



TOGETHER
WE ARE
REINVENTING
THE WHEEL

Our vision is a circular economy for end-of-life tyres which contributes to a sustainable society.



Our mission is to collaboratively ensure the sustainable management, recycling and productive use of end-of-life tyres.

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Everyone in the tyre value chain, from consumers, to retailers, recyclers, industry, local and state government, and importers of tyres, all have the choice to make positive change, and help transform end-of-life tyres into new limitless possibilities.

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Message from the Chair

DAVID SPEAR
FAICD



As if the COVID-19 induced disruption in global supply chains was not enough to make manufacturers, customers, and everyone else nervously and carefully consider stock levels and logistical hurdles, the more recent conflict in Eastern Europe has certainly not helped in calming the waters. And at this point last year, most of us had never even heard of Omicron.

The good news is that the global community appears to be resolute in assuming responsibility of its waste products and the practical implementation of principles of Circular Economy are at the forefront of the thinking of industry and regulators.

Although Australia has not traditionally featured as an innovative thought-leader for many issues related to environmental management, we are witnessing a change in the attitudes of governments, consumers, and industry in general. Recent developments, such as the ban to the export of many of our waste products, bode well for a newly acquired sense of shared responsibility.

During the year we have reaped the fruits of many months of works preparing and converting many important contributors for off-the-road (mining, agriculture, construction, manufacturing and aviation) tyres and have crossed the threshold of \$8 million of our funding towards creating new markets for tyre-derived material.

The financial year that just ended has seen the conclusion of two independent reviews of Board performance as well as company operations: their recommendations will be invaluable in charting our course in the pursuit of the objectives of Tyre Product Stewardship Scheme (the Scheme) over the next 12 months.

Our Constitution has been revised to ensure an even more diverse and competent Board, with a new focus on Circular Economy. I remain very impressed by the work and contributions of my fellow Directors and take the opportunity to welcome Lorraine Stephenson, Vaughan Levitzke and David Basha as well-recognised experts in this domain. Also, I wish to extend a special welcome to Albert John, who is now Chair of the Finance and Audit Committee. He replaces David Lane, whose hard work and attention to detail remain exemplary in the history of Tyre Stewardship Australia.

Just as we all thought we could see the light at the end of the pandemic tunnel, a host of new challenges and international turbulence loom large on the horizon: I know that the whole Board and management of TSA are fully committed to embracing and dealing with these challenges, even if this will take time, imagination, and resilience on the part of all involved.

I wish to express my appreciation towards our CEO, Lina Goodman and all her team for their relentless pursuit of our ambitious objectives. I also wish to extend my gratitude towards all the contributors whose financial commitment makes our work possible.



Message from the CEO

LINA GOODMAN



The year we just concluded has not been plain sailing: the residual impact of the COVID-19 pandemic on inbound as well as outbound logistics flows has contributed to an almost perfect storm, having coincided with the establishment of an Australian government ban on exports of whole and baled tyres.

Many legitimate operators have scrambled to secure vessel capacity and containers to continue supplying their legitimate overseas customers. The complexity and delay in obtaining export licenses have encouraged unorthodox behaviours by many that have been frustrated in their efforts to comply with new regulations banning the export of whole and baled tyres.

Australia's commitment to careful scrutiny and management of all export of waste has, at least temporarily, contributed to the unexpected reduction in recovery rates, as legitimate operators have had to curtail their collections and storage capacity reached peak levels. Ironically, as often happens when regulation interferes with open markets, recovery rates appear to have suffered, despite the sound principles and reasoning behind the establishment of the export ban.

On a positive note, we know that regulation has also contributed to the growth of local processing capacity, with new equipment being commissioned throughout the year and scuttlebutt of new entrants to the Australian market.

Our mission remains unchanged: to support to the best of our ability the sustainable growth and profitability of local recycling through important initiatives such as our Market Development Fund and ground-breaking initiatives such as the Foreign End Market Verification program.



I am proud to say that the team has delivered on many challenging fronts such as:

- The entry of many important players, mainly mining and agriculture, in the off-the-road (OTR) sector.
- Learning from the global experience and success of other similar product stewardship schemes worldwide.
- Understanding the sensitivity and complexity of a number of important interactions between the resource sector and indigenous communities.
- Developing the groundwork to tackle the delicate issue of large stockpiles of tyres at remote mining sites.
- Developing closer relationships with important industry players such as SG Fleet, to promote the principles and advantages of the Scheme.

We have released some new initiatives that are now available on our website. Just to mention a few, the Circular Economy Collaborator, guidelines for an Ecolabel as well as regional and remote studies in Queensland and the Northern Territory.

In welcoming new and important contributors such as Tyreconnect, auto brands and many OTR tyre importers, I am also keen to sound a warning: under its current voluntary structure our operation is fast approaching the end of its potential and positive impact. Going ahead we intend to work closely with regulators at all levels to establish a stewardship model that captures all free-riders and leaves no excuse and no leeway for unethical and greedy non-compliance.

There is potential on the horizon for the Scheme to change some of its principles in order to allow us to better deal with the challenge of free-riders: all contributing participants need not fear change, but opportunists might rapidly see their options dwindling.

I am proud of the focused, passionate and innovative team we have established. I thank the Board and all contributors to the Scheme for their unwavering support throughout these challenging times. I promise we will not rest in our search for world-class recovery rates for every tyre in every Australian location, no matter how challenging or remote.

Major Events and Achievements

Major OTR tyre importers make a significant decision to contribute to the Scheme

Ascenso Tyres, Bearcat, Bridgestone Mining Solutions, Goodyear, Kal Tire, Michelin and Yokohama take a significant leap forward in their commitment towards sustainable outcomes for end-of-life OTR tyres by contributing to the Scheme.

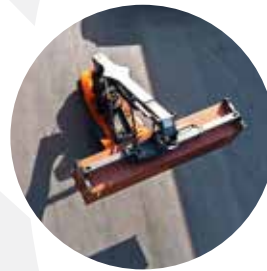
This milestone responds to the need to find solutions for a sector where recovery rates for OTR tyres are below 15%.

See pages 9 & 15

100% Australian Verification program

A new initiative, the 100% Australian Verification program, is offered to TSA accredited recyclers. The program provides assurance of Australian tyre derived material, and in turn aims to support procurement of local crumb rubber over cheaper imports.

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TSA launches the Circular Economy Collaborator program

The Circular Economy Collaborator program is designed to celebrate organisations that conduct activities that align with TSA's vision of contributing to a sustainable society. These organisations include manufacturers, end users and researchers.

They are instrumental in creating new markets and jobs from Australian generated end-of-life tyres.

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Tyre Particle Health, Environment and Safety report

As there is growing public awareness and concern relating to tyre particles and microplastics, TSA conducted research into the environmental and community impacts of tyre particles.

Using global research, the report looks at tyre materials that have a significant interaction with the community. It provides information on tyre and road wear particles produced during driving activities, and rubber particles used in artificial turf fields, playgrounds, running tracks and crumb rubber-modified asphalt.

The report includes an assessment of results, findings and risks, as well as actions for the industry to address the safe use of tyre derived material.

A priority for TSA is to ensure tyre recovery solutions and outcomes are sustainable, environmentally friendly, and safe for the community. The research is crucial to understand, remain current and stay vigilant with the state-of-play for tyre particles in the community.

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National Greenhouse and Energy Reporting Scheme changes supported by TSA

TSA took a lead role in supporting the changes to the CO2 emission factor for end-of-life tyres in the National Greenhouse and Energy Reporting Scheme which took effect 1 July 2022.

The changes encourage replacing coal with used tyres as a fuel resulting in reductions in greenhouse gas emissions.

If we replaced 100,000 tonnes of coal used in fuel burning

applications with end-of-life tyres, we could potentially reduce CO2 emissions by 87,000 tonnes; making a substantial contribution to Australia's Greenhouse Gas Abatement Programme.

The updates also include the creation of two new fuel types for end-of-life tyres, allowing National Greenhouse and Energy Reporting Scheme reports to more accurately reflect emissions associated with tyre combustion.

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\$8 million towards developing new markets for tyre derived material

With every \$1 million committed from TSA, industry invests a further \$4 million - amplifying the creativity and impact of new products using tyre derived material.

With over 56 projects supported since inception in 2015, TSA's Market Development Fund continues to back Australian ingenuity, with new and novel ways of manufacturing products using tyre derived material.

See page 8



Tyreconnect joins TSA

Tyreconnect is the newest contributor to the Scheme, taking the total number of tyre importers in the passenger, truck and bus sector to ten.

In joining TSA as a financial contributor, Tyreconnect joins **Bridgestone, Continental, Goodyear/Dunlop, Hankook, Kumho, Michelin, Pirelli, Toyo Tires and Yokohama** in showing leadership towards sustainable practices for end-of-life tyres in Australia.

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Tyre Recycling in the Northern Territory report

Developed in partnership with all levels of government, peak bodies and community members, TSA released a report that outlines a business case for increased tyre recovery in the Territory.

The report shows there is potential for significant increases in tyre recovery in the NT and outlines solutions to achieve this. The report highlights how mining tyres creates economies of scale that make used tyre recovery solutions economically viable, encourage investment and create jobs.

See page 9

Independent Review of the Tyre Product Stewardship Scheme

TSA initiated an Independent Review of the Tyre Product Stewardship Scheme, a process that will inform the thinking, design and future of the Scheme.

Organisations across the supply chain from government, importers, retailers, processors and manufacturers, locally and globally, were engaged in providing input into the review.

See page 6

The next 12 months

As TSA nears the end of its authorised period, the race to continue the good work is not lost on the TSA team, its stakeholders or contributors. Over the next 12 months, TSA will continue all business as usual work, with considerable focus on delivering these key priorities:

Delivering on the Independent Review recommendations

The Independent Review into the Tyre Product Stewardship Scheme (the Independent Review) will outline the sector's views and make recommendations.

TSA will need to consider and act on the recommendations that will deliver the next iteration of the Scheme, beyond reauthorisation in June 2024. This will include industry consultation, discussion and design as we prepare for a future Scheme that has the ability to truly impact recovery rates and the change needed by the sector.

Increase the recovery rate of OTR tyres

At 15% recovery rate, the OTR sector needs focus, creativity and the involvement of all players to address the barriers to recovery.

Logistics, size and market capability, coupled with regulation and appetite to move beyond previous disposal habits, will be key in making a positive shift in OTR recovery rates.

The OTR sector must also consider supporting organisations that are taking active steps to recover these tyres.

Establishing a process for recovery in OTR sectors in Australia will become the global benchmark.

