

30th July, 2010.



The Project Manager,
Queensland Waste Strategy Consultation,
DERM,
GPO Box 2454,
Brisbane.

Dear Sirs,

Chip Tyre sees that there are 2 issues to bring to the attention of DERM /Treasury regards the new tax on waste.

Firstly referring to the waste stream we produce. This consists of finely granulated nylon fibre, and wire pieces approx 30mm long which contains very little rubber and bead wire. We remove about 4kg of this material out of each passenger tyre equivalent of 9kg.

Chip Tyre feels that because this is regulated waste and as there is no alternative for its use at the moment, we should not be penalized because we are dealing with such a huge problem as waste tyres.

This material in my opinion should be exempt from the tax as a form of encouragement for companies such as ourselves to develop new and more innovative solutions to the tyre problem.

The proposed \$50 per tonne charge, (tax) on this material would mean that the true recyclers are the only ones really being penalized with this tax. Our tyre baling competitors who do not take their tyres to landfill, and therefore flying under the radar of DERM and once again undercutting a legitimate business by exporting our waste to China via Vietnam.. Therefore the proposed tax needs to be applied to tyre generators (Tyre retailers) at a rate of .50c per EPU which removes the impost from the tyre recycler. This could be done by using the waste tracking documentation from the tyre stores which is already apart of your waste tracking scheme, to determine EPU throughput to tax them on – especially as all tyre store now charge an environmental levy of \$2.50 of which they are keeping approx .90cents per EPU. The mechanism is already in place, it just needs enforcing.

Secondly referring to shredded tyres.

Tyres that are unsuitable for recycling which come from location such as dump cleanups, where they contain dirt, grass and other rubbish, these need to be shredded for landfill as they are unsuitable to recycle. Other companies who shred to landfill because they have no recycling facility should be paying the tax, but again this makes it more profitable for the baling operators who are not complying with DERM requirements.

David Mohr,
Chip Tyre Pty Ltd