

Tasmanian Conservation Trust survey of end-of-life car tyre disposal by Tasmanian tyre retailers

17 November 2015

Rationale

The Tasmanian Conservation Trust (TCT) has commenced the Tas Tyre CleanUp Program (TasTyreCleanUp.com) to collect end-of-life vehicle tyres that are inappropriately stored or have been illegally dumped around Tasmania. The program aims to address a potentially dangerous legacy waste tyre problem and to prevent the problem from re-occurring by encouraging responsible disposal and recycling of all end-of-life vehicle tyres.

The TCT believes that all tyre retailers should take responsibility for the safe disposal of end-of-life tyres and that the customers should be charged a fair price for disposal.

To assist with achieving this goal, the TCT initiated a phone survey of Tasmanian tyre retailers to determine:

- how they are disposing of end-of-life car tyres
- the cost of disposal
- whether this cost was passed onto the customer and
- whether the customer is informed of the cost.

Summary

In September and October 2015 the TCT undertook an anonymous phone survey of 33 tyre retailers and 8 garages across Tasmania.

Key findings

Out of the 31 tyre businesses that provided responses to the survey:

- Nineteen businesses, or 61% of respondents, said that they charge customers for disposing of their end-of-life tyres and 11 businesses or 35% of respondents said they did not charge for disposal. We do not know how many of these 11 businesses include a disposal fee in the wholesale price of the tyre.
- Eighteen out of the 19 respondents who charged a disposal fee, or 58% of all respondents, identified the fee on the customer's bill.
- Seven businesses, or 22.5% of respondents, said they are recycling end-of-use car tyres and three, or less than 10% of respondents, named the recycler.
- Fourteen businesses or 45% of respondents said that tyres went to Longford but didn't know specifically what happened to them.
- Five businesses or 16% of respondents did not know what happened to their tyres after they are taken away.

- Three businesses or just under 10% of respondents said they sent tyres to landfill.
- Prices charged varied little with 10 out of 18 respondents saying they charged \$3.00 for a standard tyre and a further five charging only up to 50 cents more or less.
- Although very few respondents provided the price for recycling tyres, the cost was similar to the average price provided

Conclusions and recommendations

- **All retailers should charge a disposal fee:** The third of tyre businesses surveyed that were not charging for disposal should be required to charge a fee for appropriate disposal. The retailers should bear the cost of disposal. This could be done either by state government regulation or through an industry agreement (such as through Tyre Stewardship Australia). TCT's preference is that the price is incorporated into retail price i.e., the customer pays. Another option is for the price to be paid by the tyre wholesaler.
- **Banning landfill of tyres:** The state government should ban disposal of tyres to landfill. The ban should apply to tyres whether they are shredded or whole. Because landfill is more costly than other disposal methods, businesses currently sending tyres to landfill would benefit by saving money.
- **A minimum price for tyre disposal:** The survey found that the prices being charged for recycling are similar to or lower than other disposal methods and because storage is not a long-term option in Tasmania, a minimum price should be set for recycling by all tyre retailers. This price could be set by regulation by the state government or through an industry agreement. A minimum price may need to be higher than current average price to be sustainable. Where transport costs are excessive e.g., Bass Strait islands, either the levy needs to be set higher or other solutions considered.
- **Regulating stockpiling:** To prevent a repeat of the current situation at Longford, where tyres have been stored indefinitely with no intended end-use, long-term storage above a minimum number needs to be banned by regulation. This would also prevent retailers avoiding charging a disposal charge and stockpiling tyres rather than disposing of them appropriately.
- **Notifying customers of disposal method:** Close to half of businesses surveyed were not able to say how they disposed of tyres. It is a very basic requirement that all tyre retailers should be required to notify customers of how their used tyres are disposed of and this should be addressed by state government regulation or through an industry agreement.

Further action

The TCT intends contacting the companies targeted in this survey to encourage them all to inform customers of:

- the method of disposal of end-of-life car tyres

- the cost of disposal
- whether the customer pays for disposal and
- whether the customer is informed of the disposal cost.