Engagement of the auto brand industry into the Scheme

Of the 450,000 tonnes of tyres that reach end-of-life each year, a quarter is generated from on-vehicle imports. Only three auto brands; Volkswagen, Porsche and Mercedes-Benz, have stepped up to their social and corporate responsibilities.

It is timely that all auto brands recognise their contribution to the problem of used tyres, and take the necessary steps to engage with the Scheme to support the need for more sustainable outcomes.

Tyre retailer engagement and support

Tyre retailers are the first point of engagement between consumers and the fate of their used tyres. The importance for retailers to understand and communicate how tyres are being responsibly managed is an important piece of TSA's consumer awareness strategy.

Australia's tyre supply chain, including retailers, have been experiencing the brunt of global economic factors.

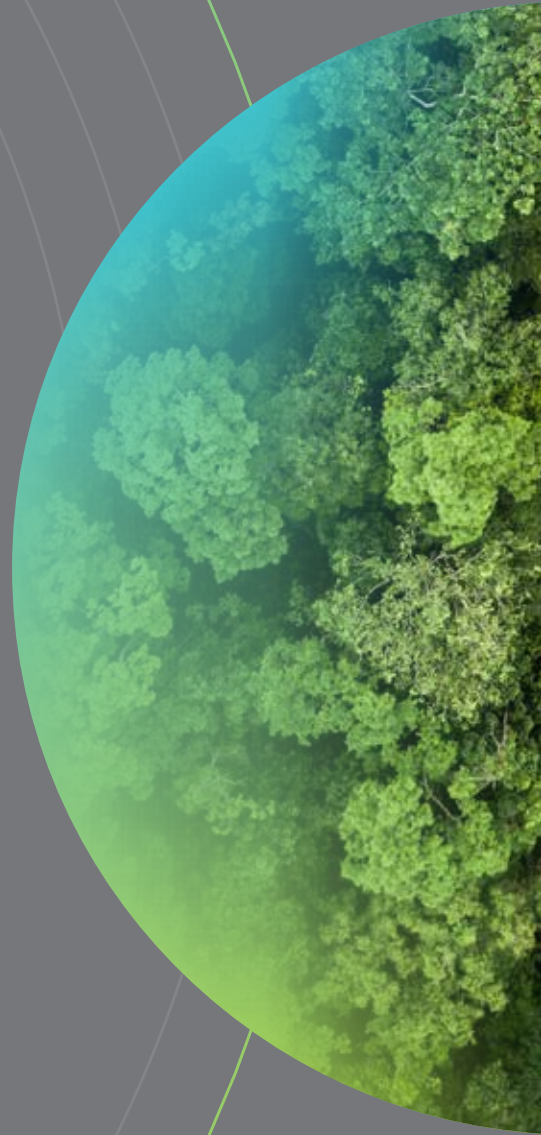
Now more than ever, TSA accredited retailers will be supported with timely information to assist with better understanding the issues facing the sector, pathways, and solutions to eliminate poor practices for end-of-life tyres.

Increase local government use of crumb rubber

85% of Australia's roads are managed by local government, yet we have fewer than 20 municipalities supporting the Scheme.

Local government is yet to realise the full potential of using crumb rubber in roads, or even proactively consider the proven benefits that crumb rubber has on the quality, performance, and reduction in future maintenance of roads.

TSA will engage strongly with local government in the next 12 months to support them in better understanding the value of crumb rubber and encouraging them to join the Scheme.



Market Development

Thinking about the future - new and emerging markets for tyre derived material, and research to support the consumption of Australia's end-of-life tyres.

INNOVATIVE SOLUTIONS

Made locally from Australian recycled car tyres, the Brutalis linear pendant light by Acustico Lighting, is designed to absorb noise while beautifully illuminating a workspace, kitchen bench or hospitality space.

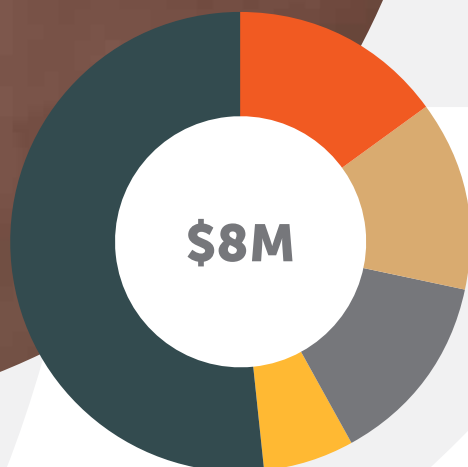
In August 2021, Dr Linda Mitchell joined TSA as Science and Innovation Advisor, to assist our mission in supporting sectors related to science, research, and development for end-of-life tyres.

Linda's addition to the team has enhanced our ability to provide technical and scientific advice to the TSA team, the waste recovery sector, and the general community.

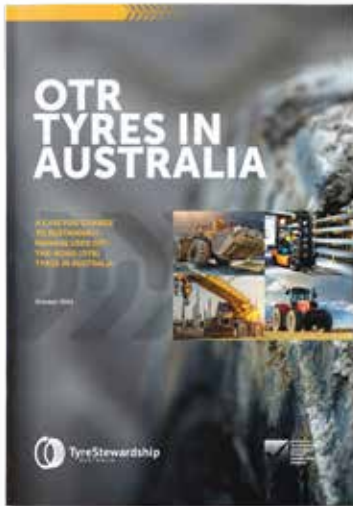
In addition to supporting market development projects, there remains a key focus on new research:

- Options for tyre derived fuel in combustion applications.
- Consideration of tyre derived aggregate in civil engineering applications.
- Market support requirements for pyrolysis products.
- Greenhouse gas emission analysis of waste tyre recovery.
- Composition analysis of different tyre types and assessing the safety of tyre residue and the community at large.

TSA has committed to over \$8 million in more than 56 projects creating real-world outcomes and solutions for Australia's used tyres.



- **Roads – \$4.2 million**
Committed to 24 projects
- **Research – \$1.2 million**
Committed to 11 projects
- **Civil Engineering – \$1.1 million**
Committed to 8 projects
- **Manufacturing & Mining – \$1.1 million**
Committed to 8 projects
- **Rail – \$550,000**
Committed to 5 projects



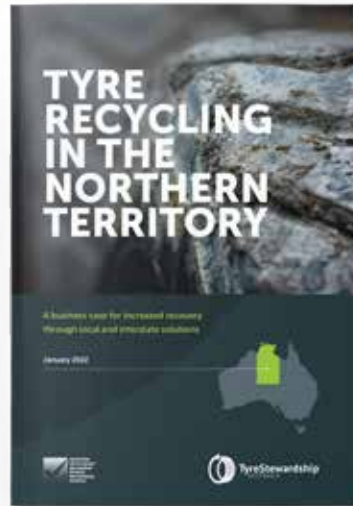
OTR Sector: Big wheels. Big opportunities.

In 2022, we have seen an increased focus from mining companies on OTR tyre management. Several organisations are now actively engaged with TSA to support research, analysis and the development of solutions for sustainable OTR tyre recovery.

These partnerships with the mining industry are built around our shared goals for broader environmental and social outcomes, and include pilot projects, demonstrations and advice. Specific examples include:

- Logistics trial with three mines in Western Australia
- Collection and processing business case in NSW
- Road and infrastructure demonstrations in Northern Territory
- Individual action plans with mining companies

Market development in OTR will continue to focus on the known barriers such as logistics and handling of larger tyres that reach the end of their life in regional and remote locations, investment in OTR processing infrastructure and equipment, regulation, policy and social licence changes and development of end markets.



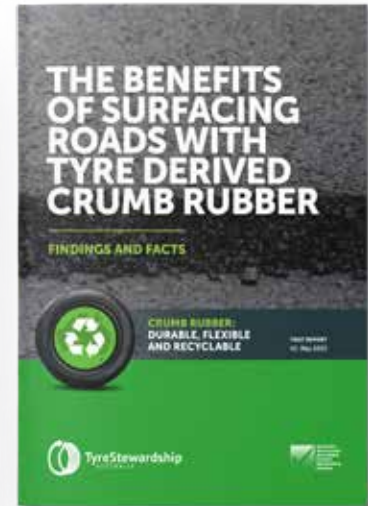
Tyre Recycling in the Northern Territory

At the beginning of 2022, we released a report that outlined a business case for increasing tyre recycling in the Northern Territory.

We were entrusted with developing this business case, in partnership with NT government, Local Government Association of NT, local government, industry associations, resource recovery sector participants and community members.

The outcomes from the business case indicate that there is opportunity to increase tyre recycling in the NT, either through existing facilities or via new facilities built locally. For this change to occur, a collective effort from both government and industry is needed in order to overcome the unique challenges experienced in the NT.

We have compiled a substantial amount of rigorous data on end-of-life tyres, economic business modelling and analysis on benefits and tyre recovery for the NT. This data highlights the key actions on the part of industry, TSA and government, to pivot the current situation and improve outcomes in the region.



The Benefits of Surfacing Roads with Tyre Derived Crumb Rubber

Creating demand in the road sector is a key focus for TSA and we encourage local councils to increase their procurement and uptake of rubber in roads.

TSA has released a Fact Sheet that provides a snapshot of the initiatives and activities in relation to the use of tyre derived crumb rubber in road surfacing applications.

Complementing the fact sheet, the Australian Road Research Board, supported by TSA, developed a field trial and data collection framework for monitoring the performance of Crumb Rubber Modified Asphalt in local council road networks.

In addition, a Life Cycle Assessment (Quantifiable Environmental Benefits and Cost Benefit Analysis) of Crumb Rubber Modified Asphalt in local council roads, was completed.

Following the success of the low traffic crumb rubber trials from the previous financial year, this continued with City of Greater Dandenong and Cardinia City Council. The success of the trials also provided the necessary demand for Fulton Hogan to upgrade their Launceston Asphalt facility, to produce crumb rubber asphalt and spray seals - a first for Tasmania.



Promising steps for the uptake of Tyre Derived Fuel in local applications

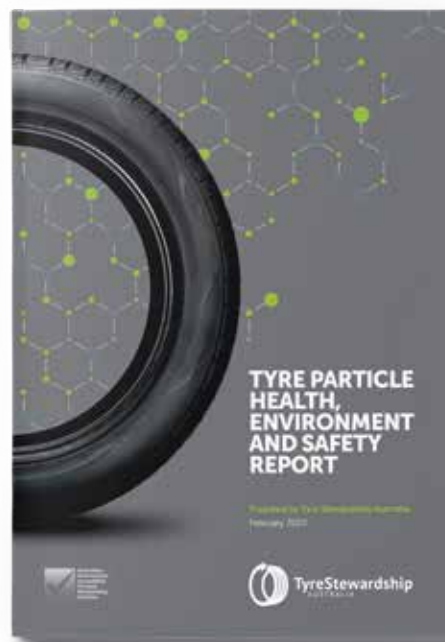
Tyre Derived Fuel (TDF), commonly known as shredded tyres, has significant international use as a thermal fuel in cement kilns, paper and pulp mills and industry boilers.

