

# AUSTRALIAN TYRE RECYCLERS ASSOCIATION

7 July 2006

Mr Paul Belin  
Assistant Commissioner  
Productivity Commission  
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Dear Mr Belin,

## **RE: Inquiry into Waste Generation and Resource Efficiency**

I would like to take this opportunity to clarify an issue that was raised in our Association's earlier submission to the above Inquiry, that was referred to in the Commission's Draft Report released on 23 May 2006.

The Commission's Draft Report has picked up on our comment that the targets identified in the draft Tyre Product Stewardship Agreement are "arbitrary", but the inference in the Report (p 288) is that these targets have somehow just been plucked out of the air. I must correct you on this misconception and apologise if we have somehow misled you.

The comment that they are arbitrary is simply to say that these are targets that we (ie the collective tyre industry) have set ourselves to achieve, and they could clearly be higher or lower. However, the targets have been derived from our knowledge of the current situation confronting the end of life tyre stream and various economic analyses that have been undertaken to date. As such they are based on the best available information that we have at this time, and were the subject of long and detailed discussion by all key stakeholders in the industry. Thus they reflect our best estimates of what is achievable. Our submission merely stated that the necessary measures will need to be put in place to ensure these targets are achieved.

I would also like to reiterate that the Australian Tyre Recycling industry is fully supportive of and committed to, the proposed Tyre Product Stewardship Scheme. It is for this reason that we have devoted considerable time and resources into working with all other relevant government agencies and industry bodies over recent years in developing and refining the proposed scheme. This effort has been necessary to ensure we get it right, and that the requisite benefits derived offset and exceed any costs incurred.

Thus it would be wrong for the Commission to conclude that such EPR schemes are thrust on industry with no understanding or assessment of the costs and benefits involved. No party would agree to such arrangements if the necessary investigation, analysis and assessment were not undertaken first and that a compelling case existed for such action.

Yours sincerely,



Peter Kreitals  
Executive Director