We will also encourage all businesses to consider recycling and provide them with the fees charged by tyre recyclers.

Additional information required

The survey did not seek reasons for respondents not charging a disposal fee and this is perhaps the major flaw of the survey. A possible explanation is that the disposal price is inbuilt in the price from the wholesaler and not passed onto the customer. The TCT will consider a follow-up survey including a question regarding why a disposal fee is not charged.

Given we only received responses from four garages we can make no useful comparison of garages and specialist tyre retailers. An additional survey targeting a larger number of garages, including those that may not advertise in Yellow Pages would provide a more useful comparison and will be considered.

Survey method

Over a period of three weeks from late September to early October 2015 the TCT undertook a phone survey of 33 tyre retailers and 8 garages across Tasmania. The survey was undertaken during business hours between Monday and Friday.

The survey questions were prepared by TCT Director Peter McGlone. The phone calls and recording of responses were done by a casual employee of the TCT, Alex Edney-Browne. Peter McGlone prepared this report. Robert Kelman from the Australian Tyre Recyclers Association provided valuable input to development of the survey questions and reviewed a draft of this report.

The questions and introductory script is included as Attachment 1.

We identified the potential respondents through their listing in the Tasmanian Yellow Pages. We identified 33 specialist car retailers but found that most of these were located in cities and large towns. To provide additional geographic coverage we also identified 8 garages that were in smaller towns and identified these separately in the results to provide comparison with the specialist tyre retailers.

We advised all respondents that it was an anonymous survey. No business or brand names, locations, person's names or phone numbers would be made public. This private information was only to be viewed by the TCT employee who did the phone survey and the TCT Director and they would keep it confidential.

Survey results

All results were recorded on an Excel spread which can be provided on request. Names of businesses, tyre brands and phone numbers have been removed.

A total of 31 businesses agreed to participate in the survey and ten did not participate. Of the ten that did not participate:

- 6 failed to answer the phone when repeatedly called
- 1 directed us to a national office (which we declined to phone because we wanted the particular Tasmanian shop to provide responses)
- 1 declined to participate
- 1 had a phone with a flaw
- 1 seemed not to have a phone number

A few customers provided responses in regard to SUVs and car tyres but there were two few providing answers regarding SUVs to be useful.

Question 1: When you take old tyres off a customer's car, do you charge them to dispose of them?

No 11

YES 19

Other 1

Of those who answered No, two said the "charge in-built in price from wholesaler". Of those who answered Yes, one said the "charge in-built in price from wholesaler". These answers indicated some confusion on the part of these respondents in regard to whether to answer yes or no if "charge in-built in price from wholesaler".

The 'other' answer provided was "Sometimes it depends on the customer".

Question 2: If yes to Q.1, is the fee identified as a line item in the bill?

YES – 19

Not applicable 11

Eighteen of those answering Yes to Q.2 also answered Yes to Q.1. One of those who answered yes to Q.2 was included in the other category in response to Q.1, providing the answer "Sometimes it depends on the customer".

One business answered No to Q.2 and Yes to Q.1, saying that "if they ask, we tell them".

Question 3: If Yes to Q. 1, how much do you charge for disposal?