There is currently no TDF used in energy recovery applications in Australia. To address the relevant barriers, we conducted several projects to enable change in the sector. This included research to assess the Australian National Greenhouse Account Factors for different fuels and developing a case study to update end-of-life tyres to become a standalone fuel, with a designated emission factor.

The change facilitates the re-use of end-of-life tyres as a fossil fuel replacement and supports the proposed 2022 updates to the National Greenhouse and Energy Reporting (NGER) Scheme legislation, which will see the creation of two new fuel types for end-of-life tyres.

Late in 2021, Cement Australia released a tender to accept proposals for new fuels to use in cement kilns nationally. TSA prepared a technical specifications document to assist accredited tyre recyclers in submitting their proposals for supplying TDF to cement kilns around Australia.

TSA is exploring other opportunities to use TDF for process heat in Australia, including assessing the economic and technical feasibility of TDF use in paper and pulp mills, industry boilers, steel and minerals processing and other common uses.



Tyre Particle Health, Environment and Safety Report

We conducted an in-depth review of international research relating to the health and environmental impacts of tyre particles.

This review covered both the tyre granules and crumb rubber that are used in a variety of tyre derived material, with the aim of providing users more confidence in the safe use of these products.

These key market areas included artificial turf, playgrounds, running tracks and crumb rubber-modified roads. Due to greater awareness of the challenge of pollution from microplastics, the review also included tyre and road wear particles produced from the abrasion of tyres during normal use.

As well as identifying reports and peer-reviewed articles, we developed a matrix to assess the risks of these particles towards the environment and the community. The assessment revealed that there is an overall minor risk towards the environment and human health from interaction with tyre particles in these applications, in some case negligible.

The research outlined key recommendations and actions, providing local governments and users the most up-to-date information to enable more informed choices when using tyre-derived products.

The report is helpful in understanding tyre particle safety in Australia, but a number of knowledge gaps were identified during the process. The next steps for TSA will involve communicating these key areas for new studies to Australian researchers while supporting research projects on this topic.



Innovative wood panels made with recycled rubber

**Forest Products Innovation Agri-Science Queensland
Department of Agriculture and Fisheries**

With our contribution (of \$150,000), an exciting new project was launched to investigate the potential for recycled crumb rubber to be incorporated into the manufacturing of wood-based panels/particleboards.

The Department of Agriculture and Fisheries (DAF), Forest Products Innovation (FPI) team will lead the project - the largest forest products R&D group in Australia. The FPI team has extensive experience leading and undertaking research and industry development at local, national, and international scales. The team assists forest growers, resource processors, product manufacturers and the construction industry to maximise profits through the best use of renewable, sustainably managed forest and other bioresources. FPI provides technology transfer solutions across the fibre value chain.

In Australia, the annual consumption of particleboards is around 1.1Mm³. If 50% of the particleboard consumed with Australia included a blend of crumb rubber of 10%, the annual demand of crumb rubber from the wood panel industry could be in the order of an estimated 27,500 tonnes. Crumb rubber in particleboards could help to address the wood feedstock shortages, to meet growing demand, and expand manufacturing opportunities.

The research hopes to prove that crumb rubber added to particleboard is also likely to offer product advantages in end-use applications where increased noise dampening, shock resistance and surface grip is beneficial. The addition of crumb rubber is likely to offer benefits such as the reduction of Panel Swell and general durability: these advantages would reduce or eliminate the need for costly additives such as wood preservatives and water repellents. This will lead to a reduction of the cost of particleboard and provide an opportunity to access new markets.

Crumb rubber hits the road in Tasmania turning EOL tyre management on its head

Fulton Hogan Tasmania

About 1.3 million tyres are scrapped in Tasmania every year. Most end up in landfill or stockpiles. With our support, Fulton Hogan Tasmania commenced an upgrade of their bitumen facility in Launceston, to enable the production of crumb rubber, asphalt and spray seals made from end-of-life tyres.

Given the success of crumb rubber asphalt and spray seal towards local circular economies in 2020, TSA provided funding to assist Fulton Hogan test the application of crumb rubber roads across six Tasmanian council areas.

The acquisition of a crumb rubber bitumen blending plant will enable Fulton Hogan to be the first permanent producer of crumb rubber binders in Tasmania allowing the state and local government customers to gain confidence in consistent product availability.

Crumbed rubber binders are seen to be an important product not only for local, state, and federal government departments, but also contractors and manufacturers.





Development of masonry pavers and blocks containing recycled tyre granules as aggregates

Curtin University and McKeno Blocks and Pavers

McKeno Blocks and Pavers, located in Broome WA, received a grant of \$145,000 from the WA State Government for a tyre recycling project that involves a mechanical process to shred the rubber from used tyres into granules to develop resilient masonry products. McKeno Blocks & Pavers have been operating in Broome since 2008 and they are the only masonry manufacturer between Geraldton and Darwin.

Curtin University, with the assistance of funding from TSA, will begin researching the effect of various amount and sizes of used tyre derived material as partial replacement of natural aggregates for engineering properties of various masonry blocks and pavers. This will determine an optimum amount and various sizes of recycled rubber that will be manufactured by McKeno Blocks and Pavers using their newly established shredding/grinding facility.

In comparison to the current manufacturing process, the new products will weigh less, thus facilitating handling, transport and installation in remote areas.

New products will also be cheaper in terms of materials cost and the freight cost compared to the existing masonry products. Not to mention the cost effectiveness of materials and freight compared to the existing masonry products.

The study will be very useful to develop environmentally friendly masonry blocks and pavers with potential applications nationwide.



Implementation of recycled rubber for acoustic applications

University of NSW and Flexiroc Australia

Almost 20% of the Australian population is exposed to high levels of traffic noise, well above the recommendations by the World Health Organisation. This can result in many problems such as sleep disturbance, hearing impairment, high blood pressure and cardiovascular complications.

To reduce traffic noise to acceptable levels, it is common to use acoustic walls, wall linings and acoustic fences in buildings and workplaces, and as noise walls in roads. The most common noise barrier is conventional concrete. However, concrete is a poor sound absorber and sound waves are simply reflected back to their source without significant reductions in magnitude.

One popular solution in Australia is represented by the use of autoclaved aerated concrete (AAC). However this type of porous concrete requires more cement than traditional concrete. Considering that cement production is responsible for about 5% of global carbon dioxide emissions, the manufacturing process of AAC invariably increases the carbon footprint and is not environmentally sustainable.

To help find better alternatives, together with our industry partners, we are funding a new research project at the University of New South Wales (UNSW) whose aim is to design and manufacture innovative absorptive noise barriers using end-of-life tyres and glass.

The project could create potential use for 1,000 tonnes of recycled tyres per year. The tyre-based noise walls will be 30% lighter than the traditional reinforced concrete noise walls. This means that the foundation needed for the wall will require less excavation and a reduction in the use of concrete. Therefore, we can potentially have up to 20% saving in foundation. Furthermore, a rubber-based concrete noise wall superstructure in a retaining wall configuration can have a potential saving of up to 10% in traditional concrete wall thickness above ground.

Recycled rubber in roads across Regional NSW

Southern Sydney Regional Organisation of Councils

Southern Sydney Regional Organisation of Councils (SSROC) with the help of TSA funding along with seven regional NSW councils, (Bayside, Canterbury-Bankstown, City of Sydney, Lane Cove, Sutherland, Waverley and Woollahra) have committed to participate in the demonstration trials that aim to identify and address barriers and opportunities to increase the use of crumb rubber asphalt in local government roads.

The project will document the risks and benefits in terms of performance, environmental impact in establishing the true net cost of the materials. The actual trials themselves will be conducted by the participating councils. These councils are showing us the way in viewing end-of-life tyres as a valuable resource and to take advantage of the many applications of tyre derived material.

If the trials succeed and crumb rubber asphalt is added as a standard product available through SSROC's current contract, this could generate demand for up to 19,000tpa of crumb rubber among the sixteen metro Sydney councils.

The goal is for Transport for NSW and Australian Flexible Pavement Association to use these results to develop updated specifications for crumb rubber asphalt, and that Transport of NSW will systematically specify more crumb rubber in their materials to help drive the market alongside SSROC.

Developing a Circular Economy model for Regional Victoria

Sustainability Victoria

TSA was awarded \$80,000 in funding to conduct research, design, and trials to develop economically viable solutions for up to 28,000 tonnes of tyres reaching end-of-life in regional Victoria annually - increasing tyre recycling and reducing stockpiling and landfilling.

Through detailed stakeholder mapping, TSA is engaging with regional operators and local governments to assess current capacities and collection options. A further feasibility study will test proposed solutions through a series of trials for inter-modal transport options, as well as hub and spoke options.

The resulting report will outline baseline data, stakeholder engagement, feasibility assessments, as well as audit and trial results.

Paving the way for greener golf courses

Flexiroc Australia and Porous Lane

TSA is pleased to witness the increase in the uptake of crumb rubber across major golf course redevelopments. This includes the installation of flexible and porous pavements, cart paths and bunker linings in partnership with key project partners, Porous Lane and Flexiroc Australia.

In partnership with TSA and Porous Lane, the City of Boroondara will install 830m² of pathways as part of its Golf Course Reconfiguration project. These pathways will be constructed using 50% of recycled tyres. When complete, it is estimated Victoria will divert 9.9 tonnes of recycled tyres from landfill.

Flexiroc Australia, through its innovative Golflex product, has embarked on several projects across large golf courses in Australia, more recently with Golf Central Brisbane and Ballarat Golf Course, supplying over 15 tonnes of crumb rubber from end-of-life tyres for their golf bunkers – projects that have come to life through the support of our Market Development Fund.



Sustainability

Implementing value-add initiatives for our participants to realise our vision of a sustainable society and circular economy for end-of-life tyres.



Foreign End Market Verification

The introduction of the waste export ban has seen our Foreign End Market Verification (FEMV) program recognised by the Federal Government to implement requirements for tyres exported for retreading.

The need to transition to meet requirements of the export ban, as well as shifts in the shipping sector have made it more challenging to transport end-of-life tyres.

Our FEMV program is a leading initiative from which to drive the development of a global framework to stamp out poor operators, and a strong mechanism to gather global data and insights.

Whilst there has been a focus on FEMV of retread facilities, we will continue our engagement activities to promote expansion of the FEMV program and advocate its application to all material exported.

