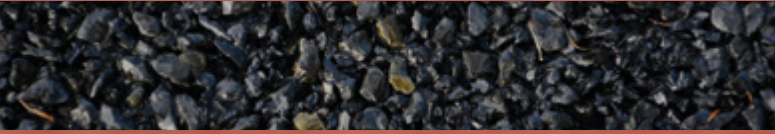
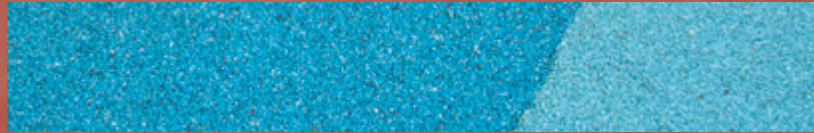


Annual Report 2018/2019



Front cover: Demonstration trial of crumb rubber permeable pavement installed in June 2018 at St Marys Park in the City of Mitcham, South Australia. This trial is the first time that a permeable pavement, made using 50% used tyres, has been installed in a full-scale trial tested under various traffic loads.

This Page: Various tyre-derived product applications in Australia.



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Chairman's Report

For Tyre Stewardship Australia Limited (TSA) the 2018/19 year has been marked by progress in all aspects of operations.

Of particular note was the expansion in market development activities allowed for by the revised guidelines attached to the ACCC reauthorisation of the Scheme. In addition there was a focus on improved governance processes designed to provide greater data security, operational transparency and valuable participant input.

With a strategic focus remaining on ultimately delivering far higher levels of domestic beneficial uses for end-of-life tyres and on increasing levels of sustainable management, the tactical guidance provided within the ACCC reauthorisation played a significant role in determining the direction provided by the board and actions taken by the executive team.

Amongst the governance processes that were revised, or established, during the 2018/19 year, was the appointment of independent accounting firm William Buck to manage the process of gathering tyre import data and the consequent levying of member contributions.

This appointment is a further demonstration of the importance TSA places in managing confidential market data. It further enhances the stringent

audit processes already in place, showcasing the rigour TSA applies to such crucial tasks.

Over the course of the year, we welcomed our new Chief Executive Officer, Ms Lina Goodman, who has extensive relevant sector experience and is working to bring together projects and partners to deliver commercial and environmental improvements. We also saw the departure of Andrew Moffatt and Laurie De La Rue from the TSA Board. I would like to thank them for their services to the board during their tenure.

TSA introduced a new Industry Consultative Group (ICG) aimed at harnessing the knowledge and insights of Scheme participants from across the channel. The new body is made up of representatives from each category of Scheme participation and meets at least twice a year to review progress, assess opportunities, develop suggestions and provide industry information and feedback.

As part of striving for the highest levels of governance the TSA board also undertook a full Board Performance Review, intended to identify areas of improvement in board functioning and management guidance that could help further progress the organisation's objectives. The governance process will also continue to follow Australian Institute of Company Directors (AICD) principles.

The enhanced governance and feedback/input measures can only help TSA to deliver more effective and immediately relevant outcomes. It is the collective view of the board, and the executive team, that innovation and excellence, in all aspects of delivery, can only be improved through greater

consultation, objective review and stakeholder engagement.

To that end the organisation's ongoing government engagement program will continue to form an important element of the broader stakeholder engagement process. Of particular interest over the last 12 months has been the review of the Federal Product Stewardship Act 2011.

TSA participated in numerous discussions with government, at a political and administrative level, and made formal submission to the review. Whilst any final policy amendments resulting from the review have yet to be announced by the Minister, TSA will continue a dialogue with all levels of government in the effort to lead the most sustainable and best circular economy outcomes.

In a growing community and economy, the task of product stewardship is both challenging and invigorating. The challenge of added consumption by larger populations and of the vastness of our continent is balanced by the excitement of the opportunities that such growth and scope offer.

The combined operational and governance work TSA has undertaken over the 2018/19 year has placed the organisation in a strong position to meet that challenge and maximise the opportunities. The result will be better environmental outcomes, through greater industry and community involvement, and new circular economy benefits for all Australians.

David Spear, Chairman FAICD



Chief Executive Officer's Report

The 2018/19 financial year has been one of both consolidation and expansion for TSA.

Consolidation in the Accreditation and Compliance space, including introducing ever more robust verification processes, and expansion into broader and more immediate impact upon domestic use of recycled tyre-derived products.

The second half of the Accreditation and Compliance year built on the steady flow of new accreditations with the gathering and analysis of market data, providing valuable insights. That thought leadership work was combined with a focus on targeted assessment of end destinations for Australian waste tyres.

End market verification represents a critical element in the sustainable management task. It will remain a key focus over the next 12 months and will be aided by our partnership with Global Quality Assurance company, Intertek.

In market development, over the 2018/19 financial year, TSA's program grew in both scope and strength.

The original Guidelines for the Tyre Stewardship Scheme stipulated that TSA market development activities be focused on early stage research and development. The re-authorisation of the Scheme in 2018 resulted in revised guidelines, more supportive of a direct approach to the development of recycled tyre-derived product markets.

That broader capability paved the way for the successful launch of the Demonstration & Infrastructure (D&I) stream of the Tyre Stewardship Fund. A funding stream able to support current projects consuming high volumes of tyre-derived product and that complements the existing Research & Development Fund program.

The impact on the diversion of waste tyres and the creation of value has been almost immediate. The D&I orientated stream has added approved end-use projects expected to consume 998,125 tyres per year and offers the potential, over the next decade, to generate \$3.2 million in sales of Australian recycled tyre material annually.

The industry and public information campaigns have continued to engage industry participants and the tyre buying public. Consumer education has increased understanding, both of the benefit of purchasing only from TSA accredited tyre suppliers and, by sharing the stories of positive outcomes, the economic and environmental value created through support of innovative end-uses for tyre-derived products. The public facing Green Tyre Project website has experienced significant increases in public engagement, as measured across various key markers.

In addition, TSA's participation in major industry and key stakeholder events and conferences has progressed target audience understanding of the organisation's objectives, whilst opening new avenues for broader Scheme support and participation.

The work across the organisation has been supported by the targeted application of new internal resources. Resources such as the appointment of a Commercial Manager, to work with market development fund recipients on building road maps to commercialisation, and the allocation of personnel to the role of a Senior Strategy Manager, in order to identify and develop opportunities in additional market segments that can offer potential for tyre-derived product end-use.

As newly appointed CEO, I am heartened by the considerable progress TSA has made over the past 12 months and by the clear steps the organisation is taking into a new phase of active end-market promotion. All of the work undertaken has contributed to the considerable strengthening of TSA's position as an industry thought leader, public educator, accreditor of sustainable end-of-life tyre management and strong promoter of domestic end-uses of tyre-derived material.

It is a position that will support the organisation's drive into broader industry sectors, such as automotive and heavy equipment, and that will aid the delivery of increasingly positive outcomes for Scheme members, participants, the tyre industry, all levels of government, and more broadly, for the entire Australian community.

Lina Goodman, Chief Executive Officer



Key Highlights

Market Development

Through the implementation of the National Market Development Strategy for Used Tyres 2017–2022, the market development space has seen a significant increase in direct support of high-volume uses of Tyre-Derived-Products (TDP).

The establishment of a Demonstration and Infrastructure stream of the Tyre Stewardship Fund has allowed the support of projects with the potential for consumption of very significant volumes of end-of-life tyres.

Closer engagement with local authorities undertaking test installations of road surfaces containing recycled-rubber will support greater uptake of crumbed rubber asphalt surfaces. In addition, testing of innovative uses of TDP has included high potential applications such as equine training areas, permeable pavements, civil engineering and building construction.

Since late 2015 over \$4 million has been provided, through the research fund streams, to market development projects with a number already delivering the knowledge and evidence to support major increases in domestic use of TDP.

Accreditation and Compliance

With most of the major tyre retail chains now accredited within the Tyre Product Stewardship Scheme and with more than 80% of collectors and recyclers (by available volume) also within the Scheme, ongoing accreditations are steadily growing. The new applicants are representative, principally of new retail outlets and independent operators, often in regional and rural locations.

The gathering of data on the fate of more than 200 million end-of-life tyres (EOLTs) has provided a clearer picture of the pattern of industry operation, in relation to sustainable management and in the formulation of ongoing policy. That information is supplemented by the active audit program which includes the annual auditing of 100% of accredited collectors and recyclers. A process made more robust by the appointment of an in-house TSA Accreditation and Compliance Auditor.

In keeping with the stated priorities for the 2018/19-year, significant focus has been placed on the verification of downstream outcomes for EOLTs exported from Australia. To that end, an internationally recognised and industry experienced external audit organisation has been engaged.

TSA has, over the past year, also worked closely with regulatory authorities in relation to requirements placed on operators in collection and recycling and has shared information with those operators on both jurisdictional requirements and industry best practice.

The organisation has also commenced a program of engagement with other automotive industry players. Automotive importers and their franchised dealerships are the primary targets of this engagement, with solid progress being made in outlining the operational, environmental and community social licence benefits available through participation in the Tyre Product Stewardship Scheme.

Marketing and Communications

Marketing and communication actions have been focussed on two streams, public education driving motivation to purchase from accredited retailers and industry and stakeholder engagement.

The purpose-designed Green Tyre Project (GTP) website, promoted through a comprehensive advertising program, has continued to drive high levels of consumer visitation and interaction.

The drive to gain consumer commitment has resulted in a significant increase in consumer pledges, social media shares and views of website information videos. With a monthly average of 99,000 visitor sessions, the GTP website provides a powerful tool in highlighting the value, to tyre retailers, of accreditation.

As part of the ongoing assessment of marketing efficiency, consistent with meeting the organisation's goals, the level of consumer promotion of the GTP website may be subject to future adjustment. However, the objective of driving substantially higher levels of consumer engagement will remain.

Industry and stakeholder engagements have seen TSA well represented in a wide range of events and conferences, with a dual focus of supporting market development and increasing the reach of the accreditation scheme. Local Government, fleet industry, civil and construction, waste industry and automotive industry events have provided a platform for promotion of both objectives.

In addition, co-sponsored Tech-Talks and master classes helped disseminate, direct to the application industries, valuable information on new and potentially high-volume uses of TDP.

Priorities Overall and Next 12 Months

Analysis of accumulated data providing key market insights

Since 2015, TSA has been accumulating, through the submission by accredited entities to the online reporting platform, data on the flow and fate of Australian end-of-life tyres.

Over that time the flow of more than 200 million tyres has been tracked. The resulting data provides a store of information that can offer meaningful insights into the operation of the Australian tyre disposal and recycling industry.

Such insights, into market flows and the entire import to recycling supply chain, will provide guidance in the development of future policies and processes designed to promote local beneficial end-use of tyre-derived material and in mitigating poor environmental management performance.

Over the next 12 months TSA will undertake a review of internal systems to ensure alignment with the organisation's strategic focus, including identification of opportunities for improvement of the user experience in data provision and, where practical, increased self-auditing actions.

Down stream vendor verification

With a significant volume of Australian end-of-life tyres exported for processing in foreign markets, the verification of the environmentally sustainable and ethical management of exported tyres is central to the integrity of the Tyre Product Stewardship Scheme.

TSA has already engaged a Global Quality Assurance company to develop a platform and processes that will assist in auditing down-stream vendor behaviour, verifying sustainable outcomes, ensuring accountability of exporting processors and to educate operators both domestically and off-shore.

The next 12 months will see the work on verification, accountability and education expand, providing benefit to local operators from the transparency and guidance the program will provide.

Engaging with sectors of the boarder tyre supply chain

The positive initial work undertaken to engage with the automotive import industry will continue as TSA seeks to bring the second largest import source of new tyres within the Tyre Product Stewardship Scheme.

Progress made in achieving accreditation for Volkswagen Australia and an initial group of new vehicle dealerships will be used as a springboard to engage with the major vehicle importers and dealership groups.

