiously investigate and develop a public policy position on the risk posed by tyre leachate, and ensure markets are subsequently re-assessed accordingly. If possible, this position should be consistent with the national position.

WALGA Recommendation 4: That the State Government take the lead role in overcoming market inertia with regard to the use of tyre-derived products through its own procurement policy.

WALGA Recommendation 5: That weighted criteria be used as a means of encouraging the use of tyre-derived products in tender specifications in preference to the inclusion of mandatory recycled content specifications.

WALGA Recommendation 6: That the Board expeditiously investigate and develop a public policy position on the acceptability of tyre-derived fuel as a potential market for waste tyres. If this investigation leads to a favourable position being adopted, then this option should be openly compared against other possible end-uses.

Issues Identified by Local Government

1. Illegal dumping of tyres

The Report details clearly that, in the current market environment, tyres are pushed through the system to end-disposal or reprocessing. With the exception of truck tyres in the Perth region, the report identifies no significant market exists to draw tyres into reprocessing. As such, tyres currently finish life at the lowest cost destination for the disposer. This is often landfill, but may also be illegal disposal (currently estimated to be the case for greater than 20% of annual equivalent passenger units (EPU) across WA). If stronger markets allow re-processors to provide a financially beneficial final destination for tyres, then the number of tyres being supplied for reprocessing is likely to rise sharply. Correspondingly, the numbers of tyres being landfilled and, more importantly, illegally disposed of will fall. This situation is considered by Local Government to be the ideal and, in most cases, Local Government would be willing to undertake tyre collections at existing waste facilities to support such markets.

However, the use of regulatory controls designed purely to increase the supply of tyres for reprocessing are not supported. Such methods include the mandatory increasing of landfill prices; restricting the disposal of tyres to landfill; and mandatory above-ground stockpiling. Whilst it is considered such methods might create some increase in tyre supply for re-processors, they will also inevitably cause an increase in illegal disposal. This risk is considered greatest in rural areas where the current cost of disposing of tyres may be low or even free. Local Government acknowledges that cheap disposal of tyres at landfill may not be ideal, but considers the potential environmental, social and economic impacts of increased illegal dumping are of greater concern.

Essentially then, it is considered that an increased supply of tyres for reprocessing must be created by market pull rather than landfill regulation to avoid an increase in illegal dumping. Alternatively, other methods to prevent illegal dumping, such as a greatly strengthened tracking system, may be used to mitigate the risk of illegal dumping. However, the costs and benefits of such a scheme would have to be carefully evaluated.

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2. The National Tyre Stewardship Scheme and Extended Producer Responsibility

Local Government acknowledges that the National Tyre Stewardship Scheme has the potential to help address two of the major market failures identified in the report; that of the need for industry to provide collective services and the need to address information failures, in particular the promotion of tyre derived products. With regard to these areas specifically, Local Government considers that the Stewardship Scheme should be supported.

However, it is noted that the proposed National Scheme does not require the tyre industry to take any direct responsibility for the collection, transport and re-processing of used tyres. Local Government considers this lack of responsibility a potentially huge problem, in that it assumes markets will develop and flourish for used tyres. This type of assumption has proved faulty in Western Australia for the national used oil scheme and the collection of glass through kerbside.

Local Government is therefore reticent to take responsibility for acting as a collection agent for used tyre re-processors in the absence of an assured avenue for collection and re-processing. Beyond basic financial concerns, Local Government considers that significant social and environmental risks are associated with the stockpiling of tyres. However, it is accepted that these risks are greatly reduced if tyres are only stockpiled in the very short term. As such, Local Government considers that tyre stockpiling is only acceptable for supplying established, secure markets.

It is the considered opinion of Local Government that the best (and perhaps only) means of assuring markets for used tyre products is through the introduction of an Extended Producer Responsibility (EPR) scheme to support the National Stewardship Scheme. The EPR scheme must ensure the importer and manufacturer (or retailer) of a tyre retains responsibility for guaranteeing appropriate avenues exist for the transport and re-processing (or final disposal) of that product. The Tyre Industry does not seem to have any difficulty in transporting new tyres to retail outlets. It would therefore seem a reasonable and practical option to engage that same transport system in the back-loading of used tyres to an appropriate storage or re-processing facility.

WALGA Recommendation 2: That, in support of the National Tyre Stewardship Scheme, a range of Extended Producer Responsibility (EPR) schemes be investigated as potential options to make the importer and/or manufacturer of a tyre responsible for ensuring the collection, transport and re-processing of that product; and that such schemes are introduced as appropriate.