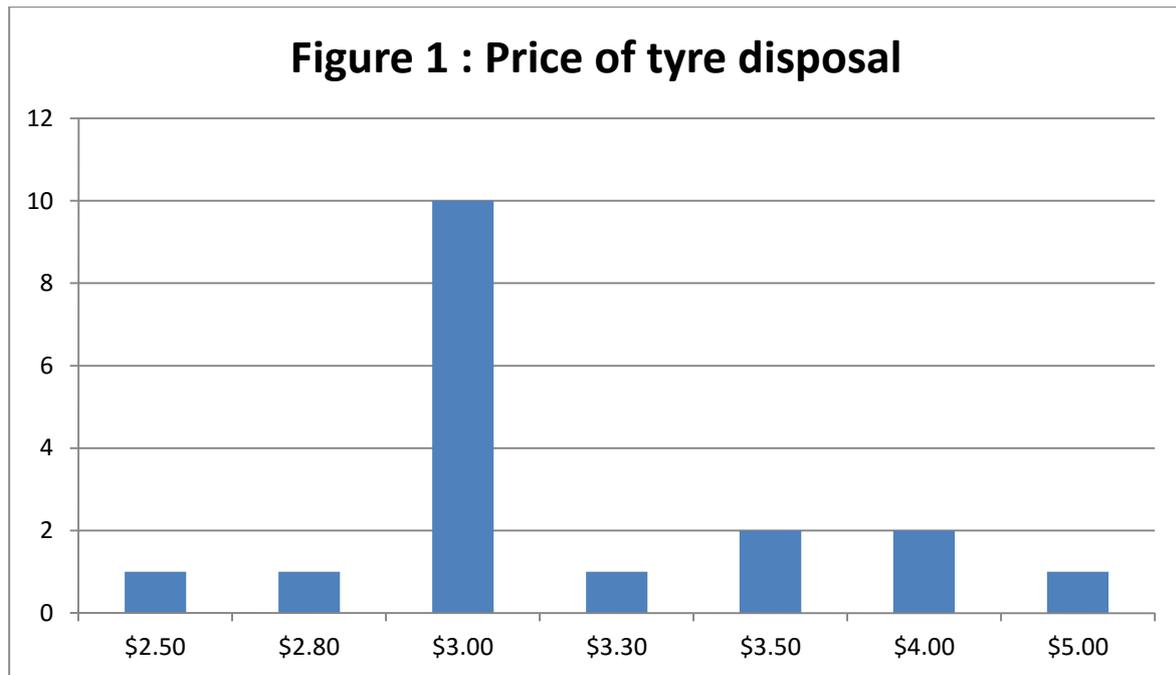
Not applicable (they had answered no in Q.1) - 10

Provided a disposal price – 18

Did not know – 2

No answer - 1

18 respondents provided a disposal price and the results are presented in Figure 1. 2 did not answer Yes to Q.1. Three people who answered Yes to Q.1 did not provide an answer to Q.3 (two who did not know and one wanted to get off the phone).



Question 4: Where do your used car tyres end up – are they taken for: recycling, storage, land fill, other (please specify), you don't know?

After lumping some categories of answers the results are in Figure 2.

Figure 2: Car tyre disposal method	
Longford – either stored or recycled <ul style="list-style-type: none">- Longford (6)- Longford but don't know where they are taken from there (3)- Longford but don't know if they are recycled or stored (5)	14
Longford – stored	1
Recycled: <ul style="list-style-type: none">- Longford – recycled (3)- Longford and named a recycler (1)- Named a recycler (2)- Recycling (1)	7
Unknown disposal destination <ul style="list-style-type: none">- Picked up, don't know where they go (2)- Don't know (3)	5
Landfill	3
Other	1
Total	31

Analysis of results

Question 1:

Nineteen businesses, or 61% of respondents, said that they charge customers for disposing of their end-of-life tyres and 11, or 35% of respondents said they did not charge.

We found a small number of respondents (3) who said in response to Q.1 that there was a charge that “was in-built in price from wholesaler” and they gave differing answers as to whether this was charged on the customer i.e. 2 answering no and 1 answering yes.

Given we only received responses from four garages (with 1 charging a disposal fee and three not), we can make no useful comparison between garages and specialist tyre retailers in relation to Q.1.

Question 2:

Eighteen out of the 19 respondents who charged a disposal fee identified the fee on the bill. The other respondent who answered Yes to Q.2 was included in the other category in response to Q.1, providing the answer “Sometimes it depends on the customer”.

Given we only received responses from four garages we can make no useful comparison between garages and specialist tyre retailers in relation to Q.2.

Question 3:

Prices charged varied little with 10 out of 18 charging \$3.00 for a standard tyre and a further 5 charging only up to 50 cents more or less.