With over 1 million new cars imported and retailed in Australia each year and more than 50% being SUVs, the volume of new tyres entering the market via this channel is worthy of considerable attention.

Additionally, tyres used by heavy equipment, in mining and construction and on heavy transport vehicles, account for a meaningful proportion of equivalent passenger units entering the Australian supply chain. Consequently, as TSA expands its reach into the entire end-of-life tyre market, such business sectors will warrant closer attention.

Addressing the needs of regional and remote locations

Whilst the Australian tyre market is heavily weighted towards the large urban areas, the issue of sustainable end-of-life tyre management can become acute in regional and rural locations, due to the lack of suitable recycling infrastructure required to ensure positive outcomes.

TSA will focus on gaining a deeper understanding of the issues and challenges in regional and remote areas, with a view to developing options for partnerships and stand-alone solutions that can help to deliver better outcomes in the less populous parts of Australia.

Developing the good news story

Drawing all the strands of TSA activity into a positive narrative that connects with consumers, industry and other key stakeholders will take on even greater importance in the next 12 months.

Given the progress that has been made in all facets of TSA's operations, ensuring that all target audiences are not only aware of that progress but also of their role in ensuring its continuation, will be an essential element in the organisation's growth.

All media, including an increasing use of social media, will be employed to continue delivering a consumer appreciation of the positive domestic uses of tyre-derived product and, therefore, to incentivise positive buying behaviour.

Both industry and consumers will be the focus of communications that promote the positive outcomes from active market development activities. The objective being to 'connect the dots' between TSA's data gathering and funding actions and the community and commercial opportunities and value delivered by market development projects. In addition, participants will benefit from ongoing regular communication of Scheme enhancements.

The core messages of tyre supply chain transparency and accountability, market development advancements, target industry and end-user education and consumer behavior promotion, will work together to present a cohesive picture of TSA's positive impacts on end-of-life tyre sustainable outcomes.

Stakeholder engagement

In addition to public and broad industry audiences TSA has a need to engage with a group of key stakeholders who have particular interest in the progress of the organisation and the resulting outcomes.

That group includes all levels of government, most particularly at state and federal level where the potential for regulatory approaches to end-of-life tyre management are most present.

TSA will continue to work closely with governments and relevant government departments, in a collaborative manner, to ensure the impact of work undertaken is supported and complimented by appropriate policies and initiatives. Further to policy initiatives there will also be a focus on identification of current administrative and regulatory restrictions (red tape) that act to inhibit greater beneficial use of tyre-derived products.

In addition, cooperative work, and potential partnerships, with industry associations and other organisations whose operations and objectives touch those of TSA will form an important part of ongoing stakeholder engagement efforts.

Accreditation and Compliance



A core objective of the Tyre Product Stewardship Scheme is the administration of an Accreditation and Compliance Program that verifies sustainable end-of-life tyre (EOLT) management by Tyre Stewardship Australia (TSA) Participants.

During 2018/19 accreditation numbers continued to grow with most major tyre retail chains strongly embedded within the Scheme. Opportunities currently exist for Scheme expansion of coverage through the recruitment of other tyre market participants, such as vehicle dealerships and general service facilities.

In the second half of 2018/19, the Accreditation and Compliance function had an increased focus on driving continual improvements in the industry through working with accredited entities to achieve best practice. The appointment of an in-house auditor was focused, amongst other items, on tyre storage, fire safety and the publication of revised TSA Best Practice Guidelines. All central elements of that effort.

TSA has continued to engage with regulators and local authorities to foster stronger working relationships and implement robust processes. In order to maintain the integrity of the Scheme, actions can include suspension of non-compliant participants in cases where regulatory obligations of existing and new participants are not met.

Since inception of the Scheme’s reporting and compliance program (end of 2015), the TSA online reporting platform has traced the fate of approximately 200 million equivalent passenger units. During 2018/19, TSA completed over 100 audits across participating retailers, collectors and recyclers nationally. As part of that program, TSA continued to meet its commitment to audit 100% of accredited collectors and recyclers annually. The reach of audits of accredited tyre retail outlets remains at a level that will ensure Scheme commitments are satisfied.

Tyre Retailers

Participant Category	Start FY 2018/19	End FY 2018/19	% Change
Importers	8	8	0.0%
Retailers	1,505	1,542	2.5%
Collectors/Recyclers	28	36	28.6%
Fleet	5	5	0.0%
Local Government	10	13	30.0%

For the 2018/19 year the number of TSA accredited tyre retailers continued to grow past 1500. That number of retailers, and the inclusion of all the major tyre retail chains, provides nationwide coverage that ensures most consumers have a choice of TSA accredited tyre retailer.

The new accreditations in the 2018/19 year included a number of independents and the recruitment of further members of already accredited tyre retail chains. A planned program of engagement with other automotive market participants, such as vehicle dealerships, is likely to see an increase in tyre retailer accreditations over the coming year.

Collectors and Recyclers

Over the course of 2018/19, eight collectors and recyclers received accreditation, providing further recovery and recycling services, within the Scheme, in Victoria, New South Wales, Queensland and Western Australia.

TSA collectors and recyclers are estimated to have a market share of around 90 per cent of recovered tyres (refer Key Performance Indicators on page 55). Adding further strength to the Scheme is the fact that all TSA accredited collectors and recyclers are audited annually to ensure full compliance with Scheme commitments.

The steady flow of interest in becoming TSA accredited is encouraging providing a sense that new market entrants understand, and value, the benefits of obtaining TSA accreditation. That interest is also being driven by major tyre retail chains demanding TSA accreditation as part of procuring collection services.

The nature of the Australian market, specifically the relative isolation of some regional and rural locations, continues to pose a challenge to universal accreditation of collectors and recyclers. None-the-less TSA remains committed to the recruitment and ongoing compliance verification aiming to surpass the 2028 target of 95% of recyclers and collectors in the Australian waste tyre recovery and recycling market.

Fleet and Local Government Market Participants

Over the course of the 2018/19 year an additional three Local Government Authorities joined the accreditation program.

Focus will remain on identifying further opportunities, including Local Government Authorities and the broader waste management sector, that carry the potential to fill the gap for accredited waste tyre collection in regional and remote areas.

To continue to be relevant and add value to a changing global market, TSA will embark on a refreshed strategy to expand recruitment of other tyre market participants such as tyre importers, vehicle dealerships and general service facilities. This strategy will also see TSA expand its reach globally, seeking to accredit foreign end market participants.

Foreign End Markets

In the second half of 2018/19, the focus of verification of sustainable EOLT management shifted to foreign end markets (FEM) with TSA commencing an audit program to assess overseas destinations of Australian waste tyres.

In March 2019, TSA engaged an independent global quality assurance organisation to assist with the verification of the downstream processing of end-of-life tyres at a number of tyre processing facilities identified in India, Malaysia and Korea.

The initial audits provided valuable and actionable insights into the end-of-life tyre export, offshore distribution and processing.

The next stages of the FEM program will see TSA further develop the Scheme to include the accreditation of offshore facilities. Thus providing increased transparency and confidence in the sustainable management of Australian sourced EOLTs. The work to date represents a significant development for TSA, as a leader in the tyre industry and sets the scene for the achievement of a key priority, the verification of down-stream outcomes for exported Australian sourced EOLTs.



Market Development

A broader scope, more immediate domestic end-use outcomes and expanded opportunity for high volumes of tyre-derived product use.

The TSA market development program grew in both scope and strength during the 2018/19 financial year, reflecting the new Scheme structure that supports a more direct development of markets for Australian recycled tyre product.

The 2018 re-authorisation of the Tyre Stewardship Scheme has broadened the original guidelines from a market development focus on early stage research and development activities to allow for the funding of projects that will drive a more immediate increased consumption of Australian generated tyre-derived product (TDP). As a result, TSA was able to launch a Demonstration & Infrastructure (D&I) stream of the Tyre Stewardship Fund to complement the existing Research & Development fund stream.

The initial D&I oriented funding round proved to be TSA's most successful to date, with approved new projects calculated to consume 998,125 tyres per year in high-value applications, such as binders for roads and explosive resistant buildings. The successful implementation of such projects will offer the opportunity to generate in the region of \$3.2 million of new sales for the Australian recycling market annually – providing significant value to the Australian tyre resource recovery industry.

Such strong numbers contribute significantly to the benefits derived from the \$4.9 million TSA has committed to market development, across 34 projects, since the program's inception in 2015.

While TSA's support for practical applications is growing, the organisation has continued to fund pure R&D projects, professional development and industry education.

Key initiatives in support of those objectives have included:

- The recruitment of a Commercial Manager, with a focus on working with industry to realise the full potential of the 34 projects TSA has supported to date.
- TSA funded industry and stakeholder Tech-Talks held across Australia with eight sessions in four States attended by over 120 representatives from local and state government, road authorities, contractors, binder producers and industry associations.
- Sponsoring of the attendance of 16 Australian road industry leaders at a global rubber recycling conference in South Africa with supporting study tour of South African recycled-rubber containing roads.
- The commencement of a life cycle assessment of tyre-derived products to determine the environmental performance of recycled rubber products relative to conventional competing products.

The considerable body of TSA supported foundation R&D has provided the validation for investment in initiatives that utilise Australian generated TDP, both productively and profitably. The direct funding support of infrastructure and other significant projects will result in the consumption of thousands of tonnes of Australian generated recycled tyre material. An outcome that progresses TSA's core objectives of maximising the beneficial use of tyre-derived material and minimising unsustainable treatment of end-of-life tyres.

For more information on the extensive suite of projects contracted and successfully delivered this financial year, please see the current project list summarised on pages 12–17.

Inspecting road installed with crumb rubber modified asphalt product during South African study tour.



Case Studies

FLEXIROC

Equine Air – galloping to greater use of recycled rubber

Late in 2018, Flexiroc Australia installed its Equine Air paving product on 550 square metres of approach track at one of Racing Victoria's premier facilities, Pakenham Racing Club's Tynong Complex. That test followed a successful trial installation at a private horse stud in 2016.

The Equine Air, free draining, track profile demonstrated its ability to drain the surface in a short time after a rainfall event, thus allowing greater all-weather use. The concrete bound rubber product provides a cushioning effect and delivers superior performance through less concussive riding forces, lowering the potential for injuries to the horses. Initial rider feedback confirmed that less concussive force was felt than on traditional surfaces, resulting in a less 'jarring' ride.

The exclusion of loose stone particles, which occur in current tracks, means the potential for injury to the horse is reduced. The trial track and performance testing also helped to provide performance parameters for future use of this innovative material.

The Tynong trial track used over 3,000 equivalent passenger units*, or 27 tonnes of recycled rubber. The successful trial section presents the opportunity for the conversion of more tracks at the Tynong facility in the near future, with the long-term potential for the use of a substantial volume of rubber shred as further tracks are converted. Each full track would use at least 600 tonnes of recycled rubber.

The Equine Air product is flexible in its applications as it can be used for synthetic fibre tracks, sand tracks, in mounting yards, horse walks and associated areas.

CITY OF MITCHAM

South Australian road test could see a major increase in crumbed rubber use

The City of Mitcham, in South Australia, is leading the way in testing new mixes of crumbed rubber asphalt that can improve road durability and offer a significant recycling use for the millions of used tyres Australia generates each year.

The city's TSA funded test covers a 335 metre stretch of the innovative road surface, laid at Stanlake Avenue, St Marys, in the Adelaide satellite municipality.

The testing by the City of Mitcham is of a specific warm mix dense-graded crumb rubber modified asphalt already laboratory tested and suitable for use in challenging underlying soil conditions, such as reactive clay. It is focused on a range of performance factors, such as cracking, rutting, moisture retention and general durability. It is expected that the results of the test will further drive the move to increase the specification of such roads not only state-wide but nation-wide.