3. Tyre Leachate

The Report examines a range of civil engineering uses as potential markets for used tyres. Local Government questions the validity of this, given that previous WMB reports have identified tyre leachate as a potential environmental impact of tyres at landfill. It seems logical to assume that if tyre leachate is identified as an issue at landfill, then it must also be considered an issue for civil engineering uses. Further, it should potentially also be considered with regard to a number of other identified markets through which tyre derived products would be exposed to the environment, in particular blasting and stemming.

The Association has not formulated a consolidated view point on whether tyres should be treated as inert or as a potential source of leachate. However, it is considered that this is an issue that the Board must develop a policy for expeditiously if used tyres are to be consistently and appropriately managed; and confidence in the appropriate use of tyre-derived products is to be created. Ideally, it is considered that a policy decision on the inert nature of tyres should be nationally consistent.

WALGA Recommendation 3: That the Board expeditiously investigate and develop a public policy position on the risk posed by tyre leachate, and ensure markets are subsequently re-assessed accordingly. If possible, this position should be consistent with the national position.

4. Policy Procurement

Local Government acknowledges that Government Procurement Policy can be an effective measure for both creating a market for recycled products and acting to promote the use of a product to other potential users. However, Local Government officers raised a number of issues at the workshop with regard to the use of Government Procurement Policy to drive markets for tyre-derived products (and recycled products generally). In essence, Local Government would be willing to use tyre-derived products in its projects on the provision that –

1. The recycled product could be shown to provide equal or greater performance than the alternative virgin products;
2. The recycled product would be of a comparative cost to virgin materials, incorporating potential transport costs and application costs (Local Government policy currently accepts a 10 percent differential as comparative); and
3. The product and its application are fully acceptable within Worksafe regulations.

In relation to concerns regarding the performance and safety of tyre-derived products, the general consensus at the Local Government workshop was that, if the State Government were to demonstrate that these issues had been appropriately dealt with through taking the lead in procurement, then Local Government would generally be willing to also use that product. With regard to comparative costs and availability of product, it is considered that procurement policy should use weighted criteria as a means of encouraging the use of recycled materials in tender specifications. This is identified in preference to the inclusion of mandatory recycled content specifications. The weighted criteria option enables greater flexibility in an instance where sufficient recycled materials are not available to fulfil a specification; or the price of those materials is prohibitive.

WALGA Recommendation 4: That the State Government take the lead role in overcoming market inertia with regard to the use of tyre-derived products through its own procurement policy.

WALGA Recommendation 5: That weighted criteria be used as a means of encouraging the use of tyre-derived products in tender specifications in preference to the inclusion of mandatory recycled content specifications.

5. Tyre-Derived Fuel

The Report provides some evaluation of tyre-derived fuel as a market for used tyres. However, full consideration of the potential of this option is not given; evidenced by the fact the Report's evaluation of market potential in Western Australia specifically excludes this option. A number of Local Government Officers at the workshop raised concerns with lack of consideration of this option; particularly as it was noted that

most constituencies that have successfully diverted tyres from landfill have employed this option to manage at least a portion of their waste tyres. Further, a number of regions (such as the Geraldton-Greenough Regional Council) identified industries within their boundaries willing to use waste tyres as a fuel source in given circumstances; and considered this as an end use with potentially greater benefits for the community than reprocessing.

Two major reasons for this potential market not being given full consideration were suggested at the Workshop. The first is that the general public are resistant to any burning of waste due to past environmental issues associated with such practices. It is suggested such bias could be overcome if this option was found to be the most economically, environmentally and socially beneficial for the community through an education programme outlining the identified benefits.

The second is that the Board seems to be very reticent to support any such projects. To that end, it is the opinion of Local Government that the Board needs to consider whether energy derivation is an acceptable end-use for tyres (and other waste products) and expeditiously produce a policy statement clarifying this position. Regardless of what the final position may be, the reasoning behind it should be justified by best-practice data and robust argument. It should be noted that it is not the consolidated view of Local Government that tyre-derived fuel is the best end-use for tyres. However, it is considered that this is a valid market that should be at least be compared openly with other end-uses.

WALGA Recommendation 6: That the Board expeditiously investigate and develop a public policy position on the acceptability of tyre-derived fuel as a potential market for waste tyres. If this investigation leads to a favourable position being developed, then this option should be openly compared against other possible end-uses.