There is no obvious reason for the three who charged considerably higher i.e. \$4 or \$5. They had similar cartage distances as most of the other respondents.

Given we only received responses from four garages we can make no useful comparison of garages and specialist tyre retailers in relation to Q.3

Question 4:

Longford – either stored or recycled:

Close to a majority or 14 out of 31 respondents, said they know their tyres went to Longford but didn't identify specifically what happened to them. Only 5 of these 14 named the potential options at Longford.

Stored

Only one respondent said their tyres were sent for storage at Longford.

Recycled

A total of seven respondents said their tyres were recycled and only three named the recycler.

Unknown disposal destination

Five stated they either 'Don't know' where their tyres go or their tyres are 'Picked up – don't know where they go'.

Landfill

Three respondents said their tyres went for landfill. Two said that they were shredded first. One named the Launceston landfill site. One said "They go to a local tip (where there's a special area for them) and they're not sure what's done with them after that."

Other

One respondent said they "give their tyres to a local farmer who uses it on their silage". It should be noted that they did not charge for disposal and gave their tyres away.

Discussion

Recyclers

Only 7 out of 31 respondents to Q4 said they sent their tyres for recycling and only 3 named the recycler.

It was a surprise to the TCT that as few as 22.5% of businesses surveyed are recycling end-of-use car tyres and less than 10% could name the recycler they used. Assuming that these businesses are telling us the same information they tell their customers, we would have expected a higher level of recycling and that there would be a marketing advantage in telling customers. The results show that the cost charged by those who are recycling is close to the average disposal charge and this makes the low level of recycling even more surprising.

Further action: The TCT intends contacting these companies to encourage them to ensure all staff identify the recycler to customers.

Tyres go to Longford

Close to a majority of respondents to Q4, 14 out of 31, said that their tyres went to Longford but didn't know specifically what happened to them. Perhaps other staff knew this information. If not, it should be easy for these businesses to find out how their tyres are disposed of and ensure all staff provide this information to customers.

Further action: The TCT will consider phoning those 14 businesses who said their tyres went to Longford, to ask them to find out and tell us whether their tyres were stored or are recycled. We will consider encouraging them to inform their customers of the disposal method and to consider recycling.

Did not know

Similarly, it is disappointing that five businesses did not know what happened to their tyres after they are taken away. Staff should know and be able to inform customers.

Further action: The TCT will consider contacting these companies to encourage them to ensure all staff are aware of how used tyres are disposed of, make this clearly available to the customers and to consider recycling if this is not currently their practice.

Landfill

Three respondents said they sent their tyres to landfill. Of these, two did not identify a disposal charge in Question 3 and the third gave an ambiguous answer i.e., they did not know, but about \$3. Given the landfill charges around Tasmania are generally above \$5.00 and can be considerably higher, they may be sending their tyres to landfill but are unaware that it is more expensive than recycling.

Given their answers to Q.3, these businesses may include a disposal fee in the price but don't admit to it or they may not be sending the tyres to landfill.

Further action: It would be useful for the TCT to approach these companies and provide them with options and costs for recycling.

Silage management

One of the respondents who owned a garage said they gave their tyres to a farmer to hold down his silage. We are concerned as to what would happen when this farmer has sufficient tyres or if they decide to stop producing silage?

Garages

Given we only received responses from four garages we can make no useful comparison of garages and specialist tyre retailers. We note that the responses regarding disposal methods seem to match the specialist retailers, i.e. two of the four garages send tyres to Longford and do not know whether they are stored or recycled.

A comparison of the prices charged by recyclers and other disposal methods:

Out of the 7 recyclers: 4 identified a price in Q.3 (prices were 2 x \$3, \$2.80 and \$4.00) and three did not provide a price. Two that did not identify a price in Q.3 said in response to Q.1 that they charged a fee and in Q2 that the customer had the fee identified. These respondents seem reluctant to identify the disposal fee.