The City of Mitcham recycled approximately 850 used tyres in the trial asphalt resurfacing of Stanlake Avenue, with 1.5 end-of-life tyres being used for every tonne of asphalt laid. In addition, the laying of the asphalt, which was mixed at 160 degrees and laid at 140 degrees, occurred without any workability or fuming issues, despite an over 35C ambient temperature.

Ongoing testing is scheduled to run for two years, with results monitored on a regular basis to assess the key performance parameters.

*Volume based on equivalent passenger units (EPUs). An EPU is a standard passenger car tyre.

UNIVERSITY OF SOUTH AUSTRALIA

Residential construction could drive high-volumes of tyre recycling

The University of South Australia, with Tyre Stewardship Australia funding, has been working on a project to develop and test reinforced Crumbed Rubber Concrete (known as CRC) for use in Australia's vibrant residential construction industry.

Nearly 40 percent of the annual total of approximately 9.6 million cubic metres of Australian pre-mixed concrete is used for residential construction. That volume presents a significant opportunity to consume very substantial quantities of recycled rubber.

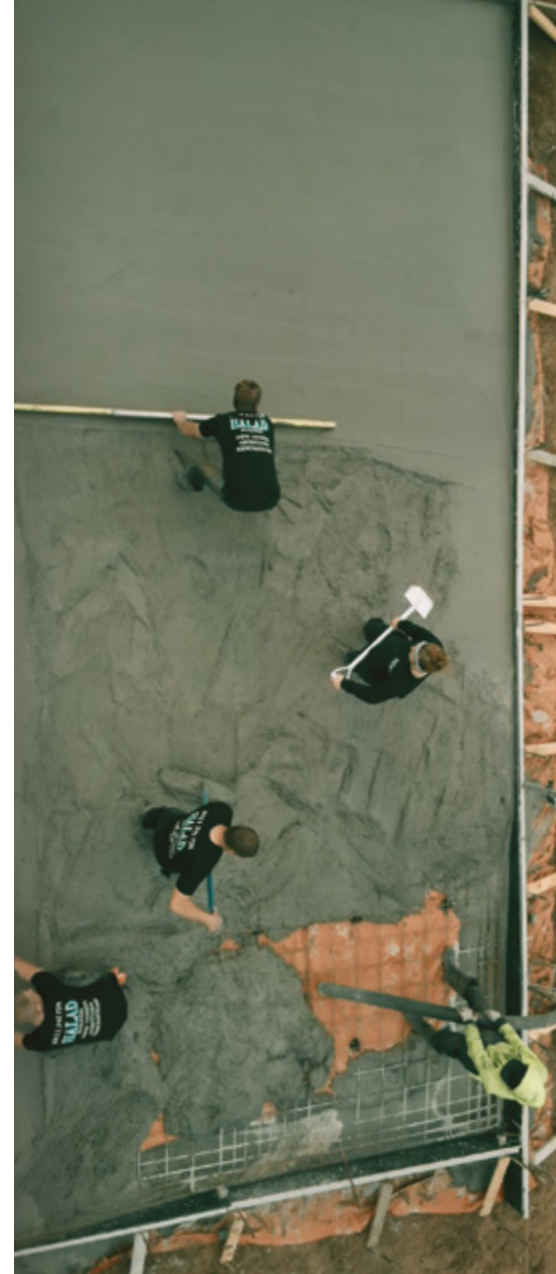
CRC is made when crumb rubber, from end-of-life tyres, partially replaces sand in the concrete mix. The testing program has covered assessments of both the material and its structural properties.

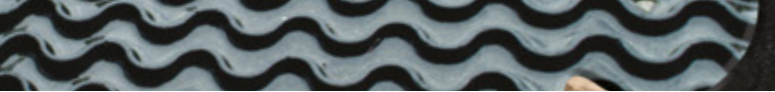
Generally, CRC showed no difference in performance when compared with conventional concrete in the full-scale trial residential slabs constructed at the university. There were no issues related to the mixing and delivery of CRC by a commercial ready-mix supplier and the residential slab contractors working with the new product reported easy application and no difference when finishing the concrete surface.

In addition, no visual deterioration was observed on the rubber concrete slab surface after 3 months. All the initial results indicate that CRC in residential slabs is a promising and potentially viable alternative to conventional concrete.

The commercial potential for CRC is considerable given that it has already demonstrated a range of positive properties, including increased toughness and impact resistance, reduced tendency for cracking and shrinkage plus the better acoustic and thermal insulation presented in other studies.

The technical research and testing work by the University of South Australia will continue as further applications and performance characteristics are investigated. That work will be accompanied by field and commercial testing that will provide greater assurance and guidance, supporting increasing opportunities for the construction industry to use CRC.





Market Development Projects

Ongoing Projects for the 2018/19 year*

Project Name 2018/19	Project Description
<p>EDI Downer</p> <p>High Shear Mobile Crumb Rubber Mixer</p>	<p>The development of an innovative mobile plant that can mix crumb rubber spray seal for road projects where it is not feasible to deliver binder from fixed plants.</p> <p>One of the benefits of a mobile crumb rubber blending solution is that it can be quickly and effectively moved to demand points, providing top quality, consistent product to consumers nation-wide; particularly helpful in regional and remote areas outside the reach of traditional fixed plants.</p> <p>Through the provision of high-quality product to a broader range of consumers, the project is expected to consume over 2,000 tonnes of high-quality rubber per year.</p>
<p>University of Melbourne, Mitcham City Council, Merlin Site Services</p> <p>Permeable Pavement</p>	<p>The building of Australia’s largest ever tyre-derived permeable pavement surface, in a car park operated by Mitcham City Council in South Australia, is a large-scale field test that will enable the impact of real-life traffic loading to be measured by a comprehensive set of mechanical and storm-water instrumentation; thus verifying the performance of the product under different traffic load conditions.</p> <p>Parameters to be measured include mechanical performance, mitigation of the surface run-off as well as impact of reduced pollutants flowing to waterways.</p>
<p>University of Melbourne</p> <p>Concrete road barriers</p>	<p>A project aiming to provide evidence of the significant benefits of rubberised concrete in road barrier applications.</p> <p>Through extensive physical and numerical investigations, the intent is to support the contention that rubberised concrete barriers are more resilient, consequently improving road safety, whilst also offering a cost-effective use for recycled materials.</p> <p>The elastic properties of tyre-derived rubber can significantly enhance the impact resistance of concrete. This will have the effect of reducing the force of vehicle impact thereby reducing the likelihood of injury and death.</p> <p>The resilience of rubberised concrete not only withstands harsh environmental conditions but, due to its superior impact resistance, can also tolerate damage from small crashes. Therefore, it is expected that the service life of road barriers can be substantially increased; further reducing costs and their carbon footprint.</p>

*The Tyre Product Stewardship Scheme Fund projects are multiple-year contracts. Listing provided is only for projects contracted and underway.

Ongoing Projects for the 2018/19 year*

Project Name 2018/19	Project Description
<p data-bbox="116 560 558 622">Australian Road Research Board (ARRB) – VicRoads</p> <p data-bbox="116 654 558 683">Crumb rubber asphalt trial</p>	<p data-bbox="558 560 1484 660">In a project to promote sustainable solutions for surfacing of heavily trafficked roads, VicRoads will trial market-ready, crumb-rubber modified asphalt products on their road network and monitor performance over time.</p> <p data-bbox="558 689 1484 824">The performance data will assist with the modification of specifications and application practices relating to the use of crumbed-rubber asphalt products. The aim being to increase the scope of use and thus the total consumption of tyre-derived crumb rubber in road building.</p> <p data-bbox="558 853 1484 913">The project also aims to overcome perceived barriers to the use of crumb rubber asphalt, such as OH&S and cost concerns.</p>

L to R: Dr Mahdi Disfani, Senior Lecturer in Geotechnical Engineering, University of Melbourne; Ms Lina Goodman, Chief Executive Officer, Tyre Stewardship Australia; Dr Heather Holmes-Ross, Mayor, City of Mitcham at the Permeable Pavement project installation launch.



*The Tyre Product Stewardship Scheme Fund projects are multiple-year contracts. Listing provided is only for projects contracted and underway.

Ongoing Projects for the 2018/19 year*

Project Name 2017/18	Project Description
<p data-bbox="119 566 448 629">University of South Australia & University Technology Sydney</p> <p data-bbox="119 663 499 723">Physical properties of tyre walls in residential housing construction</p>	<p data-bbox="580 560 1445 763">Buildings known as 'Earthships' (https://www.earthshipglobal.com) use tyres as the structural basis for housing construction. The research project aims to provide technically verified, independent data that relates the performance of such structures to Australian building codes and requirements. Additional investigation will take place relating to concerns around tyre 'off-gassing' into living spaces, identifying if it occurs and any potential impacts.</p>
<p data-bbox="119 835 464 898">City of Mitcham (SA), Australian Road Research Board, Topcoat</p> <p data-bbox="119 931 499 992">Dense grade crumb rubber asphalt trial – City of Mitcham</p>	<p data-bbox="580 835 1445 999">The City of Mitcham, in South Australia, is currently undertaking laboratory and field testing to further validate the measurable benefits of the use of crumb rubber asphalt, in performance and asset life, when used in highly expansive soils. Data gained will help broaden crumb rubber asphalt use by other local government authorities.</p>
<p data-bbox="119 1077 193 1106">UNSW</p> <p data-bbox="119 1133 488 1234">Generation of gases from end-of-life tyres and purification using novel graphene molecular sieve</p>	<p data-bbox="580 1077 1445 1211">A project, in collaboration with Green Distillation Technology Corporation, that is currently studying the use of graphene oxide membranes, as molecular sieves to separate gases (such as CH₄, H₂) in high temperature pyrolysis, thus generating valuable gases from waste tyres.</p> <p data-bbox="580 1238 1445 1473">Initial results indicate that waste tyres can be a highly valuable resource in the generation of pure gases for various industrial applications. A technology for producing pure gases from waste tyres could be a significant contribution in developing cost-effective renewable energy resources. The study will also investigate the commercial applications for gases generated from such processes. Formative business case development will occur to understand the process inputs, relative to the value associated with the extraction and utilisation of the gases.</p>



*The Tyre Product Stewardship Scheme Fund projects are multiple-year contracts. Listing provided is only for projects contracted and underway.

Ongoing Projects for the 2018/19 year*

Project Name 2017/18	Project Description
<p>RMIT University</p> <p>Innovative design of lightweight and structurally efficient composites incorporating crumb rubber</p>	<p>Aiming to develop new multifunctional fibre-reinforced polymer (FRP) composite materials, incorporating crumb rubber, as a means to enhance the structural, acoustic and, thermal insulation and vibration damping characteristics for wide ranging applications, including road and rail infrastructure, transport and, building and construction.</p> <p>The proposed research will stimulate composite production industries and markets for EOLTs by creating high-volume and value-added engineering products that meet or surpass international standards for varied structural and functional engineering.</p>
<p>Main Roads Western Australia and Australian Asphalt Pavement Association (AAPA), Australian Road Research Board (ARRB), QLD Department of Environment & Heritage Protection, QLD Transport & Main Roads</p> <p>Transfer of crumb rubber modified asphalt and sealing technology to Queensland and Western Australia</p>	<p>International studies have shown that gap graded asphalt with crumb rubber modified (CRM) binders can provide improved resistance to crack reflection, compared to conventional asphalt. These mixes are therefore commonly used when rehabilitating/overlaying existing pavements where improved resistance to crack reflection is required. It is envisaged that similar applications will apply in Australia.</p> <p>Currently there are no specifications available in Queensland and Western Australia for the use of CRM binders in gap graded asphalt in rehabilitation treatments (such as asphalt overlays). The development of a technical specification for crumb rubber modified gap graded asphalt will assist to overcome a significant barrier to its use in such applications.</p>
<p>Curtin University and Lomwest Enterprises</p> <p>Development of reinforced concrete – recycled tyre bale sandwich structural wall system</p>	<p>The evaluation of a wall system using baled end-of-life tyres sandwiched between highly stable concrete skins.</p> <p>The wall panels can be placed side-by-side or on top of each other. The resulting wall system can be used as retaining wall, blast resistant wall, exterior walls for thermal housing, etc.</p> <p>The project will study the structural behaviour of the proposed sandwich wall so as to enable the product to be used for practical construction projects.</p>

*The Tyre Product Stewardship Scheme Fund projects are multiple-year contracts. Listing provided is only for projects contracted and underway.