Through the FEMV program, TSA is engaging with relevant associations globally and finding opportunities to extend the program to similar schemes.

The FEMV program will embark on the next step in its evolution, including the transition to a user-pays system and opening up the platform to others.

Support to waste export ban

In the lead-up to the waste export ban we acted as a conduit of industry concerns for consideration in the development of the waste tyre export rules.

We put in place support to the sector, such as running a Recyclers Forum to help the sector get ready for the ban – including export licence application process and available equipment to meet requirements of the ban.

Messaging to different segments, including local government, landowners and retailers about the impending ban and potential for stockpiling was critical for broader understanding of impacts.

TSA Circular Economy Collaborators

Supporting consumers of Australian tyre derived material for a sustainable society.

TSA envisions a sector where resources from EOL tyres are used as feedstock for new value-added products, boosting new industries, creating new jobs and finding alternate uses for this valuable resource.

To support this vision, as well as government policy for Australia to take responsibility for its own waste, we launched our Circular Economy Collaborator program. The program recognises organisations playing a vital role in consuming Australian tyre derived material in Australia, including manufacturers, end-users and researchers.

The program supports the promotion of local products (and projects) to encourage more sustainable procurement choices. Data obtained from participating organisations will lead to a road map to increase the uptake of Australian tyre-derived material over imported crumb.



Sustainability practices in the OTR sector

With seven OTR tyre importers now contributing to the Scheme, our traditional focus on car, truck and bus tyres is expanding to cover this important segment.

The mining and agriculture sectors, representing over 85% of all OTR tyres consumed in Australia, typically operate in remote and regional communities.

We are aiming at establishing best-practice for environmental and social standards that OTR tyre products users and Indigenous Peoples and Local Communities (IPLCs) can utilise to build effective partnerships.

As part of the OTR grant project, a report was commissioned to review global practices and share its institutional knowledge on international social and environmental standards.

Project examples that are similar in scope, scale, and impact to recycling initiatives (mining, scale agriculture, and others), were explored to identify successful and unsuccessful social and environmental frameworks and approaches.

This work highlighted the importance of social license – how public and community perceptions can influence the interaction with communities and the public at large. It will be critical that strong community engagement is maintained throughout the development of solutions for OTR tyre recovery and end markets.

Modern Slavery Statement of Commitment

In September 2021, we launched a statement¹ identifying areas of modern slavery risk and TSA's commitment to address these risks, and drive impact across the sector.

This builds on our Modern Slavery Impact Statement, which sets out additional context around modern slavery risks for the tyre sector and key actions we are taking to address modern slavery.

While TSA is not a reporting entity under the Modern Slavery Act 2018 (Cth) (MSA), we have prepared this statement of commitment to demonstrate support for the MSA.

There is work to be done to embed due diligence, around modern slavery, in relation to our applicants for accreditation, market development partners, and our suppliers where a review of purchasing activities has identified categories of goods and services at higher risk for modern slavery.

100% Australian Verification program

Supporting local processing and green procurement opportunities.

TSA contracted Ernst & Young to develop a verification program for our accredited tyre recyclers. The program verifies 100% tyre crumb processed in Australia – from Australian generated EOL tyres.

While the market for tyre crumb in Australia is growing, we have also seen subsidised crumb entering our markets. With industry concerns in mind, the program seeks to set organisations apart in the marketplace who have invested to process material in Australia producing tyre crumb for local consumption.

It is hoped that participation in this initiative will provide our accredited tyre recyclers with a competitive advantage, particularly as we see increased demand for use of local products with recycled content by government and industry, in line with national waste policy.

1. <https://www.tyrestewardship.org.au/wp-content/uploads/2021/09/Modern-Slavery-Statement-of-Commitment-August-2021.pdf>

Strategic Plan & Sustainable Development Goals

Our Strategic Plan 2020-2023² is aligned with the UN Sustainable Development Goals (SDGs), which recognises our role in creating a sustainable future globally. It is focused on driving a circular economy for EOL tyres that contributes to a sustainable society, facilitates commercial outcomes and drives public awareness.

At the end of 2021 we reached the half-way mark in our strategic plan. Since its adoption, the plan has provided a valuable map to guide all our activities. However, for TSA to achieve its full potential, the challenge of free-riders in the sector needs to be addressed. Some key highlights are identified below:



GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



GOAL 12: Ensure sustainable consumption and production patterns



GOAL 13: Take urgent action to combat climate change and its impacts



GOAL 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

STRATEGIC GOAL

Key highlights 2021 – 2022

1. Increase used tyre recovery and end markets



- Building demand for EOL tyres through market development opportunities, such as Low Traffic Crumb Rubber Road Fund and increased use of permeable pavement products in Local Government areas.
- Significant work to expand the Scheme to include OTR tyres.
- Business case development for increased collection and processing of EOL tyres in regional and remote areas (QLD and NT).

2. Continue to improve data and information on all used tyre fates, both in Australia and overseas



- Recognition of our FEMV program by the Federal Government to support implementation of the waste export ban (i.e. tyres exported for retread)
- Updates to our reporting platform, engagement with the sector and the implementation of Self-Assessment Questionnaires (SAQ) within the retail sector.

3. Growth in the number of organisations contributing to and participating in the TPSS



- Growing contributors to the Scheme, including several OTR tyre importers
- Tyreconnect's commitment to the Scheme.
- Working closely with Australian Local Government Association and various state based regional organisations to engage the Local Government sector.

4. TSA is a trusted entity, building relationships and value for its stakeholders



- My Tyres My Choice – national campaign to support more sustainable consumer choices through choosing tyre brands and retailers that are scheme contributors and participants.
- Sector advocacy and support in lead up to waste export ban, including a Recyclers Forum and key segment messaging.
- Modern Slavery Statement of Commitment – identifying our areas of modern slavery risk at an operations level.

5. TSA is a significant contributor to the global circular economy for end-of-life tyres



- Engagement activities to expand our FEMV program to other organisations and schemes globally.
- Release of our tyre particle research³ to increase understanding of risks and opportunities relating to recycled tyre materials
- Engaging internationally to bring learnings back to Australia.

National Greenhouse and Energy Reporting Scheme

TSA influencing change to better reflect emissions from waste tyre combustion

TSA commissioned research to review the National Greenhouse Accounts Factors in relation to EOL tyre combustion emission factors. This research supported a case for EOL tyres to be listed as a standalone fuel, informing TSA's position to work with the Federal Department to lobby for this change.

As a result of this work, proposed amendments (commencing 1 July 2022) include the creation of two new fuel types for EOL tyres which allow the National Greenhouse and Energy Reporting Scheme reports to reflect emissions more accurately from waste tyre combustion.

As well as supporting Government waste policy targets, this initiative will encourage replacement of coal with EOL tyres and potentially bring about reductions in carbon dioxide emissions.

With the waste export ban on whole and baled tyres now at play, there is a need more so than ever to expand existing markets and create new markets for EOL tyres to avoid mismanagement, stockpiling and illegal dumping. Using EOL tyres as fuel creates a viable, long-term end market in Australia.

Not-for-Profit Principles

TSA meeting these important Governance Principles

TSA strongly supports the principles of good corporate governance and continues to meet the Australian Institute of Company Directors (AICD) Not-for-Profit Principles.

We are committed to upholding these Principles to ensure transparency, integrity and best practice to maintain the organisations' key strategic objectives and trust of all stakeholders.

During 2021/22 we developed a scorecard (to be reviewed annually) to demonstrate how our activities and processes address the principles and supporting practices as set out by the AICD.

As well as our continued work to embed a robust risk management framework, we will use the scorecard to implement process improvements including Director induction program and stakeholder matrix to ensure interests are understood in our decision making.

We are on track to achieve our strategic goals by the end of FY23, and at the half-way mark we have already made significant headway.



Participation and contributing brands

A core function of our Scheme is the administration of an Accreditation and Compliance Program that verifies sustainable end-of-life tyre management by our Participants.



With the implementation of the waste export ban at the end of 2021, and the profound impact of COVID-19 on our lives, the Accreditation and Compliance team has worked hard to anticipate and deal with external changes while improving our systems and processes.

We have worked to expand participation in the Scheme, provide support to deal with changes in the market and the regulatory environment, and increased our focus on holding everyone accountable to ensure that poor behaviour does not adversely impact the integrity of the Scheme.

The introduction of the Commonwealth's waste export ban on whole and baled tyres in December 2021 was a key focus for TSA throughout the year. We worked vigorously to prepare our participants and stakeholders, external bodies, and the broader public for the impacts of the ban including flagging the need for transition plans for our participating balers.

A strong accreditation and compliance function is critical to the ongoing success and integrity of the Scheme.

This financial year has seen challenges, but also significant achievements particularly in systems related to data of the tyre supply chain. The use of technology to support the program means that we can continue to grow the uptake of these initiatives, make a real difference and contribute our knowledge on a local and global level.

Our Industry Consulting Group has been an important forum for sharing information about both the details around the export ban's implementation and highlighting potential solutions available to operators to transition their business model. The group will continue to play an important sounding board for TSA into the future.

Helping us find solutions for the future



Macro-economic factors impacting participants

The export ban in combination with the continued impacts of the COVID-19 pandemic on shipping and local labour offer has led to reduced capacity for operators to collect and move tyre-derived product and has resulted in challenges around stockpiling and regulatory non-compliance across the industry.

A major concern for us has been the potential for unscrupulous operators to take advantage of the situation undermining legitimate operators by offering below market collection fees only to stockpile or dump end-of-life tyres on private or public land.

To counter this, we have worked to reinforce our relationships with State Government regulators and engage with sectors likely to experience dumping such as farmers and owners of warehouses.

Partnerships to tackle illegal dumping of tyres

We established a partnership with Keep Victoria Beautiful and the Litter Enforcement Officer Network, to build local awareness of tyre dumping and stockpiling, and to facilitate information sharing between all parties.

The Special Interest Group established as part of this relationship is gaining members due to increased reports of tyre dumping and stockpiling on both private and council land.

TSA continues to utilise technologies such as Nearmap and "Snap Send Solve", as well as drone surveys, to monitor stockpiles around the country and to identify areas of concern.

Regulation Updates

The Victorian Government's updated Environment Protection Act 2017 and associated Environment Protection Regulations 2021 came into force on 1 July 2021. These had implications for all TSA's Victorian participants.

TSA produced a fact sheet to assist our retailers, and we ran a webinar in collaboration with EPA, to explain the changes to the industry.

We've also provided information to our participants on the numerous grants available under the Recycling Modernisation Fund, with each state offering rounds of funding for upgrades to recycling infrastructure.

Why is it so hard to get used tyres collected?