One said they recycled their tyres while saying in response to Q.1 that they did not charge for disposal (charge in-built in price from wholesaler) and in response to Q.2 that the 'Customer unaware of cost for disposal'. Even where the customers are not paying the recycling fee it would seem sensible to inform them of the end use of the tyres.

Given only one respondent definitely knew they sent their tyres for storage we cannot make a useful comparison of price charged for recycling and storage.

Disposal methods used by those not identifying a disposal charge

The survey did not seek reasons for respondents not charging a disposal fee and this is perhaps the major flaw of the survey and a priority for any follow-up.

Eleven respondents answered No to Q.1, saying that they did not charge for disposal. Ten of these identified a method of disposal in response to Q.4, including 2 who recycled, 5 sent them to Longford and 2 who sent theirs to landfill. Given all these retailers incurred a cost for disposal and assuming they accurately reflected their business practice, it is possible all 11 respondents had a disposal price inbuilt to the price from the wholesaler. Determining whether this is their business practice would be a priority for any follow-up survey.

Only two of those who did not charge the customer a disposal charge said the disposal price was inbuilt to the price from the wholesaler.

Conclusions and recommendations

- **All retailers should charge a disposal fee:** The third of tyre businesses surveyed that were not charging for disposal should be required to charge a fee for appropriate disposal. The retailers should bear the cost of disposal. This could be done either by state government regulation or through an industry agreement (such as through Tyre Stewardship Australia). TCT's preference is that the price is incorporated into retail price i.e., the customer pays. Another option is for the price to be paid by the tyre wholesaler.
- **Banning landfill of tyres:** The state government should ban disposal of tyres to landfill. The ban should apply to tyres whether they are shredded or whole. Because landfill is more costly than other disposal methods, businesses currently sending tyres to landfill would benefit by saving money.
- **A minimum price for tyre disposal:** The survey found that the prices being charged for recycling are similar to or lower than other disposal methods and because storage is not a long-term option in Tasmania, a minimum price should be set for recycling by all tyre retailers. This price could be set by regulation by the state government or through an industry agreement. A minimum price may need to be higher than current average price to be sustainable. Where transport costs are excessive e.g. Bass Strait islands, either the levy needs to be set higher or other solutions considered.
- **Regulating stockpiling:** To prevent a repeat of the current situation at Longford, where tyres have been stored indefinitely with no intended end-use, long-term storage above a minimum number needs to be banned by regulation. This would also prevent retailers avoiding charging a disposal charge and stockpiling tyres rather than disposing of them appropriately.
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Further action

The TCT intends contacting the companies targeted in this survey to encourage them all to inform customers:

- the method of disposal for end-of-life car tyres
- if recycled, the name of the recycling company
- the cost of disposal
- whether the customer pays for disposal and, if not, who does pay

The TCT will consider phoning those 14 businesses who said their tyres went to Longford, to ask them to find out and tell us whether their tyres were stored or are recycled.

We will also encourage all businesses to consider recycling options.

Additional information required

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ATTACHMENT 1:

Phone survey of Tasmanian tyre retailers – 25 September 2015

Intro about survey:

Who is phoning:

- My name is Alex and I am phoning from the Tasmanian Conservation Trust.

Why we are phoning:

- We are doing a survey of Tasmanian tyre retailers about disposal of used car tyres.

What happens to the information we collect:

- we intend to publicly release the general findings, that is,
 - o the percentage of businesses who dispose of tyres of in different ways
 - o the percentage of businesses who charge for disposal
- no names of people or businesses will be included in any publicly released information.
- we will also send a copy of our report to all survey participants.

Questions:

I will ask you three questions about disposal of used tyres - just about car tyres.

1. When you take old tyres off a customer's car, do you charge them to dispose of them?
2. If yes to Q.1, is the fee identified as a line item in the bill?
3. If yes to Q. 1, how much do you charge for disposal?
4. Where do your used car tyres end up – are they taken for:
 - recycling
 - storage
 - land fill
 - other (please specify)
 - you don't know

Do you have any questions or comments?

Thank you for assisting with our survey.