Ongoing Projects for the 2018/19 year*

Project Name 2016/17	Project Description
<p data-bbox="119 566 472 629">University of South Australia and the Australian Research Centre</p> <p data-bbox="119 663 496 719">Reinforced crumb rubber concrete for residential construction</p>	<p data-bbox="580 566 1461 663">Seeking to demonstrate that reinforced crumb rubber concrete is an economically viable and sustainable alternative to conventional reinforced concrete for residential structural engineering applications.</p>
<p data-bbox="119 797 320 826">Monash University</p> <p data-bbox="119 853 480 949">Assessment of liquid fuel, chemicals and porous material production from end-of-life tyres</p>	<p data-bbox="580 797 1442 927">A project to allow for the independent assessment of the tyre pyrolysis method to measure process outputs in an empirical and unbiased manner. Providing information that will be integral to maturing market discussions around the use of such technology to produce syn-fuels and other chemical outputs of value.</p>

Ongoing Projects for the 2018/19 year*

Project Name 2015/16	Project Description
<p data-bbox="119 1167 405 1229">University of NSW & Green Distillation Technologies</p> <p data-bbox="119 1256 480 1352">Developing graphene integrated super-composite materials using end-of-life tyres</p>	<p data-bbox="580 1167 1453 1263">Developing Graphene Integrated Super-composite materials using end-of-life tyres. A project looking at the utilisation of chemicals from the pyrolysis of tyres to create graphene composite materials for high value applications.</p>
<p data-bbox="119 1431 496 1525">University Wollongong and the Rail Innovation Cooperative Research Centre</p> <p data-bbox="119 1559 488 1653">Performance of recycled rubber inclusion for improved stability of railways</p>	<p data-bbox="580 1431 1358 1491">Identify opportunities to use rubber mats, manufactured using tyre rubber, to improve rail ballast performance.</p>

*The Tyre Product Stewardship Scheme Fund projects are multiple-year contracts. Listing provided is only for projects contracted and underway.

Completed Projects

Project initiated and completed within the 2018/19 year.

Project Name	Project Description	Year Initiated
Flexiroc Protectiflex Pumped & Composite Blast Mitigation Project	<p>The project tested the force resistance of a blast and ballistic mitigating cementitious building product that contained tyre-derived materials.</p> <p>The new product provides force protection against extreme blast and ballistics and the pumpable mix can be retrofitted to existing structures or integrated into new builds.</p> <p>There is an opportunity to use the Protectiflex product in the industrial, security and commercial sectors.</p>	2018/19

Other Projects Completed

Project Title	Project Proponents	Year Initiated
Production of tyre crumb derived composite material	Polymeric Powders	2017/18
Tyre crumb derived Polymeric Powder/Polyolefin composite material piping	Polymeric Powders & Austeng	2016/17
Equine Air Pakenham Racing Club Project	Flexiroc, Tuff Turf and Pakenham Racing	2016/17
Tyre-derived aggregate as a supplementary material in pavement sub-bases	Swinburne University & VicRoads	2015/16
Performance of rubber-based absorbing layer (REAL) for railroad stability	University of Wollongong & EcoFlex	2015/16
Transfer of crumb rubber modified asphalt and sealing technology to Queensland	Australian Road Research Board (ARRB) Queensland, Transport and Main Roads Queensland, Department of Environment and Heritage Queensland	2015/16
Recycled tyre in permeable pavement applications	University of Melbourne & Merlin Site Services	2015/16
A green lightweight composite panel system using recycled tyres	University of Melbourne & PreFab Australia	2015/16
Explore and evaluate local market development opportunities for crumb rubber in Victorian roads	ARRB Victoria, Vic Roads & Sustainability Victoria	2015/16

Marketing & Communications



Public Education Campaign

The comprehensive public education program, which commenced towards the end of 2017, is targeted at stimulating consumer awareness of the Australian end-of-life tyre (EOLT) issue and motivation to purchase tyres only from TSA accredited retailers.

The campaign gathered major momentum during 2018/19. Added to the information on sustainable management of EOLTs was a strong focus on highlighting the positive outcomes of innovative domestic use of recycled end-of-life tyres.

The purpose-built consumer facing website, Green Tyre Project (GTP), clearly continued to resonate with consumers, building solid gains on already significant visitations, social media shares, explanatory video views and pledges to buy from accredited retailers.

The GTP site was promoted to consumers through an integrated cross-media campaign, utilising print, online, transit signage, ambient and radio channels to target the core tyre buying consumer groups at times of high exposure and/or natural engagement with the tyre/automotive industry.

A particularly pleasing outcome of the GTP campaign has been the more than 1 million views of the site's explanatory videos during the year. With their plain language and focus on highlighting positive outcomes, the videos

have undoubtedly delivered greater appreciation of the environmental sustainability challenge and the emerging solutions to a previously disengaged and uninformed audience. Such a degree of knowledge is sure to drive increasing levels of consumer action in support of the core objectives of the Scheme.

A number of market development trials have also presented opportunities to increase general media exposure of emerging end uses for EOLTs. The resulting coverage of actions, such as crumbed-rubber asphalt trials and real-world testing of other innovative surfaces, has supported TSA paid media communications in promoting positive outcomes and engaging the broadest possible audience.

Also key to generating such increased consumer engagement and education have been a series of video case-studies outlining tyre-derived product research and applications, in easily digestible lay terms. The 6 video case studies, covering a range of innovative applications, were communicated across all channels including online, social media, advertising and event presentations.

The planned shift in focus of consumer marketing activity, from the generation of heightened awareness of the challenge to the promotion of positive end uses of recycled tyres, reflects both the progress of market development actions and seeks to build community knowledge and impetus that can motivate end product specifying authorities in the selection of infrastructure solutions that maximise the use of tyre-derived products.

In addition, reflective of the broadening scope of TSA's accreditation and compliance actions, the work on verification of off-shore, down-stream processors were promoted to target audiences, through both media and direct communication.

The initially high level of investment in launch promotion of the consumer focussed actions will moderate, in the coming period, as the next phase of consumer engagement moves from awareness to greater empowerment and interaction.

All Visitor Sessions	2016/17	2017/18	2018/19
Yearly Total	33,288	789,059	1,214,610
Monthly Average	2,774	65,755	99,290

Green Tyre Project Website Activity	2017/18	2018/19	Change Y.O.Y.
Impressions	26,875,695	55,668,018	107% ↑
Pledges	3,162	4,851	53% ↑
Retailer Search Function	9,801	16,043	63% ↑
Social Shares	29,613	33,175	12% ↑
Videos Views	463,740	1,050,742	126% ↑

Development of the Social Marketplace

TSA communications have been refined to focus on empowering the public to 'make a change' through key advertising and posting via social platforms.

The introduction of the hashtag (#takethepledge) has been utilised across all below and above the line activities and in the digital space.

The communication focus continues to be one of furthering the organisational objective of increasing the resource recovery and recycling of end-of-life tyres through the development of markets and products for tyre-derived material.

It aims to increase the reach and understanding of the variability and viability of tyre-derived products across all industries and applications.

In addition, to further build that momentum, TSA will continue to engage and partner with relevant industry associations and providers and, where appropriate, to co-operate in external communications.

Events and Conferences



Over the course of the 2018/19 year, as a central part of an ongoing industry and stakeholder education, information and engagement campaign, TSA participated in a targeted group of events and conferences.

Participation in such events has served to build greater understanding of the need to act on sustainable management, motivate participation in the Tyre Product Stewardship Scheme, promote the use of tyre-derived products and applications and to create relationships that may help to further TSA's objectives.

In addition, TSA has hosted or co-sponsored a number of events that have furthered industry knowledge around specific applications and provided the opportunity to improve both environmental outcomes and key asset management.

Key events and conferences in the local government space included:

- Continuation of strong engagement with local government authorities, through participation in the Australian Local Government Association, National General Assembly and National Local Roads & Transport Congress. At which TSA showcased tyre-derived products for Local Government use.
- Presenting at the Local Government NSW Sustainable Procurement Forums on the benefits of tyre-derived products in Council asset management and of Local Government participation in the scheme as part of a commitment to a circular economy.

- Promotion of TSA at the Northern Territory Local Government Waste Management Symposium through participation in an industry panel discussion around the potential for partnership-based approaches to product stewardship and waste collection in regional and remote Australia.

Waste industry engagement included participation in and presentation at:

- Waste & Recycle Western Australia 2018
- Waste Recycling Industry Queensland – Future Waste Resources 2018
- Waste 2019 – the primary annual waste industry conference
- Waste South Australia 2018.

In addition, TSA participated in the Master Builders Green Living Conference 2018, at which case studies and a working display of tyre-derived products targeted at the building construction industry were presented. The organisation also took part in the Local Buy Fleet Managers Forum during which the benefits of utilising TSA accredited suppliers were promoted.

TSA hosted or co-sponsored industry and stakeholder events included:

- A national series of TSA/Australian Asphalt Pavement Association (AAPA) Tech-Talks, covering Toowoomba, Benalla, Ballarat, Wagga, Parkes, Bunbury, Cairns and Townsville, focussed on updating the road construction industry on the latest developments and technologies utilising crumb rubber modified binder.
- Holding a TSA Recycler Forum, targeted at improving accredited recycler's knowledge of ever evolving regulatory requirements.
- Staging TSA/AAPA Master Classes, across the Eastern Seaboard, on the topic of Advanced Crumb Rubber Technologies for Asphalt and Seals, including key presentations from international crumb rubber experts Jack van Kirk, of California and Gerrie van Zyl, of South Africa.

Ongoing TSA participation in, and hosting of, such events plays an important role in maintaining the organisation's position as a thought leader in the Australian end-of life-tyre sustainable management space and in progressing broader industry and stakeholder understanding of the important roles they can play in achieving the most beneficial outcomes.

Members and Accredited Brands

Tyre Importer Members



Other Members



Tyre Retailers



Tyre Brands



Recycler and Collector Brands¹



¹ At time of this document going to print, the following brands weren't available to display – Australian Tyre Processors, BSV Tyre Recycling, KB Tyre Solutions and MIKAM Tyres.

Financial Report

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DIRECTORS' REPORT

The directors present their report on Tyre Stewardship Australia Limited for the financial year ended 30 June 2019.

1. GENERAL INFORMATION

INFORMATION ON DIRECTORS

The names and relevant experience of each person who has been a director during the year and to the date of this report are:

David Spear – Independent Chairman

Experience

David Spear is an experienced Company Director and Governance Consultant. He is currently Chairman of Tyre Stewardship Australia, Chairman of Office Brands Australia, Non-Executive Director of Unity Housing, Chairman of the Free Throw Foundation and a Director of VUCA Pty Ltd. He spent 8 years as SA/NT State Director of the Australian Institute of Company Directors, learning and developing his unique skills to assist Boards and Company's in Corporate Governance and Board Performance Evaluation. David has over 25 years' experience in commercial business management, and brings tremendous expertise in corporate governance, ethics, strategy and decision making. In November 2013, David attended the Harvard Business School, in Boston Massachusetts, where he studied Board Governance. David is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and an Alumni member of Harvard Business School Governance Program.

Peter Kreitals

Qualifications

Independent Non-Executive Director

Experience

Peter Kreitals holds a Bachelor of Economics from the ANU and has extensive experience in strategy and policy development for a vast range of industries over a career spanning four decades. Peter was the inaugural Executive Director of the Australian Tyre Recyclers Association, from 2003 until December 2013. During this time, he was instrumental in helping with the development of the Tyre Product Stewardship Scheme now in place. In addition to being a Director with Tyre Stewardship Australia, he is also a member of various other Boards and Committees.