If you're feeling the pressure in these uncertain times, you're not alone.



TOOLKIT

TSA developed a toolkit for retailers to raise awareness on the rising cost of tyre collections, impacts of the waste tyre export ban, shipping crisis and difficulty securing tyre collections.

Australia's tyre supply chain is experiencing the brunt of economic factors.

Tyre Retailers

- Tyre collection disruption and delays due to high demand for collection services across the industry.
- Rising cost of tyre collection.
- Storage issues with tyres stockpiling on-site.
- Concerns about complying with local tyre storage requirements.



Be wary of cheap collectors as this may result in illegal stockpiling or dumping of tyres - a cost that will be borne by local councils, landowners and communities, and not to mention the impact on our environment.

Tyre Recyclers and Collectors

- Challenges due to export ban on whole and baled tyres (in effect from 1 December 2021) and global shipping crisis.
- Local markets unable to consume the volume of tyre-derived product we produce.
- Increased fuel costs and labour shortages means increased cost of collecting used tyres and processing them for sustainable outcomes.



Federal Government is working through the export license applications which need to be reviewed and processed.

Exporters

- Shortage of containers used to send tyre-derived product overseas.
- A fragmented supply chain, from last-minute container cancellations to increased port fees and freight labour shortages, create a difficult and unplanned freight system.



On the chance that containers can be secured, the cost has increased by approximately 500%.

Participation and Contributing brands



Audit & Compliance

The audit program is a crucial aspect of Accreditation and Compliance.

We have implemented several important changes to increase our capability and effectiveness in this area. This includes the engagement of an Audit panel of three separate auditing companies with auditors located around the country. COVID-19 posed challenges in undertaking audits however we were able to work through these to keep the audit program on track.

We continued to improve on our audit program and in 2022 trialled a new platform for conducting audits: "i-Auditor" is an online tool that allows audits to be completed using a mobile device in the field. This will allow us to streamline the reporting process and track the status of action items.

The rollout of the Self-Assessment Questionnaire (SAQ) has continued this year for our retailers, supported by a limited face-to-face compliance check of a sample of sites. The SAQ will become an annual requirement for our retail group with potential to expand its use to other TSA's participant groups.

Accreditation certificates will continue to be issued annually and will be downloaded as a PDF 'e-certificate'.

We developed a new generation of point-of-sale material including window stickers, brochures and an in-store consumer video.

We continued to implement enhancements to our Reporting platform. This included security updates and embedding a new user interface with more enhancements planned for the 2023 financial year.

The Sustainable Outcomes Indicator (SOI) program applied to participants collection and recycling tyres continued to play an important role for our retail participants to guide them on their choice of collector or recycler.

Despite the positive feedback from participants on the program, we suspended the program in Feb 2020 to review and update the program and to recognise the industry was facing significant challenges. The new SOI program will be relaunched in the 2023 financial year.

Participant category	Tyre Importers*	Tyre Retailers	Collectors/ Recyclers	Fleet	Local Government	Mining
% Change	▲ 20%	▲ 5%	▼ 3%**	0%	▲ 5%	***
Start FY2021/22	12	1,591	33	6	20	–
End FY2021/22	16	1,672	32	6	21	5
Trend 2014 – 2021						

Tyre Importers

At the end of the financial year, the number of contributing tyre importers and vehicle manufacturers increased from 12 to 16.

There was a major leap forward to address the low recovery of OTR tyres in Australia with several importers of OTR tyres joining the Scheme in 2022.

Tyre Retailers

At the end of the financial year, the number of accredited retailers increased to 1672, the biggest increase (5%) year on year since 2018.

This has been achieved by working with our major retail brands, support from our fleet participants encouraging their partners to become accredited to the Scheme and engaging with other channels of the retail sector such as trade associations and entities associated with online and mobile tyre sales.

With ample opportunities to increase participation from this group, we will continue to find ways to engage and encourage more locations from major retail chains and independents to become accredited.

While we have seen an increase in the tyre retail group participating in the Scheme, the first half of 2022 was tough for retailers with dramatic price

increases and reduced collections resulting from labour shortages and global trade issues.

To support retailers during this time, and to show we value their contribution to the Scheme, we engaged in regular contact with retailers to keep them informed of the issues impacting the industry and to offer support where available through collateral such as the “Retail Engagement Fact Sheet” and an online Retail Toolbox.

We continued the “My Tyres My Choice” campaign in the 2022 financial year, encouraging consumers to choose the brands and stores supporting sustainable outcomes for EOL tyres.

While the industry faced considerable challenges in the year, TSA continued to hold non-compliant participants, including retail outlets to account.

Collectors and Recyclers

It has been a difficult year for our recyclers and collectors, with multiple challenges impacting their businesses and close scrutiny from regulators, so we appreciate the resilience shown by those who have found ways to endure, remain compliant and continue to service their customers.

During this financial year, four new recyclers received accreditation across three states, Queensland,

New South Wales, and Victoria (two of these were previous accredited sites relocating to new premises) while non-compliance with Scheme commitments resulted in two recyclers’ accreditations being suspended. One recycler resigned from the Scheme ahead of a relocation to a new site, but we are anticipating a new accreditation application shortly.

We are encouraged by the interest shown by new applicants and are in the process of reviewing applications from around the country – from the Cairns region to Southeast Queensland, South Australia, Northern Territory, Victoria, and Western Australia.

We estimate that the share of our accredited collectors and recyclers accounts for approximately 95% of the market.

Local Government

Over the course of the financial year, an additional Local Government Authority joined our Scheme. This is a sizeable area of opportunity for us due to the influence and roles local government have from operating fleet, managing transfer stations, and procurement for local roads and other projects.

*Tyre importers includes vehicle manufacturers (4). Four tyre importers paying levies on both OTR and on-road tyres have not been counted twice (total would be 20 if this was the case). **During this financial year, four new recyclers received accreditation. Other changes included revocation and resignation of Scheme participants due to site relocations (three), and two active suspensions, resulting in overall collector/recycler number being slightly lower than the previous year.

***With the contribution of importers of OTR tyres, TSA commenced engagement with five mining companies to work of solutions to address the low recovery rate in OTR sector, see Sustainability practices in OTR sector for more information.

Key Performance Indicators

As we work towards our goals, we have set ambitious targets and ways to gauge the success of the Scheme.



Our progress remains encouraging, despite continued challenging market conditions following the COVID-19 crisis, global economic conditions impacting international trade and the commencement of the export ban on whole and baled tyres on 1 December 2021.

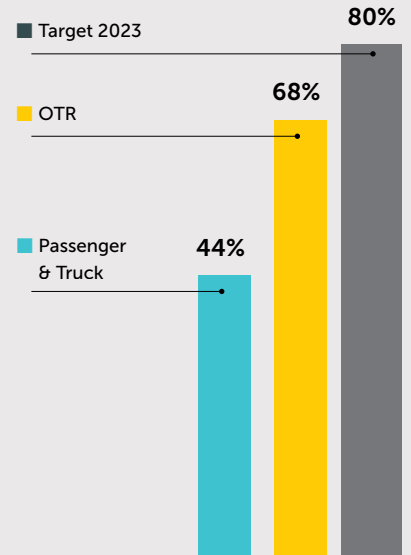
KPI 1:

Increase the number of participants in the Scheme

During the 2021 financial year, the number of participants within the Scheme grew to 1,747 with major players to date including tyre importers, retailers, collectors and recyclers, along with local governments and vehicle fleets (refer to Audit and Compliance on page 21).

In order to expand participation, we have set four distinct targets for tyre importers, vehicle importers, tyre retailers and tyre recyclers. Opposite is an outline of progress against these four important targets.

Tyre importers market share (EPU)



KPI 1A:

Tyre importers

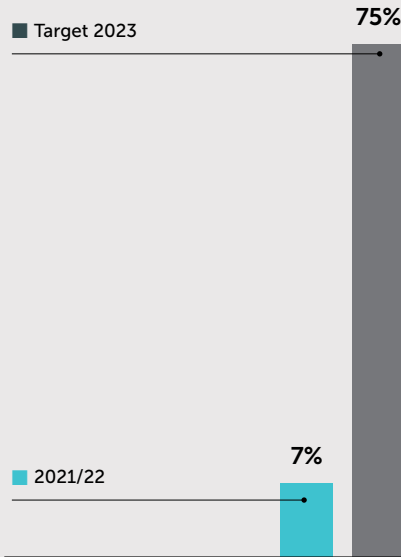
Success of the voluntary Scheme starts with the participation of importers of new tyres into Australia. With an increase in competition within the global manufacturing of tyres from firms in countries with low manufacturing costs, and an increase in parallel imports, Australia has seen an increase in diversification of businesses importing tyres into Australia in recent times.

January 2022 saw another significant step in tyre importer participation with the contribution by seven importers of OTR tyres by the end of the financial year, representing around 68% of the market (based on equivalent passenger units), while the existing passenger, truck and bus contributing members represent approximately 44%⁶ of the loose tyres imported.

The lack of full participation continues to highlight the challenges of voluntary schemes. We continue to be committed to expand our enrolment of all tyre importers into the Scheme.

6. In 2020/21 TSA reported market share of passenger, truck, and bus tyres on a quantity of tyres (units) basis which was indicated as a market share of 47%. Converting this to a EPU basis, the market share of passenger, truck, and bus tyres in 2020/21 on a EPU basis was 41%.

**Vehicle manufacturers/
importers market share
(new vehicle sales)**



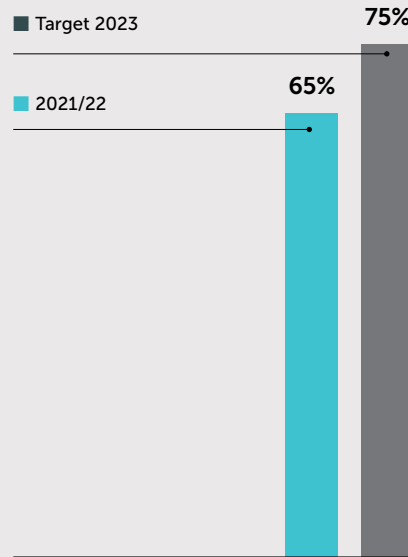
**KPI 1B:
Vehicle manufacturers**

With over 20% of new tyres entering the country already fitted to vehicles, the participation by vehicle manufacturers in the voluntary Scheme is very important. Our target is to enrol 75% of vehicle importers (measured by volume of tyres) into the vehicle manufacturers participating in the Scheme by 2023.

While TSA has a long way to go to meet the ambitious target, the 2019/20 financial year marked a very significant milestone with Volkswagen and Porsche being the first auto brands to join the Scheme, followed by Mercedes-Benz in 2020/21.

