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Thursday, 28 March 2024

Australian Government Treasury Department

By email: [NuisanceTariffs@treasury.gov.au](mailto:NuisanceTariffs@treasury.gov.au)

To whom it may concern,

**Subject: Invitation to comment - Tariff Reform, removal of nuisance tariffs**

Bridgestone Australia Ltd. write in response to the announcement of the removal of nuisance tariffs from July 1, 2024, in order to 'to boost productivity, reduce compliance costs for businesses and ease the cost of living for Australian families.' The announcement of this change also states that the current tariffs 'do nothing to protect Australian businesses because they apply to goods that often arrive under concessional rates.'

We would like to bring to your attention the proposed tariff item below and advise you of Bridgestone's local Bandag retread (tyre tread) manufacturing plant in Wacol, QLD which will be negatively impacted by this change:

***4012: Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber.***

The Bandag Pre-Cured-Tread manufacturing plant has been in business for over 60 years and is the only manufacturer of tyre tread in Australia. Removing associated tariffs on imported tyre tread and retreaded tyres has the high potential to negatively impact local manufacturing of tyre tread and tyre retreading that already runs on tight local manufacturing margins to remain competitive.

Should the Bandag Wacol business become non-competitive when compared to lower cost imported tread and truck retreads, this change will have multiple impacts on the Australian retread tyre industry and transport industry including both social and environmental as listed below:

The Bandag business:

1. Employs a staff of **158 people in Australia** with an average tenure of 10 years.
2. Supplies **16 family-owned retread businesses with pre cured tread** across Australia, who employ approximately 150 additional people in the network.
3. Manufactured **7.57 million kilograms** of retread, equivalent to approximately 580,000 truck and bus tyres in 2023.
4. Have seen YoY **growth over the last four years** through industry support of a circular economy, industry Scope 3 Carbon emission reduction and desire for locally manufactured products.
5. Were able to continue manufacturing and retreading locally to support the road transport industry during **offshore covid shutdowns and port strikes / delays** that we are experiencing today.

6. Supports the Australian economy through **exporting Australian manufactured retread** to 10 countries around the world including USA, Europe, and Japan.
7. **Reuses over half a million truck tyres per year**, diverting them from the waste stream or exportation as fuel, based on our ability to locally manufacture and retread tyres for re-use up to 6 times. This strongly supports the **Australian circular economy** through retaining the tyre casing value at its best and highest value through reuse.
8. Re-uses local rubber waste back into manufacturing for **full product circularity**.
9. Supports Australian maintenance, spare parts, logistics and other support businesses that **rely on the operation** of Bandag and Bandag's retreading factories around the country.

Bandag's local manufacturing of retread and associated retreading is a leading example of how transport and logistics companies can implement more sustainable and circular practices. In addition to the above, should locally manufactured retread become non-competitive due to the lowering of price of imported tread and retreads, we would expect to see the below occur which would contradict the Australian Government's current decarbonisation strategy resulting in an increase in carbon emissions associated with import and export of retreaded product. We would expect:

1. **An increase of importation of tyre tread** at the expense of Bandag local manufacturing and with increase embodied emissions and the inability to re-use local rubber waste in manufacturing.
2. **An increase of whole retreaded tyres imported** into the country at the expense of local retread manufacturing and factory retreading and, without the reuse of local-used tyres for the purpose of retreads.
3. **An increase of exportation of use tyre casings** for offshore retreading to then be imported **back into Australia** at a lower cost, for sale.

We thank Treasury for the opportunity to comment on the proposal and we urge you to look more deeply into the proposal to remove import tariff 4012 for retreaded tyres and tyre tread with consideration to the above factors.

Maintaining local manufacturing in Australia is a challenge at the best of times and removing importation tariffs on competitive, offshore materials will be detrimental to local business and the local circular economy of tyres. In addition to the many impacts listed, Bandag pre-cured retread is currently the only way to re-use tyre derived materials back into tyres in Australia, which supports a full and true circular economy and re use of Australian waste tyres.

[Bridgestone-Bandag \(greenindustries.sa.gov.au\)](https://greenindustries.sa.gov.au)

[Why Retread Tyres | Bridgestone Australia](#)

Please contact me should you wish to discuss further on 0450 160 548 or via return email.

Yours Sincerely,  
Bridgestone Australia Ltd.



Joanne Hayes  
**Head of Sustainability**  
**Bridgestone Australia and New Zealand**