Alan Sutton

Experience

Alan is a graduate of the Plastics and Rubber institute (UK) and is currently the Customer Engineering Manager for Goodyear Dunlop Tyres Australia (GDTA) a position he has held for almost 20 years. Alan is responsible for field engineering, product performance and government compliance across all tyre categories except Earthmover and Aviation. Alan is a director of Tyre Stewardship Australia and also the Australian Tyre Industry Council (ATIC). He is also the GDTA representative on ATIC and the Australian trucking associations ATA ITC. Alan has worked in the tyre industry for over 40 years, previously working for Pirelli (UK), General Tyre (Zambia) and Bridgestone (South Australia). He joined Goodyear in 1988 as an automotive engineer and has worked in a variety of tyre engineering roles in his time with the company and has been a regular visitor to the technical centres in Luxembourg, Akron and Hanau.

Steven Clifford

Experience

Steve worked for Yokohama Tyre Australia for 20 years, and as General Manager for the last 15 years of his tenure. Now retired Steve continues to represent Yokohama as their nominee on the TSA Board. Past responsibility within Yokohama included the implementation and maintenance of the company's governance and compliance across many aspects of the business. While wholesale sales were the focus his role also included retail tyre store development. Steve has been involved at all levels within the tyre Industry and he has held many positions during his 44 years in the industry. He has also held past Board positions at the Sydney Heritage Fleet and Sydney Maritime Museum, both Not for Profit organisations. Steve holds a Graduate Diploma in Management (Commerce) from the University of Wollongong.

David Wilson

Experience

David was appointed Chairman of the Tyrepower Group in November 2018, after serving as their Chief Executive Officer from 2010. After graduating with a Science degree in Applied Mathematics from Monash University, David has worked in many roles in retail over the last thirty years in Australia and New Zealand. He has held senior roles in supermarkets, general merchandise, cosmetics and the tyre industry. David is also Managing Director of a lean manufacturing business supplying parts to leading OEM's. In addition, he is a non-executive director for Victoria and Tasmania, of Prostate Cancer Foundation of Australia.

Melissa Holzberger

Qualifications

Independent Non-Executive Director
Chair of the Governance and Risk Committee

Experience

Melissa is an experienced company director having served on ASX-listed, public, Government and not-for-profit boards spanning a wide range of sectors. She brings over 20 years of legal, risk and corporate governance expertise, together with valuable experience in natural resources law, international trade, and commodity stewardship and sustainability. She is currently a Non-Executive Director of ASX-listed Silex Systems Limited, chairs its Audit Committee and is a member of the People and Remuneration Committee.

She holds a Master of Laws in Resources Law (Distinction) as a Chevening scholar from the Centre for Energy, Petroleum and Mineral Law and Policy, University of Dundee in Scotland; a Diploma in International Nuclear Law (Hons) as an OECD Nuclear Energy Agency scholar from the University of Montpellier in France; and a Bachelor of Laws and Bachelor of Arts from the University of Adelaide. Melissa is a graduate and a member of the Australian Institute of Company Directors; and a Fellow of the Governance Institute of Australia.

David Lane

Experience

David is the Chief Financial Officer of Michelin Australia and has held that position since 2011. His role encompasses the finance function for Oceania as well as legal & risk management, corporate development and public affairs. During this time, he has overseen the evolution of the finance function and related domains to a more service focused division, as well as managing due diligence for acquisitions. David is an experienced senior finance professional with management and team leadership experience in five continents over 20+ years. He has held senior regional and country finance roles within the automotive component and defence industries in Australia and USA, as well as senior roles in audit and assurance at PricewaterhouseCoopers in UK and Australia. David is a Fellow of Chartered Accountants Ireland and a graduate of the Australian Institute of Company Directors.

Douglas Barclay – (Appointed 13 July 2018)

Experience

Douglas is the General Affairs Manager at Bridgestone Australia Limited. In his role he is responsible for environmental matters, continuous improvement, group procurement and Australian property. He is an engineering and management professional with 20+ years in senior roles with experience in working in the automotive components manufacturing industry. He completed a Bachelor of Mechanical Engineering along with a Masters of Business Administration at the University of South Australia. He has expertise in collaborating to set business strategy, drive operational and sales activities, establish best practice and initiate change and innovative business solutions.

Allan Kerr – (Appointed 17 August 2018)

Experience

Allan was Managing Director of Tyrecycle Pty Ltd from 2000 until his retirement in 2012. During his leadership of Tyrecycle, it was transformed into a major tyre recycling business, providing a national service to the Australian market. He oversaw a major upgrade and expansion of Tyrecycle's recycling facilities in Melbourne, Sydney, Brisbane and, Perth. International markets were also identified and established during this period. Allan initiated, and Chaired, ATRA and was heavily involved in all product stewardship discussions during his 12 years at Tyrecycle. Prior to joining Tyrecycle, Allan was employed in the textile industry. His 28 years in textiles gave him an extensive background in all aspects of management in the manufacturing sector. Allan was appointed CEO of Bradmill Undare Group in 1993, a position he held until 1999. Prior to becoming a director on 17 August 2018, Allan was a member of the Research Advisory Committee.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Silvio de Denaro (BA(Hons)) has been the company secretary since 24 July 2013.

Silvio is a graduate of the School of European Studies of the University of Sussex (UK) with a thesis on Issues of Integration of the European Aerospace Industry.

He has held a number of senior management positions in Sales and Marketing especially in the Aviation and Automotive sectors. He has been directly involved in tyres since 1983 and has held the post of CEO in Australia for a major European tyre manufacturer.

As well as being involved in the day-to-day operations of TSA, Silvio has been directly involved with Government and other major stakeholders contributing to the development of the Product Stewardship Scheme culminating with the related granting of ACCC authorisations in April 2013.

Principal Activities

The principal activity of Tyre Stewardship Australia Limited during the financial year was the management of the voluntary Tyre Product Stewardship Scheme as per the initial Australian Competition and Consumer Commission (ACCC) authorisation on 11 April 2013 for 5 years (Authorisation Numbers A91336-A91337) and re-authorisation on 15 June 2018 for a period of 6 years (Authorisation Number AA1000409).

The operation of the scheme involves:

- (i) Contributing to research and development of solutions for end of life tyres including developing new markets for tyre derived products;
- (ii) Accreditation and audit of participants in the scheme;
- (iii) Communicating and educating on the subject of end of life tyres.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short & Long Term Objectives

The Company's short and long term objectives are detailed in Tyre Stewardship Australia Ltd 2018/19 Annual Report.

Strategy for Achieving the Objectives

To achieve its stated objectives, the Company has adopted the strategies which are outlined in Tyre Stewardship Australia Ltd 2018/19 Annual Report.

Performance Measures

The Company measures its own performance through measures that are described in Tyre Stewardship Australia Ltd 2018/19 Annual Report.

Members' Guarantee

Tyre Stewardship Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100 for members that are corporations and \$ 100 for all other members, subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$ 1,100 (2018: \$ 1,100).

2. OTHER ITEMS

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future Developments and Results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of Directors


During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

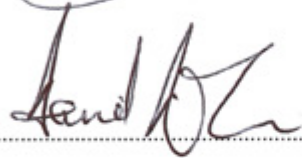
	Directors' Meetings		Finance and Audit Committee		Research Advisory Committee		Governance and Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
David Spear	10	10	11	10	–	–	4	4
Peter Kreitals	10	10	–	–	3	3	4	4
Alan Sutton	10	9	–	–	3	2	–	–
Steve Clifford	10	10	–	–	–	–	–	–
David Wilson	10	6	–	–	–	–	–	–
Melissa Holzberger	10	10	–	–	–	–	4	4
David Lane	10	9	11	11	–	–	–	–
Douglas Barclay	9	9	–	–	–	–	–	–
Allan Kerr	8	7	–	–	3	3	–	–

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2019 has been received and can be found on page 30 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
David Spear

Director: 
David Lane

Dated this 13 day of SEPTEMBER 2019

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000
+61 (0)3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220
+61 (0)3 5215 6800

victoria@moorestephens.com.au

www.moorestephens.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TYRE STEWARDSHIP AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

13 September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018 Restated
		\$	\$
Revenue	5	4,402,303	4,343,257
Finance income	5	44,015	76,534
Employee benefits expense		(1,109,366)	(745,322)
Market development expense		(1,175,543)	(742,014)
Marketing and communication expense		(1,506,187)	(1,549,941)
Board Expenses		(398,254)	(376,164)
Accreditation expense		(374,254)	(662,956)
Commercialisation expense		(74,199)	(858)
Depreciation and amortisation expense		(28,893)	(20,103)
Administration expense		(335,919)	(408,593)
DEFICIT BEFORE INCOME TAX		(556,297)	(86,160)
Income tax expense		-	-
DEFICIT FOR THE YEAR		(556,297)	(86,160)
 TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(556,297)	(86,160)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019	2018 Restated
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,715,444	3,667,362
Trade and other receivables	7	899,985	996,142
Other financial assets	8	1,500,000	–
Other assets	10	44,597	53,853
TOTAL CURRENT ASSETS		<u>4,160,026</u>	<u>4,717,357</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	52,139	63,563
TOTAL NON-CURRENT ASSETS		<u>52,139</u>	<u>63,563</u>
TOTAL ASSETS		<u>4,212,165</u>	<u>4,780,920</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	429,881	465,501
Employee benefits	12	25,069	22,944
TOTAL CURRENT LIABILITIES		<u>454,950</u>	<u>488,445</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	21,037	–
TOTAL NON-CURRENT LIABILITIES		<u>21,037</u>	<u>–</u>
TOTAL LIABILITIES		<u>475,987</u>	<u>488,445</u>
NET ASSETS		<u>3,736,178</u>	<u>4,292,475</u>
EQUITY			
Retained earnings		<u>3,736,178</u>	<u>4,292,475</u>
TOTAL EQUITY		<u>3,736,178</u>	<u>4,292,475</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

2019	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	4,292,475	4,292,475
Deficit attributable to members of the entity	<u>(556,297)</u>	<u>(556,297)</u>
Balance at 30 June 2019	<u>3,736,178</u>	<u>3,736,178</u>

2018	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	4,378,635	4,378,635
Deficit attributable to members of the entity (restated)	<u>(86,160)</u>	<u>(86,160)</u>
Balance at 30 June 2018	<u>4,292,475</u>	<u>4,292,475</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from levies		4,938,690	4,991,290
Payments to suppliers and employees		(5,418,354)	(5,078,346)
Interest received		44,015	76,534
Net cash used in operating activities	19	(435,649)	(10,522)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9(a)	(17,714)	(26,706)
Payment for investment in term deposit		(1,500,000)	-
Proceeds from sale of plant & equipment		1,445	-
Net cash used in investing activities		(1,516,269)	(26,706)
Net decrease in cash and cash equivalents held		(1,951,918)	(37,228)
Cash and cash equivalents at beginning of year		3,667,362	3,704,590
Cash and cash equivalents at end of financial year	6	1,715,444	3,667,362

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial report covers Tyre Stewardship Australia Limited as an individual entity. Tyre Stewardship Australia Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Tyre Stewardship Australia Limited is Australian dollars.

1 BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*.

2 CHANGE IN ACCOUNTING POLICY

FINANCIAL INSTRUMENTS – ADOPTION OF AASB 9

The Company has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 January 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial report from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018. There was no impact to the financial report from the application of AASB 9.

CLASSIFICATION OF FINANCIAL ASSETS

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost

IMPAIRMENT OF FINANCIAL ASSETS

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. INCOME TAX

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

b. LEASES

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

c. REVENUE AND OTHER INCOME

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Levies revenue is recognised in accordance with the Tyre Product Stewardship Scheme modelled on tyre sales volumes provided by each of the respective participating tyre importers, accrued monthly.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest Income

Interest income is recognised on term deposits on an accrual basis based on the rate inherent in the instrument.