We are confident that the leadership shown from these auto brands will influence more vehicle manufacturers to step up and contribute to the Scheme.

**Tyre retailers market share
(by passenger tyre sales)**

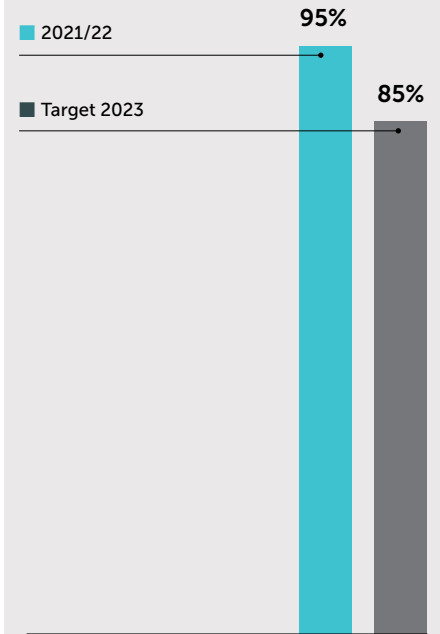


**KPI 1C:
Tyre retailers**

A retailer refers to a business or organisation that offer products for sale at retail through any means, including sales outlets, catalogues, or the Internet and covers businesses from fitment centres through to mechanical repair, vehicle dealerships, and mobile tyre services. This diversity of what is a retailer, coupled with low-cost tyres fitted through independent outlets which now make up a large portion of the industry, makes it difficult to fully quantify the market share of retailers participating in the Scheme.

Measured by sales and recovery of passenger tyres, we estimate in the financial year just ended, around 65% of tyre retailers contributed tyres for recovery under the Scheme either directly through accredited retailers or through the pick-up by accredited collectors and recyclers. This is an increase from previous years.

**Tyre recyclers market share
(by EOL tyres)**



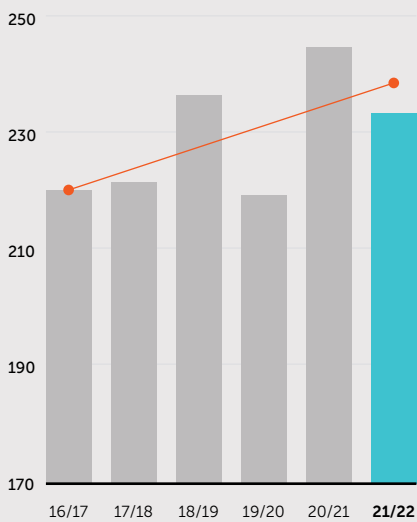
**KPI 1D:
Tyre recyclers**

Recovery refers to used tyres that are collected for a number of applications. Broadly, these are either processed into tyre-derived material (including tyre derived fuels or for use whole in thermal processing). This specific KPI is focused on the recyclers processing tyre-derived material.

In June 2020, based on data from the previous financial year, we published a significant report "Used tyres supply chain and fate analysis". The analysis estimated approximately 95% of the recycled used tyres were attributed to Scheme participants.

We estimate that in 2021/22, accredited recyclers continued to account for 95% of the recycling market despite challenging market conditions. We remain committed to enrolling and verifying new organisations entering the Australian EOL tyre recycling market.

Volume of EOL tyres collected by accredited participants (tonnes - thousand)

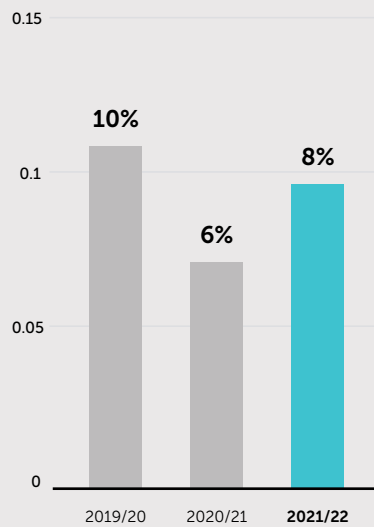


KPI 2: The volume of EOL tyres collected by accredited participants, or accounted for over time increase annually

The impact of the COVID-19 pandemic has seen labour shortages which has impacted the availability of drivers to collect tyres, while global economic conditions has impacting international trade and ability of recyclers to move material off-shore. This has seen the volume of EOL tyres collected and recycled by accredited participants decrease by just under 5% to approximately 235,000 tonnes or 29.4 million EPUs.

We will continue to work with all participants to minimise the impact on the tyre recovery industry and maximise domestic market potential while identifying new candidates for accreditation.

Percent of EOL tyres exported via TSA accredited participants verified (EPU - million)



KPI 3: The volume of EOL tyres exported via accredited tyre recyclers and collectors that have been verified as going to environmentally sound use increases annually

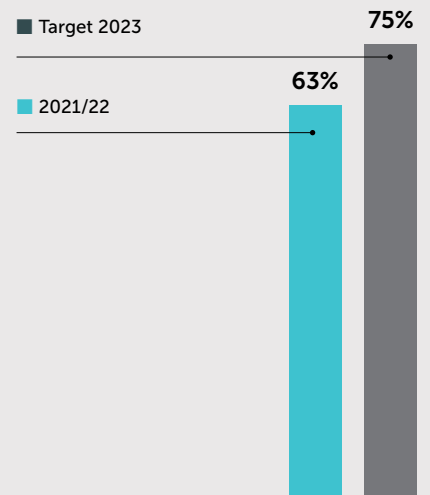
The verification of the sustainable management of exported tyres is central to the integrity of the Scheme, especially considering that most Australian EOL tyres continue to be exported for further processing or to be used in energy recovery.

TSA continues to support organisations with verification of end destinations to ensure they are appropriate for retreading and are not causing environmental and social harm. As of the end of 21/22 approximately 10 retread locations across six countries achieved TSA verified status through the FEMV program.

We continue to be challenged by verifying export destinations, in particular the use of brokers to move material. We have increased direct engagement with brokers and shipping lines outlining the value of FEMV for their business. Similar to last year, 12,000 tonnes (or 8% of all EOL tyres exported by Scheme accredited recyclers and collectors) were subject to our FEMV program.

We will continue to work with our accredited recyclers and collectors to increase uptake of FEMV and advocate the program for all exported material (not just limited to retread).

Percentage of EOL tyres going to an environmentally sound use



KPI 4: Increase the percentage of EOL tyres going to an environmentally sound use

Environmentally sound uses of EOL tyres include recycling into tyre derived material such as crumb, powders, shreds, chips or granules, steel and use as a fuel or other means to recover energy. (See ACCC determination for complete definition).

In June 2020, we published a report, "Used tyres supply chain and fate analysis" which estimated approximately 69% of the EOL tyres generated in 2018/19 were recovered for environmentally sound use. Using the same methodology, we recovered and estimated 63% of tyres in 2021/22, slightly down on the previous years. This reflects the impacts of the challenging conditions of the past couple of years and disruptions within the system resulting in more tyres needing to be landfilled by accredited recyclers to maintain compliance with licence conditions.

The change in market conditions plus TSA's continued support in developing Australian markets for tyre derived material, is seeing a changing landscape for operators in this sector. Over the coming years we are expecting to see the transformation of businesses from collection to processing, and new entrants to take advantage of the increase demand occurring in Australian markets.

Website visits

Visit type	2020/21	2021/22	Change %
Organic & direct – visitor sessions	26,819	48,194	+80%
All (year total) – page views	86,351	106,911	+24%
All (monthly average)	7,196	8,909	+24%

Top 5 visited pages

Page	2021/22	Change %
Find accredited recyclers and collectors	6,123	+103%
My Tyres My Choice (new for FY22)	3,545	N/A
Find accredited retailers	3,434	+72%
About TSA	2,162	-2.5%
TSA overview	1,818	-49%

KPI 5: Users seeking accreditation through the TSA website and increased website traffic

Our website (tyrestewardship.org.au) remains our primary source of information about the Scheme, as well as a repository of our research and media releases, forms to apply for accreditation, foreign end market verification and market development, governance reports and information about TSA.

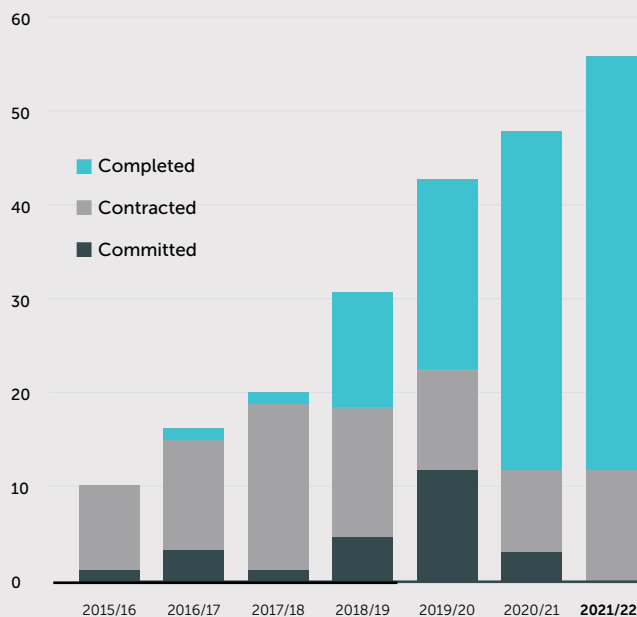
The new TSA website, launched last financial year, combined with increased social and traditional media activities, continues to drive website traffic. Website traffic has increased year on year since 2019, with a significant 80% increase in visitors in 2021/22.

While organisations seek TSA accreditation through multiple channels, activity on the website is a gauge of public interest in the Scheme, its participating brands and businesses, as well as inquiries on the accreditation process.

As outlined earlier in this report, Participation (and Contributing Brands) there has been an overall increase in participation. Two of the three most visited website pages provide resources to assist consumers and stakeholders find TSA accredited bodies – Find an accredited recyclers and collectors received 6,123 visitors (up 103%); and Find accredited retailers received 3,434 visitors (up 72%). Not surprisingly, the second most visited page was the My Tyres My Choice (3,545 visitors) linked to a consumer campaign encouraging the purchasing of tyres from contributing brands and retailers.

Our website content and structure continue to evolve to educate and promote the Scheme objectives and support our participants and stakeholders with the resources and information they need.

Number of market development projects funded



KPI 6: Growth of the demand for Australian tyre derived material associated with market development activities promoted, funded and/or supported by TSA

TSA's market development strategy for the 2021/22 financial year has been to continue with supporting uptake of rubber into our roads network and research into manufacturing using tyre derived material, replacing raw building materials.