Other Income

Other income is recognised on an accruals basis when the Company is entitled to it.

d. GOODS AND SERVICES TAX (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

e. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and Equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10–67%
Office Equipment	10–50%
Computer Equipment	50–100%
Fit out	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

f. FINANCIAL INSTRUMENTS

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

g. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

h. EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

i. COMPARATIVE INFORMATION

When required by accounting standards, comparative information has been adjusted to conform to changes in presentation for the current financial year. Please refer to Note 21 which details a prior year restatement in relation to revenue recognition.

j. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

k. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

AASB 15: Revenue from Contracts with Customers – Not-for-Profit Entities (applicable to annual reporting periods commencing on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The directors believe the impact upon introduction of AASB 15 to be immaterial.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial report, it is impracticable at this stage to provide a reasonable estimate of such impact. The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these standards. The Directors believe the impact upon introduction would be immaterial.

AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019)

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligation.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*. The directors anticipate that the adoption of AASB 1058 will not have a material impact on the Company's financial report, but will continue to model and consider the impact prior to its introduction.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial report, they are continuing to quantify the potential impact.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors make estimates and judgements during the preparation of these financial report regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial report, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

KEY ESTIMATES – RECEIVABLES

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

ECONOMIC DEPENDENCE

Tyre Stewardship Limited is dependent on Tyre importers who are registered with the 'Tyre Product Stewardship Scheme' for the majority of its revenue to operate the business. At the date of this report, the Board of Directors has no reason to believe that the tyre importers will exit the Tyre Stewardship Scheme.

TYRE SALES VOLUMES

As detailed in note 3(c), levy revenue is based on reported tyre sales volumes reported by participating importers, for confidentiality reasons actual sales volumes are not reported by participants to the company. As such the levy funding process is managed by a third party, and the company is reliant on volumes reported being accurate and complete in order to correctly calculate reported revenue.

5 REVENUE AND OTHER INCOME

	2019	2018 Restated
	\$	\$
REVENUE FROM CONTINUING OPERATIONS		
Revenue		
– Levies	4,402,303	4,343,257
Other income		
– Finance income	44,015	76,534
Total Revenue and Other Income	4,446,318	4,419,791

6 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank and in hand	709,896	1,583,192
Short-term deposits	1,005,548	2,084,170
	1,715,444	3,667,362

7 TRADE AND OTHER RECEIVABLES

	2019	2018 Restated
	\$	\$
CURRENT		
Trade receivables	899,985	996,142
Total current trade and other receivables	899,985	996,142

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial report.

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2019 is determined as follows, the expected credit losses incorporate forward looking information.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

8 OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
CURRENT		
Financial assets – term deposits	1,500,000	–
	<u>1,500,000</u>	<u>–</u>

9 PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Furniture, Fixtures and Fittings		
At cost	16,927	16,793
Accumulated depreciation	(5,645)	(8,339)
Total furniture, fixtures and fittings	<u>11,282</u>	<u>8,454</u>
Office Equipment		
At cost	17,465	17,465
Accumulated depreciation	(8,085)	(3,334)
Total office equipment	<u>9,380</u>	<u>14,131</u>
Computer Equipment		
At cost	18,456	12,059
Accumulated depreciation	(12,184)	(8,592)
Total computer equipment	<u>6,272</u>	<u>3,467</u>
Fitout		
At cost	49,215	49,215
Accumulated depreciation	(24,010)	(11,704)
Total fitout	<u>25,205</u>	<u>37,511</u>
Total property, plant and equipment	<u>52,139</u>	<u>63,563</u>

a. MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Fitout	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Balance at the beginning of the year	8,454	14,131	3,467	37,511	63,563
Additions	5,213	-	12,501	-	17,714
Disposals	(151)	-	(94)	-	(245)
Depreciation	(2,234)	(4,751)	(9,602)	(12,306)	(28,893)
Balance at the end of the year	11,282	9,380	6,272	25,205	52,139

10 OTHER ASSETS

	2019	2018
	\$	\$
CURRENT		
Prepayments	28,833	38,178
Security deposits	15,764	15,675
	44,597	53,853

11 TRADE AND OTHER PAYABLES

	2019	2018 Restated
	\$	\$
CURRENT		
Trade payables	296,636	339,577
Sundry payables and accrued expenses	68,149	55,532
Other payables	65,096	70,392
	429,881	465,501

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 EMPLOYEE BENEFITS

	2019	2018
	\$	\$
CURRENT LIABILITIES		
Provision for employee benefits	25,069	22,944
	<u>25,069</u>	<u>22,944</u>
NON-CURRENT LIABILITIES		
Provision for employee benefits	21,037	-
	<u>21,037</u>	<u>-</u>

13 LEASING COMMITMENTS

	2019	2018
	\$	\$
Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	62,500	54,340
- between one year and five years	53,125	-
	<u>115,625</u>	<u>54,340</u>

Operating leases are in place for the offices and normally have a term of 2 years. Lease payments are increased on an annual basis to reflect market rentals.

14 KEY MANAGEMENT PERSONNEL REMUNERATION

	2019	2018
	\$	\$
The totals of remuneration paid to the key management (Directors and key executives) personnel of Tyre Stewardship Australia Limited during the year are as follows:		
Short-term benefits	602,662	517,527
	<u>602,662</u>	<u>517,527</u>

15 RELATED PARTIES

a. THE COMPANY'S MAIN RELATED PARTIES ARE AS FOLLOWS:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel – refer to Note 14.

The Australian Tyre Industry Council is a not for profit company of major tyre related concerns in Australia. The Australian Tyre Industry Council receives levies from 8 tyre companies on behalf of Tyre Stewardship Australia until 31 December 2018. Except for the levies administration there are no other transactions between The Australian Tyre Industry Council and Tyre Stewardship Australia.

The Company Secretary of Tyre Stewardship Australia is also the Company Secretary of the Australian Tyre Industry Council.

The following director of Tyre Stewardship Australia is also a director of the Australian Tyre Industry Council:

- Alan Sutton

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

b. TRANSACTIONS WITH RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related party transactions are governed by statutory and common law duties, Corporations Act, and Tyre Stewardship's Constitution, Board Charter and Conflict of Interest Policy.

The following transactions occurred with related parties.

An agreement was entered into between Tyre Stewardship Australia Limited and The City of Mitcham on 16 March 2018 to provide funding of \$220,000 including GST for a research project. The funding will be provided over the period of 19 March 2018 to 1 July 2023. The Chairman's brother was the Mayor of the City of Mitcham. This was disclosed to, and managed by the Board of Directors as part of director's interest disclosures.

No other directors, nor family members of directors, received funding from Tyre Stewardship Australia.

16 FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

FINANCIAL INSTRUMENTS USED

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial instruments, are as follows:

	2019	2018 Restated
	\$	\$
Financial assets		
Cash at bank and in hand	1,715,444	3,667,362
Trade receivables (restated)	899,985	996,142
Financial assets – term deposits	1,500,000	–
Total financial assets	4,115,429	4,663,504
Financial liabilities		
Financial liabilities at amortised cost (restated)	429,881	465,501
Total financial liabilities	429,881	465,501
Total	3,685,548	4,198,003

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

OBJECTIVES, POLICIES AND PROCESSES

The Board of Directors have overall responsibility for the establishment of Tyre Stewardship Australia Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Tyre Stewardship Australia Limited's activities.

The day-to-day risk management is carried out by Tyre Stewardship Australia Limited's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

17 CONTINGENCIES

Tyre Stewardship Australia Limited had the following contingent liabilities at the end of the reporting date:

As at 30 June 2019, Tyre Stewardship Australia Limited had signed and entered into various ongoing research project funding agreements and market development contracts. At 30 June 2019 the cumulative amount of contracts in total is \$1,810,608 exclusive of GST.

Payments are made to the contracting parties subject to various conditions being met in particular milestones as specified in the agreement. Pursuant to the Accounting Standards, the company has recognised the liability and expense amounts relating to milestones that have been reached at 30 June 2019. The balance of the contracts that will be payable upon the remaining milestones being reached is accounted for as a contingent liability and amount to \$1,021,421 exclusive of GST at 30 June 2019.

Tyre Stewardship Australia Limited have spent a total of, \$3,753,739 on research projects and market development contracts in total. At 30 June 2019, \$1,943,131 of contracts have been completed, these projects have been removed as contingent liabilities.

18 EVENTS AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

19 CASH FLOW INFORMATION

a. RECONCILIATION OF RESULT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Deficit for the year	(556,297)	(86,160)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
– amortisation	–	808
– depreciation	28,893	20,103
– net gain on disposal of property, plant and equipment	(1,200)	–
Changes in assets and liabilities:		
– (increase)/decrease in trade and other receivables	96,157	199,251
– (increase)/decrease in other assets	9,256	(51,118)
– increase/(decrease) in trade and other payables	(35,620)	(96,319)
– increase/(decrease) in provisions	23,162	2,913
Cashflows from operations	<u>(435,649)</u>	<u>(10,522)</u>

20 MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 11 (2018: 11).

21 CORRECTION OF PRIOR PERIOD ERROR

During the financial year the company identified a historical error in the manner upon which revenue was being recognised and debtors accrued, driven primarily by the timeliness of sales volumes being captured and revenue being calculated in any given month. This delay has resulted in under reporting of revenue over a number of reporting periods.

This error resulted in an adjustment to the opening balances of the 2018 retained earnings and an increase in the tyre levy income for the year ended 30 June 2018. This resulted in an increase in the trade receivables, and the corresponding GST liabilities as a result.

The aggregate effect of the error on the annual financial report for the year ended 30 June 2019 is as follows:

	Previously stated	30 June 2018 Adjustments	Restated
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Levies	4,292,255	51,002	4,343,257
Loss for the year	(137,162)	51,002	(86,160)
Total comprehensive income	(137,162)	51,002	(86,160)
Statement of Financial Position			
Trade debtors	562,805	433,337	996,142
GST receivable	4,164	(4,164)	–
Total assets	4,351,747	429,173	4,780,920
Trade and other payables	430,270	35,231	465,501
Total liabilities	453,214	35,231	488,445
Net assets	3,898,533	393,942	4,292,475
Retained earnings	3,898,533	393,942	4,292,475
Total equity	3,898,533	393,942	4,292,475

22 STATUTORY INFORMATION

The registered office of the company is:

Tyre Stewardship Australia Limited
C/O – MGI Joyce Dickson
Level 1, 65 Canberra Avenue
Griffith ACT 2603

The principal place of business is:

2/59 Keele Street
Collingwood Victoria 3066

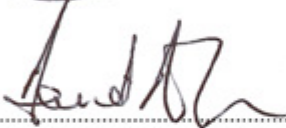
DIRECTOR'S DECLARATION

The directors of the Company declare that:

1. The financial report and notes, as set out on pages 31 to 50, are in accordance with the *Corporations Act 2001* and
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
David Spear

Director 
David Lane

Dated this 13 day of SEPTEMBER 2019

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000
+61 (0)3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220
+61 (0)3 5215 6800

victoria@moorestephens.com.au

www.moorestephens.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYRE STEWARDSHIP AUSTRALIA LIMITED

Opinion

We have audited the accompanying financial report of Tyre Stewardship Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion:

- a. the financial report of Tyre Stewardship Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Key estimates and judgements – Tyre Volumes

Without modifying our opinion, we draw attention to Note 4 in the financial report, regarding the use of estimates and judgements by the company. Specific emphasis is placed on key estimates and judgements made in relation to tyre volumes given there are no practical procedures available to independently substantiate accuracy and completeness in this regard.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



RYAN LEMON

Partner

Audit & Assurance Services

Melbourne, Victoria

13 September 2019

Key Performance Indicators

This information is presented as part of the reporting requirements outlined in the re-authorisation of the Australian Competition and Consumer Commission (ACCC) determination on 15 June 2018 (Authorisation Numbers: AA1000409).

In June 2018, a re-authorisation of the ACCC determination outlined an updated set of key performance indicators (KPIs). As a result, data reported in previous annual reports may not be directly comparable to reporting against key performance indicators in 2018/19.

TSA data and reporting

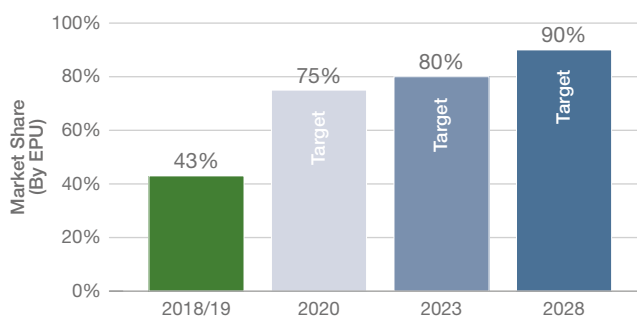
TSA is improving data capture and methods each year along with increasing participation to continually obtain improved understanding of end-of-life tyre (EOLT) generation and final destinations. In 2018/19, TSA initiated data projects, per priorities identified, to strengthen the organisations intelligence and reporting with outcomes to be realised in 2019/20.

TSA data sources inform the reporting against the KPIs including data from participating members, Australian Bureau of Statistics and other industry sources. With updated KPIs being reported for the first time, TSA has implemented a more robust data reporting methodology in 2018/19. While every effort has been made to ensure the accuracy of the data reported, TSA acknowledges there are limitations within the data. However, TSA believes the reporting reflects the most current industry information available.

1. The number of participants in the Scheme increase

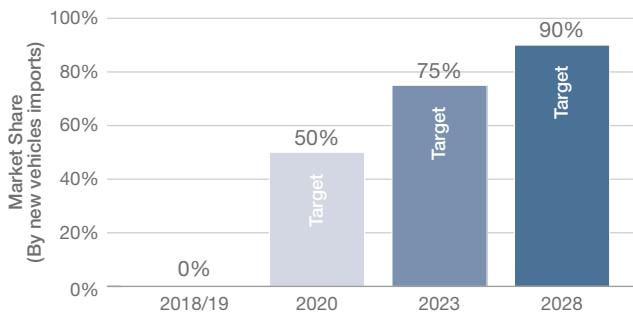
During 2018/19 the number of participants within the Scheme continued to increase, to 1604. Participants include tyre importers, retailers, collectors and recyclers along with local governments and vehicle fleets. To track performance and strive to continually expand participation, TSA has set four participation targets covering; tyre importers, vehicle manufacturers/importers, tyre retailers and tyre recyclers. The below outlines progress against these four performance targets.

1a. Tyre importers market share



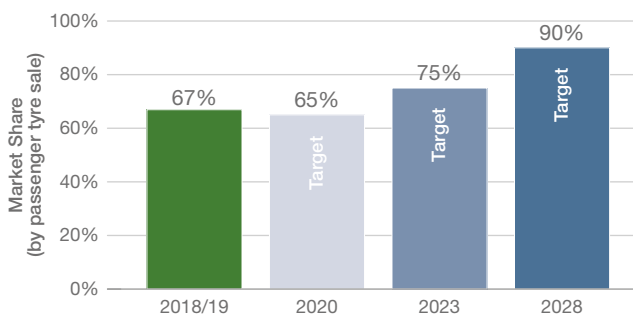
Measured by sales of new tyres applicable to the Scheme levy, the eight tyre importers participating within the scheme represent approximately 43% of the market. TSA will embark on a refreshed strategy to expand the recruitment of Scheme participants in 2019/20.

1b. Vehicle manufacturers / importers market share



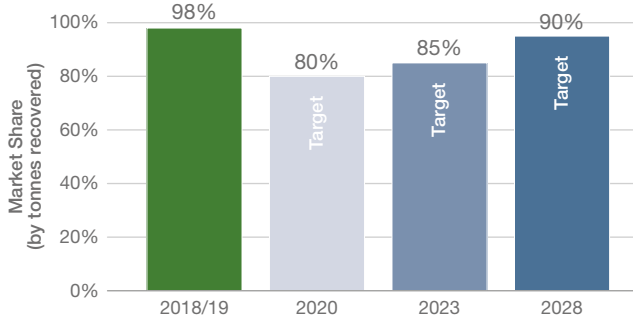
Measured by total new vehicle sales. No vehicle manufacturers/importers were participants within the Scheme in 2018/19. Since the end of the 2018/19 year, TSA has seen progress in this member category and will continue to engage with vehicle importers in 2019/20 to progress towards the targets indicated.

1c. Tyre retailers market share



Measured as market share of passenger tyre sales by retailers, the percentage of tyre retailers participating in the scheme is estimated to be around 67%¹, above the target set for 2020. The result reflects that most of the major tyre retail chains are now operating within the Scheme.

1d. Tyre recyclers market share

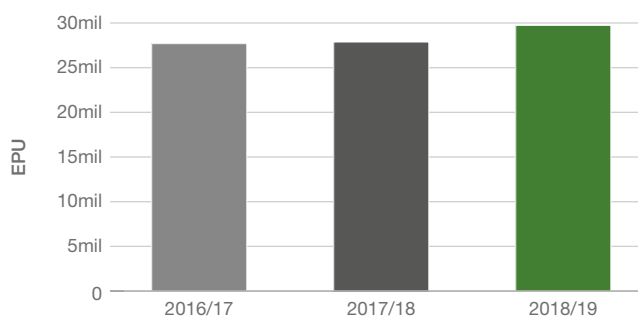


Measured as market share of available end-of-life tyres for recycling (excluding the recovery and export of whole tyres). TSA accredited recyclers are estimated to account for approximately 98% of the market, surpassing the target set for 2028. While being above the target set for 2028, TSA remains committed to ongoing recruitment and compliance verification as new entrants enter the Australian waste tyre recycling market.

¹ The market share of participating retailers is estimated using a combination of data sourced from the ABS on new passenger tyre imports and passenger tyres recovered from retailers as reported by participants within the Scheme. The reported market share is subject to the accuracy of the data and TSA will continue to refine the methodology and data used to report against this performance indicator.

2. The volume of EOLTs collected by TSA accredited participants, or accounted for over time increase annually

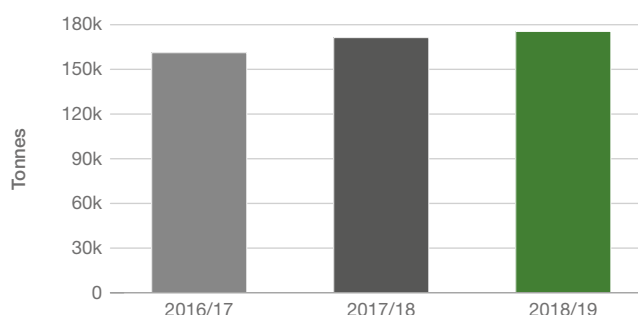
Collected by TSA accredited participants



The volume of EOLT collected by TSA accredited participants continues to increase with around 238,000 tonnes² or 29.7 million equivalent passenger units (EPUs) collected in 2018/19, up from around 223,000 tonnes or 27.9 million EPUs in 2017/18. TSA anticipates this increase will continue in 2019/20.

3. The volume of EOLTs exported via TSA accredited tyre recyclers and collectors that have been verified as going to environmentally sound use increases annually

EOLTs exported via accredited tyre participants going to environmentally sound use



Export of end-of-life tyres and tyre derived products for reuse, recycling and energy recovery, via TSA accredited tyre recyclers and collectors, continues to grow; reaching around 175,000 tonnes or 22 million EPU in 2018/19.

TSA continues to receive documentation from accredited participants regarding the destination of material exported. However, in the past, it has been difficult for TSA to verify that EOLT final destinations have been to environmentally sound use³. TSA has begun the process of a broader foreign end-market evaluation of EOLT fate. Alongside this process, TSA will continue to engage with relevant stakeholders to better understand market factors that impact on the export of waste tyres (whole and processed).

Verification of sustainable EOLT management to foreign end markets

In the second half of 2018/19, TSA commenced an audit program of offshore facilities undertaken by an independent, global total quality assurance organisation. The assessment of overseas destinations for Australian waste tyres is part of a more robust verification of sustainable EOLT management to foreign end markets (FEM). This is a world first initiative in the tyre industry. The next stages of the FEM program will develop the Scheme to include the accreditation of offshore facilities providing increased transparency and confidence in the sustainable management of exported Australian sourced EOLTs.

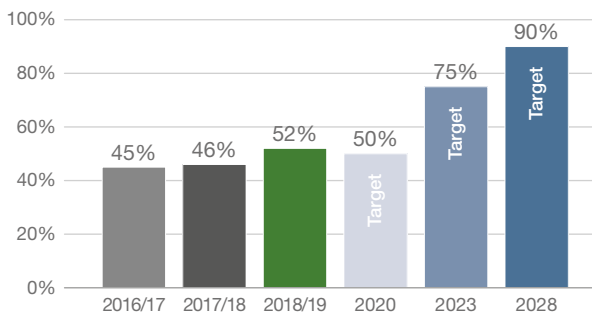
2 Includes approximately 5,000 tonnes of waste tyres cleaned up from a stockpile at Numurkah, Victoria December 2018 to February 2019, by a TSA accredited Recycler. <https://www.moira.vic.gov.au/Our-Council/News-and-information/Media-releases/Numurkah-tyre-site-cleanup-completed>

3 TSA recognises several recyclers have internal processes to ensure exported tyres are responsibly managed.

4. The percentage of EOLTs that are going to environmentally sound use increases

Environmentally sound use means the use of whole, part or recovered components of EOLT for applications that minimise or prevent environmental, health and safety damage or harm. For the purposes of the Scheme, environmentally sound use includes recycling into tyre derived products (TDPs) and by-products such as tyre crumb/powder, shred/chips, granules, steel and use as a fuel or other means to generate energy. See ACCC determination for complete definition.

EOLT going to an environmentally sound use



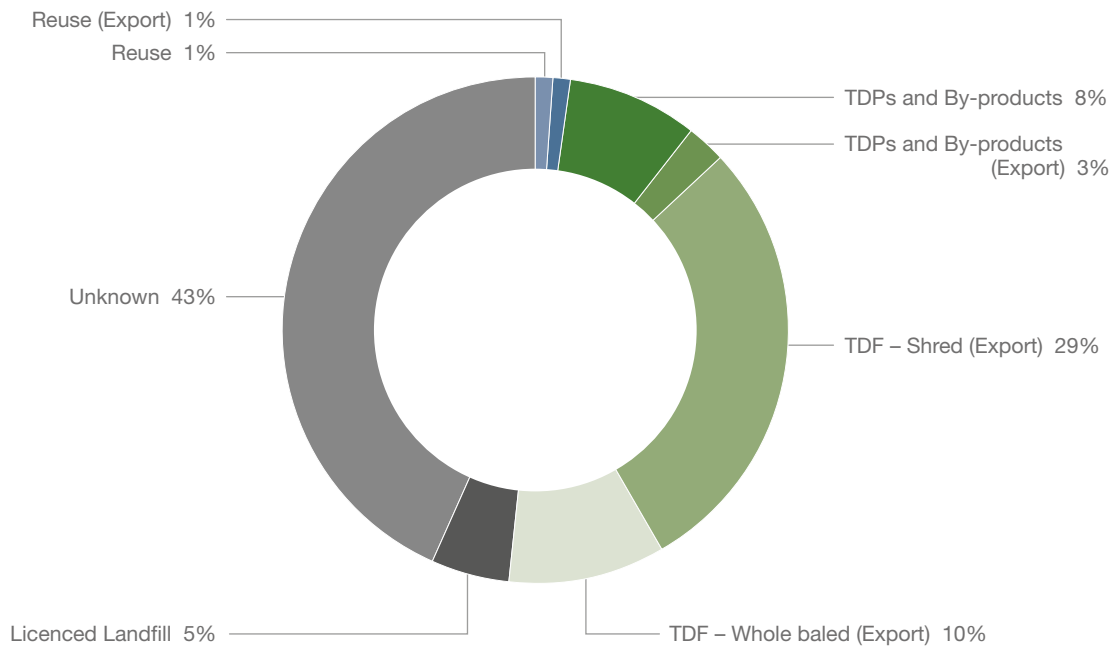
In 2018/19, approximately 52% of EOLT went to environmentally sound use, surpassing the target set for 2020. Of the EOLTs going to environmentally sound uses; 4% went to reuse, 75% energy recovery and the remaining 21% to the development of TDPs and by-products.