In the 2021/22 financial year TSA approved ten new projects with associated funding over \$1.5 million and completed eight projects taking the total completed projects to 44 since FY16.

The successful delivery of these ten new projects will create a potential market demand of around 30,000 tonnes per annum for Australian tyre derived material which equates to around 3.5 million EPU. These 10 new projects brings the total projects supported since formation of TSA to 56 projects across a range of industries.

Conditions of Accredited Arrangement

In addition to presenting progress against our key performance indicators (KPIs) as per Australian Competition and Consumer Commission (ACCC) requirements, this year represents our first year as an Australian Government Accredited Product Stewardship Scheme (AGAPSS). As an accredited arrangement TSA is required to indicate progress against a set of performance indicators, some of which are captured in this section.

Industry participation in the TSA Arrangement:

Refer to KPI 1.

Any developments on the regularity of audits for participant collectors and recyclers to ensure compliance with the TSA Arrangement and the outcome of these audits:

Refer to Accreditation and Compliance section.

The volume of EOLT collected and accounted for by accredited participants of the TSA Arrangement
Refer to KPI 2.

The volume of OTR tyre recovery
Refer to OTR section.

Verified EOLTs in Foreign End Markets
Refer to KPI 3.

Developments with consumer behaviour in relation to the EOLTs and the TSA Arrangement

Refer to Business & Communications section for information, such as extension of TSA AGAPSS logo.

Business and Communications

TSA continues to drive communication and awareness of key issues across the (entire) tyre value chain – creating conversation, trust and meaningful connections with our stakeholders.

Through our platform, we educate the public on responsible tyre disposal, shine a bright light on the innovative projects utilising tyre derived material, and work closely with industry, local and state governments to realise the economic, social, and environmental value from a circular economy for end-of-life tyres.

Launch of OTR sector

We were pleased to announce that major OTR tyre importers Bearcat, Bridgestone Mining Solutions, Goodyear, Kal Tire, Michelin, and Yokohama committed to joining the voluntary Scheme from January 2022, and Ascenso Tyres joining from April 2022.

As part of the announcement, we welcomed the newest contributors via social media, website, industry publications and media/radio releases, receiving interest from several major metropolitan and regional radio stations across the country, including a radio interview.



Big tyres. Big opportunities.

Australian off-the-road tyre consumption*

Mining	45,000t
Agriculture	20,000t
Construction and Manufacturing	12,000t
Residual	5,400t

Consider this. End-of-life mining tyres are a valuable resource that can be recovered.

You may see used mining tyres as waste for landfills. We see 85,000 tonnes of opportunities to fuel new markets, commercial enterprises and jobs in regional, rural and remote Australia. To make that happen, funding is now available for new technologies, manufacturing processes and partnerships.

Talk to us about how to take advantage of emerging markets for your used tyres. **we reduce the burden of waste for future generations.**

www.tyrestewardship.org.au/otr

TyreStewardship AUSTRALIA

*Source: Average yearly tyre consumption, Tyre Stewardship Australia

KEY EVENT TIMELINE

TSA/EPA – NEW REGULATIONS WEBINAR
August 2021
TSA together with Equilibrium and EPA Victoria facilitated a live webinar to help tyre retailers navigate through the new requirements in the regulations.

Consumer Awareness

TSA's 'My Tyres My Choice' campaign continues to drive our engagement with consumers, including educating consumers on the responsible disposal of their end-of-life tyres.

'My Tyres My Choice' has been brought to life through a number of traditional and digital mediums, from print (newspapers, lifestyle, and industry publications, to radio, podcasts, social media, and 'out-of-the-box' ideas like shopping centre digi-screens and meal delivery activations.

Our 'My Tyres My Choice' landing page has received excellent traffic because of our recent campaigns and has allowed us to better track campaign metrics and data moving forward.

Local Government

Supporting and engaging with local government has been an integral part of our communications plan over the last 12 months.

This engagement was motivated not only by the commencement of the Commonwealth's waste export ban on whole and baled tyres but also by the will to increase the uptake and procurement of crumb rubber across council projects such as the redevelopment of roads and pavement.

Waste Export Ban Campaign

TSA launched a comprehensive communications plan in the lead-up to the Commonwealth's waste export ban on whole and baled tyres coming into effect 1 December 2021.

We used a range of mediums to communicate with key stakeholders, including press releases, newspaper notices, letters to local government and industry, social media, and website posts.

We used these mediums to encourage the public to keep an eye out for increased illegal dumping or stockpiling of tyres, as well as new 'pop-up' tyre collectors that might emerge ahead of the export ban.



TSA RECYCLERS WEBINAR

September 2021

TSA hosted a 'Recyclers Forum' to help tyre recyclers and collectors prepare for the waste export ban which came into effect 1 December 2021.

WOMEN OF WARR BREAKFAST

February 2022

TSA attended the Waste Management & Resource Recovery Association breakfast event where Lina Goodman presented to the audience as part of the thought leadership program.

ISC CONFERENCE

March 2022

TSA and Flexiroc Australia exhibited at the ReConnect conference by the Infrastructure Sustainability Council – meeting with procurement and project managers across the industry.

COFFS WASTE CONFERENCE

May 2022

TSA exhibited at 'Waste 2022' in Coffs Harbour – the industry's leading waste management conference.

Business and Communications

Industry Engagement / Market Development

Engaging with industry and key stakeholders in the market development of tyre derived products (TDP), including manufacturers, researchers, and end-users, is a vital component of our communications plan.

TSA has developed case studies, editorials, videography, promotional campaigns, and social media engagement to promote our \$8 million commitment to market development initiatives and further support the development of crumb rubber in new, innovative, and emerging markets.

A successful funding campaign in late 2021 allowed us to embark on ten additional projects designed to create demand in new markets.

Science & Innovation

TSA recently commissioned a research report into tyre and road wear particles (TRWP) and tyre particles in TDP used in Australia.

Understanding TRWP is a component of TSA's remit and we're working rigorously towards understanding the relevant concentration of chemicals in TDP and taking steps to mitigate their potential migration into the environment.

Responding to and educating the media and public on TRWP will remain at the forefront of TSA's research on emerging topics in science and innovation, led by Dr Linda Mitchell, TSA's Science and Innovation Advisor.

Global Shipping Crisis

On 9 March 2022, we were made aware that a major shipping line would no longer carry tyre derived material such as shred, crumb and granules, as well as plastic scrap – out of Australia. This was apparently to the global crisis in shipping, increased fuel costs and waste import restrictions.

We advised the federal government of the short-term pain which would flow on from the export ban, and increased shipping restrictions exacerbate that pain.

TSA has continued to work closely with government, businesses and communities to mitigate risks around this issue in the short-term and help strengthen the circular tyre economy so it can better withstand volatility.

Our actions included communicating with shipping associations and shipping line CEOs, to consider more strategic and sustainable alternatives to blanket bans on waste exports.



KEEP VICTORIA BEAUTIFUL - LEON TRAINING DAY

May 2022

TSA was proud to sponsor the Litter Enforcement Officer Network (LEON) Member Training Day, hosted by Keep Victoria Beautiful, to increase insight and intelligence around the illegal dumping and stockpiling of end-of-life tyres.

NATIONAL ROADS & TRAFFIC EXPO

May 2022

TSA exhibited at the National Roads & Traffic Expo in Sydney with a strong focus on infrastructure, technology and innovation across the road sector.

BUY RECYCLED SERVICE EVENT

May 2022

Lina was delighted to present at Sustainability Victoria's inaugural 'Buy Recycled Service' event – to encourage the use of recycled materials and products in infrastructure, landscaping, parks and gardens across Victoria.

Tyre Retailers

Australia's tyre supply chain, and in particular tyre retailers, are feeling the brunt of economic factors while the sector adjusts to changes in the market. TSA is working with everyone in the supply chain to help make those adjustments.

In a bid to educate retailers on the macro-economic factors at play, TSA has developed a Communications Toolkit for retailers to raise awareness on what is happening in the marketplace like the rising cost of tyre collections, impacts of the waste tyre export ban, shipping crisis and difficulty securing tyre collections.

The toolkit has been developed to help retailers understand these issues, and to better manage the dialogue of rising disposal costs with their customers. In addition to the toolkit, TSA continues to reach tyre retailers through industry publications and channels, raising awareness, building trust, and encouraging further uptake of accredited entities.

Accredited logo

Extending use of the TSA AGAPSS⁴ logo to further advance the Scheme.

As part of our Accredited Arrangement status with the Federal Government, we have continued to extend the use of the TSA AGAPSS logo to scheme contributors and eligible participants as per conditions of use.

As well as applying the logo to internal and public facing TSA collateral, we have provided the logo and concise style guide⁵ to ten organisations since our accreditation, predominantly to scheme contributors.

Towards the end of FY22 we commenced extension of the logo to other participants, including fleet partners. With the recent launch of the Circular Economy Collaborator program, we will extend logo use further, providing commercial benefit in support of manufacturing and locally made tyre derived materials.

Partnership – TSA & KVB

TSA and Keep Victoria Beautiful (KVB) joined forces in early 2022 to help the Litter Enforcement Officer Network (LEON) tackle illegal dumping and stockpiling of waste tyres in local environments.

We support the efforts of the Litter Enforcement Officer Network by increasing the exchange of intelligence between our organisations, so litter enforcement officers are well-equipped to raise awareness of the prevalent issues in their local area. In turn, we continue to learn from LEON members' valuable local knowledge of emerging trends and rogue operators, helping us further develop sustainable outcomes for end-of-life tyres.

We are passionate about making a positive impact and creating a sustainable future for generations to come – and we will continue to support the tyre value chain in making great strides – one story at a time



4. TSA Australian Government Accredited Product Stewardship Scheme (AGAPSS)

5. The concise guide has been prepared in accordance with the document entitled 'Australian Government Product Stewardship Logo Style Guide: Conditions and Technical Specifications', as per condition (1) of TSA Accredited Arrangement.

AUTOMOTIVE DEALER EXPO

June 2022

TSA was delighted to exhibit for the first time at the '2022 AADA Convention & Expo' hosted by the Australian Automotive Dealer Association.

ALGA NATIONAL GENERAL ASSEMBLY

June 2022

TSA exhibited at the 2022 National General Assembly, hosted by the Australian Local Government Association. TSA was lucky enough to meet with Ian Goodenough MP and discuss the value in recovering resources from end-of-life tyres.

LFRA SA FORUM

June 2022

TSA Chair, David Spear, presented at the Large Format Retail Association (LFRA) 2022 SA Domestic Study Tour & Forum, discussing the role of product stewardship and how LFRA members can be part of the sustainable management of end-of-life tyres.