Of the 48% of EOLT not going to an environmentally sound use, their destination is currently largely unknown.

Unknown destination of EOLT

The unknown destination of EOLT in 2018/19 was estimated to be around 43% of the total generated. A large proportion of the unknown destination includes disposal and reuse within the mining sector. Unknown destinations may also include EOLT going to environmentally sound uses. TSA will continue to improve data capture methods each year along with increasing participation to continually obtain a better understanding the generation and destinations of EOLT. *Refer to priorities for next 12 months.*

Destination of EOLT



Destination of EOLT graph note:

- Tyre derived fuel (TDF) is a fuel derived from end-of-life tyres and includes whole and shredded tyres used for this purpose and the production of oil from the pyrolysis of tyres.
- Tyre derived products (TDPs) and by-products includes tyre crumb/powder, shred/chip (used as a tyre derived aggregate), granules, steel and char. TDPs and by-products (Export) refers to the export of OTR tyres destined for processing into tyre derived products and by-products such as crumb rubber and steel.

5. Users seeking accreditation through the TSA website and general website traffic increases annually

As the TSA website is the primary source of information regarding the Tyre Product Stewardship Scheme, site activity is the main conduit for, and measure of, enquiries regarding Scheme guidelines and requirements, brands and businesses participating and accreditation enquiries.

All participant categories are able to quickly and easily apply for accreditation via both the TSA and GTP websites. In the 2018/19-year TSA received 41.86% of all participant accreditation applications via the organisation's websites. This is an increase of 15.45% on the prior year's applications.

Year	2017/18	2018/19
Online Accreditations	26.41%	41.86%

General website enquiries also showed a substantial increase. The increase in visitation can be attributed to a strong public advertising campaign driving both increased stakeholder brand awareness and greater understanding of the Scheme activities and outcomes.

All Visitor Sessions	2016/17	2017/18	2018/19
Year Total	33,288	789,059	1,214,610
Monthly Average	2,774	65,755	99,290

6. The potential market demand for Australian TDPs associated with market development activities promoted, funded and/or supported by TSA increases.

In the 2018/19 financial year TSA approved 13 new projects. The successful delivery of those projects will create a potential market demand for the Australian resource recovery industry of 12,415 tonnes per annum which equates to approximately 1,551,875 EPU.

Such a substantial resource recovery volume increase results predominately from projects TSA is co-funding with road manufacturing industry partners, focussing on crumb rubber specific roads and pavement infrastructure projects, calculated to result in the annual consumption of 7,350 tonnes of Australian tyre-derived product.

Civil infrastructure projects such as the Permeable Pavement project (see case study pages 10–11) also have the potential to consume approximately 5,065 tonnes. TSA looks forward delivering such projects throughout the 2019/20 financial year.

The challenge for TSA, the relevant industries and for all levels of government, is to realise the significant potential for TDP use through increased procurement for recycled tyre product in the construction and maintenance of the nation's road and civil infrastructure assets.

CAN OLD TYRES BE RECYCLED?

AUSTRALIANS DISPOSE OF

56 MILLION

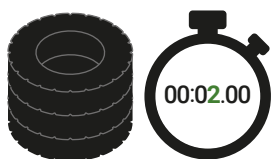
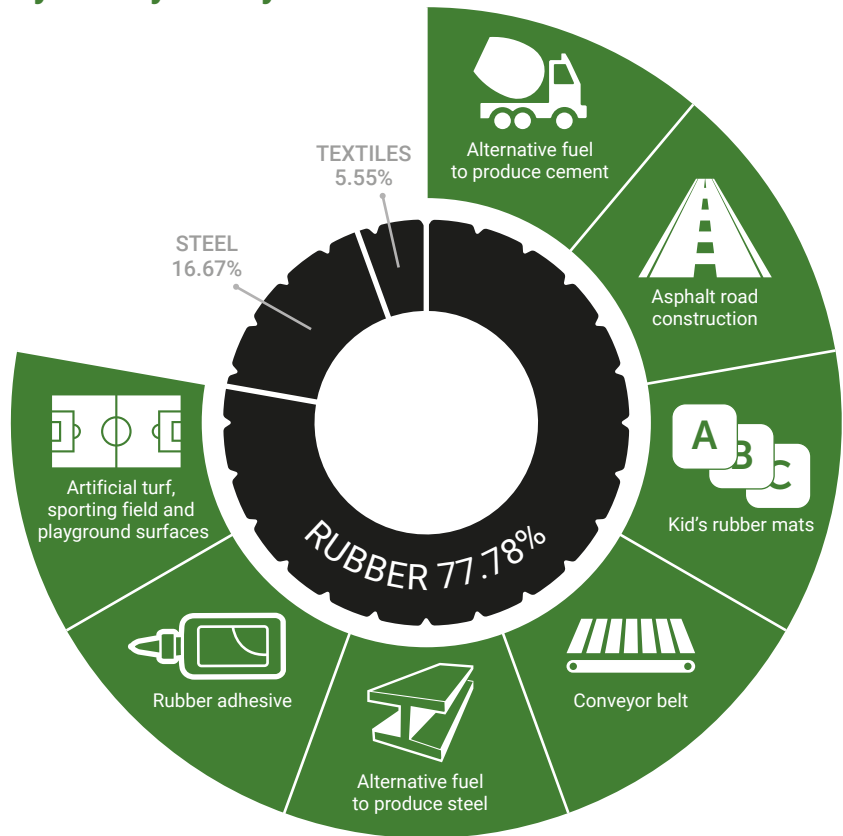
USED TYRES EACH YEAR *

THAT'S MORE THAN



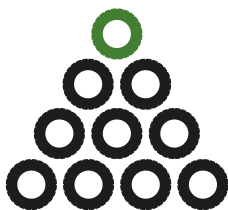
**2 CAR TYRES
PER PERSON**

**Many useful products
can be derived from
your recycled tyres.**



THIS EQUATES TO
**3 USED TYRES GENERATED
EVERY 2 SECONDS**
IN AUSTRALIA *

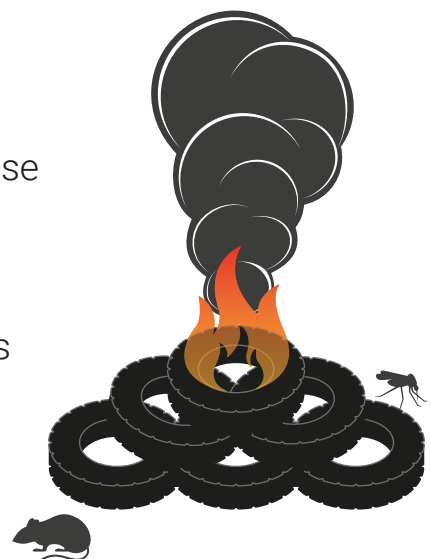
LESS THAN 1



**IN EVERY 10 TYRES
IS RECYCLED IN AUSTRALIA**

**Not managed properly,
tyres can be harmful
to the environment
and human health.**

Fires in stockpiles release toxic gases into the environment and tyre stockpiles are breeding habitats for mosquitoes and vermin.

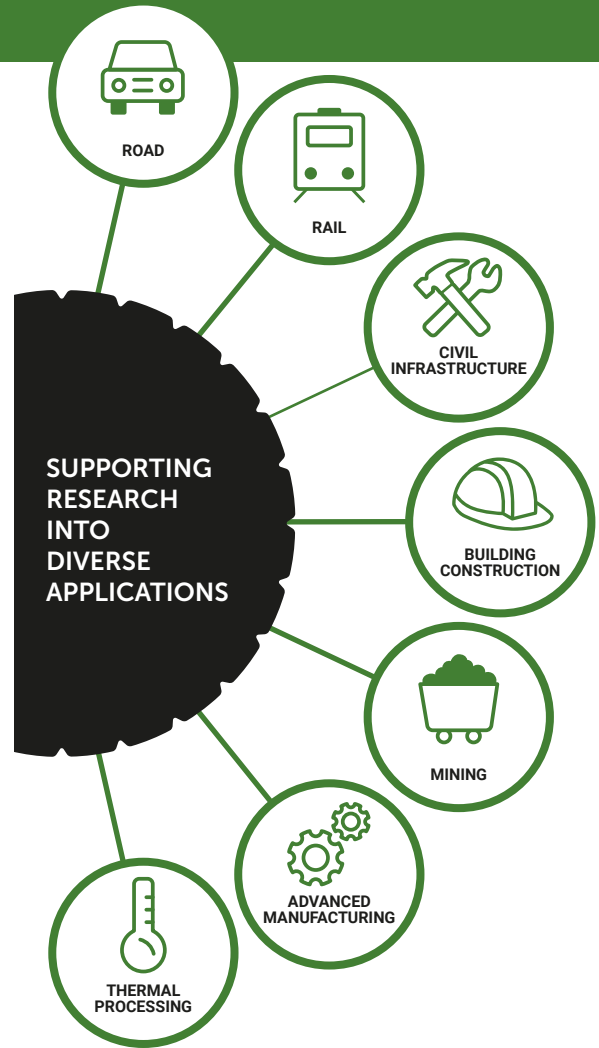
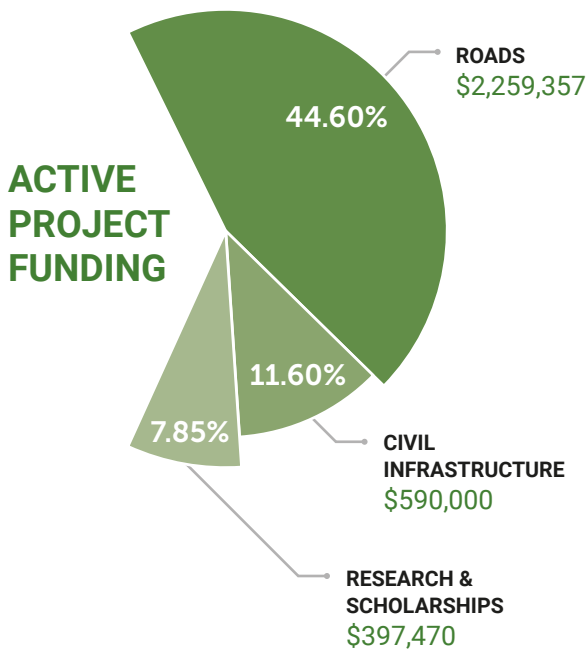


* Volume based on Equivalent Passenger Units (EPUs). An EPU is standard passenger car tyre. Full EPU Ratio Tables available at tyrestewardship.org.au

Tyre Stewardship Australia is set up to enhance outcomes associated with the disposal of **end-of-life tyres** in Australia.

A key priority for TSA is to facilitate the development of markets for Australian **tyre-derived product**.

COMMITTED **\$4.9m**
34 FOR
 PROJECTS



14 MAJOR PROJECTS COMPLETED
 FUNDED BY **\$1.68m**

DELIVERY OF MARKET DEVELOPMENT ACTIVITY

TECHNICAL TRAINING FOR ENGINEERS & ROAD PRACTITIONERS



INDEPENDENT ASSESSMENT

— OF — EMERGING THERMAL PROCESSING TECHNOLOGIES, PYROLYSIS & GASIFICATION