Financial Report

Directors' Report

The directors present their report on Tyre Stewardship Australia Limited for the financial year ended 30 June 2022.

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 FAICD Independent Chairman

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 McLaren Vale Grape Wine Tourism Association, Non-Executive Director of CAWRA 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.

David Spear is the Chair of the Governance and Risk Committee as well as sitting on the Finance and Audit Committee and the Remuneration and Nomination Committee. He is also Chair of the Industry Consultative Group.

Peter Kreitals Independent Non-Executive Director

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.

Peter Kreitals is the Chair of the Research and Advisory Committee as well as sitting on the Governance and Risk Committee.

Steven Clifford

Steve Clifford worked for Yokohama Tyre Australia for 20 years, and as General Manager for the last 15 years of his tenure. Now retired, Steve is an Independent Director on the TSA Board. Past experience within the tyre industry included the implementation and maintenance of governance and compliance across many aspects of the business. While wholesale sales and marketing were the focus, Steve's role also included retail tyre store development. Steve has been involved at all levels within the tyre industry and has held many "hands on" and management positions during his 44 years in the industry.

Steve has also held past Board position at the Sydney Heritage Fleet, a Not-for-Profit organisation.

Steve holds a Graduate Diploma in Management (Commerce) from the University of Wollongong.

Steven Clifford sits on the Remuneration and Nomination Committee, OTR Sub Committee and Industry Consultative Group within TSA.

David Wilson

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 forty 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.

David Wilson is the Chair of the Remuneration and Nomination Committee.

Lou Mandanici

Lou Mandanici has over 35 years' experience in the Australasian tyre industry. His extensive experience has covered a broad range of roles and responsibilities including finance, sales, franchising, supply chain, product management and marketing. Presently, he is responsible for multiple retail brands and product distribution strategies across Australia and New Zealand.

This extensive experience provides a balanced and unique understanding of the challenges and opportunities for the industry generally and, more particularly, its retailer participants. Lou is an eager proponent of environmental responsibility for all participants in the industry from manufacturer to importer, wholesaler to retailer, recycler and those who are defining future technologies.

Lou holds a Master of Business Administration (RMIT)

Lou Mandanici sits on the TSA Remuneration and Nomination Committee.

Joanne Hayes

(Appointed 20 November 2020)

Jo Hayes has worked for Bridgestone for over 10 years and is Head of Sustainability and Communications for Australia and New Zealand.

With prior exposure to crisis management, community engagement, cause-related marketing, business analytics, franchising and global partnerships, Jo has recently led the development of the Australia and New Zealand Company Sustainability Strategy, towards achieving global ESG targets of carbon neutrality, material circularity, sustainable communities, and enhanced sustainable business practices - in line with the UN SDG's.

Working closely with Bridgestone's China Asia Pacific Region and as part of a global task force in 2018-2019 out of Nashville USA, Jo contributed to the development of Bridgestone Corporation's global sustainability integration strategy and continues to direct globally backed sustainable mobility partnerships within Australia, lead local Bridgestone E8 Commitment integration and support improved road safety through regional and global contribution.

Joanne Hayes sits on the Finance and Audit Committee and the Governance and Risk Committee.

Mitchell Golledge

Mitchell Golledge is Head of East Region Asia Pacific for Continental in conjunction with his role as Managing Director at Continental Tyres Australia. In this turnaround role his focus has been on strategy, structure and process to obtain results in a relative short period of time.

Mitchell is highly commercial business focussed professional with a high level of exposure in marketing. He has a demonstrated background of success in business development, strategic sales, marketing and general management, both domestically and internationally.

Mitchell's experience comes from over twenty years of working and living in Asia. His strength is in his ability to manage across stakeholders directly and indirectly, excellent interpersonal and communication skills developed from multicultural dealings, adept at developing positive business relationships within a short period of time.

Mitchell has well developed and strong ability to "listen, understand and translate" business objectives, this empathetic approach to understanding internal and external stakeholders' needs is well balanced with a good knowledge of retail, manufacturing and distribution, supported with a strong financial background and KPI focus.

Mitchell has a record of growing sustainable profits for public and private enterprises, passionate builder and leader of top performing teams with global and multicultural experience in diverse sectors in developed and emerging markets.

Mitchell has been married for over 30 years and has one son and enjoys the casual game of golf.

Albert John

Casual appointment from 17-Sept-2021

Appointed 19-Nov-2021

Albert is the Financial Controller of Yokohama Tyre Australia and has held that position since 2008. His role encompasses the finance, legal & risk management, corporate development and public affairs functions for Yokohama Group.

Albert is an experienced senior finance professional with various industries for over 25 years.

He holds Bachelor of Business from University of Western Sydney and is a member of CPA Australia.

Albert John is the Chair of the Finance and Audit Committee for TSA.

David Basha

Appointed 19-Nov-2021

David Basha has over 30 years' experience in the Australian Tyre Industry.

Beginning in retail in 1990 as a management trainee, David has held positions within Tyremaster Wholesale (part of the Kmart Automotive Group) & Kumho Tyre Australia. His roles have included Sales, Merchandise, Marketing & General Management

In his current position as Sales & Marketing Director at Kumho, David oversees the company's sales, marketing and logistics divisions in Australia and New Zealand encompassing a multi brand and multi-channel strategy.

Outside the tyre industry David spent time as an Account Director within an Advertising Agency which built a skill set across a breadth of marketing disciplines such as branding, PR, digital marketing, event management, & media buying. In that time, he managed accounts such as New Holland Agriculture, Phillips Lighting and Hyundai.

David has also previously held the position of Director and Treasurer of the Australian Tyre Industry Council and is currently an elected Director of one of Australia's top 100 golf clubs.

David completed a Diploma in Business from the Australian Institute of Management.

David Basha sits on the TSA Remuneration and Nomination Committee.

Dr Lorraine Stephenson

Appointed 19-Nov-2021

Dr. Lorraine Stephenson GAICD FTSE is an international expert in climate change strategy and risk management.

She is the Founder and Principal Consultant of Lightning Consulting Services working with clients to mitigate climate-related risks and create opportunities to accelerate the transition to net zero emissions (NZE). Lorraine has a strategic focus on translating environment, social and governance (ESG) performance into strong financial performance. Advising clients on actions aligned to the Circular Economy forms part of this ESG focus.

Lorraine is also a Non-Executive Director of Queensland Electricity Transmission Corporation Limited (Powerlink) and a Non-Executive Director of Good Environmental Choice Australia (GECA). She has previously held the roles of Member of the Victorian Government's Interim Targets Independent Expert Panel, Chief Clean Energy Advisor to the Queensland Government, Member of NSW Climate Change Council and a Partner at EY.

Lorraine is a Graduate of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technological Sciences and Engineering.

Vaughan Levitzke

Appointed 19-Nov-2021

Vaughan Levitzke is a trained scientist/ ecologist and is well known for his dedication to improving SA's waste and recycling sector, hitting high profile milestones such as expanding container deposits in 2002 while he was at the SA EPA (where he also regulated the tyre industry among others), and establishing a new government statutory authority Zero Waste SA 2003 (its inaugural Chief Executive).

Vaughan oversaw the roll-out of Australia's first single-use plastic bags ban in 2009, the formation of Green Industries SA in 2016, the first circular economy strategy in Australia in 2017 and developing 4, 5- year waste strategies, a new food waste strategy in 2021 and oversaw the development of Australia's first ban on single use plastic items and disaster waste strategy and cleanup of the 2019-2020 bushfires in South Australia. He has also overseen investment in the sector of hundreds of millions of dollars for infrastructure and research, the delivery of public education campaigns including 'Which Bin' and has helped with the establishment of several new startup businesses. He has been involved with UN initiatives and forums over many years.

In 2016 he received the Public Service Medal, for outstanding public service in the area of waste management reform and policy. In December 2021 he received the international "IconSWM-CE Lifetime Achievement Award 2021" for Significant Contribution in the areas of Waste Management and Circular Economy and received life membership of KESAB in 2021. Vaughan left government after 43 years and 17 years as a Chief Executive in July 2021.

Vaughan is now focusing on circular economy and extended producer responsibility through his consulting company, Circular Economy Advisory and on new international impact initiatives as Chair of Circular360. He is also Chair of South Australia's Native Vegetation Council.

Company secretary

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

Silvio is a graduate 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 and has been directly involved in tyres since 1983 as Australian CEO for a major manufacturer.

Silvio has been personally 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 material;
- (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 2021/22 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's 2020-2023 Strategic Plan.

Performance measures

The Company measures its own performance through measures that are described in Tyre Stewardship Australia Ltd 2021/22 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 2022 the collective liability of members was \$1,100 (2021: \$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, 25 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		Remuneration 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	Number eligible to attend	Number attended
David Spear FAICD	6	6	5	4	–	–	3	3	3	3
Peter Kreitals	6	4	–	–	4	4	3	3	–	–
Steven Clifford	6	6	–	–	–	–	–	–	3	3
David Wilson	6	5	–	–	–	–	–	–	3	2
Lou Mandanici	6	4	–	–	–	–	–	–	3	2
Joanne Hayes	6	6	9	8	–	–	3	3	–	–
Mitchell Golledge	6	6	–	–	–	–	–	–	–	–
Albert John	5	4	9	9	–	–	–	–	–	–
David Basha	3	3	–	–	–	–	–	–	2	2
Dr Lorraine Stephenson	3	2	–	–	4	4	–	–	–	–
Vaughan Levitzke	3	2	–	–	2	2	–	–	–	–

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 2022 has been received and can be found on page 34 of the financial report.

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



Director: David Spear



Director: Albert John

Dated this 29 day of September 2022



Moore Australia Audit (VIC)

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**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 2022, 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 Australia

**MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257**

A handwritten signature in black ink, appearing to read 'Ryan Leemon', written over a light blue horizontal line.

**RYAN LEEMON
Partner
Audit and Assurance**

Melbourne, Victoria

29 September 2022

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	5	6,176,964	4,947,942
Finance income	5	6,227	18,692
Other income	5	627,794	229,334
Employee benefits expense		(1,660,619)	(1,091,751)
Market development expense		(1,992,643)	(2,188,729)
Depreciation, amortisation and impairment expense		(270,013)	(98,575)
Advertising and Marketing expense		(1,024,961)	(714,273)
Consultancy expense		(1,675,446)	(807,739)
Travel expense		(91,479)	(40,816)
Other expenses		(105,824)	(68,154)
Interest expense		(3,391)	(1,613)
Profit/(loss) before income tax		(13,391)	184,318
Income tax expense		-	-
Profit/(loss) for the year		(13,391)	184,318
Total comprehensive income/(loss) for the year		(13,391)	184,318

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,460,134	930,624
Trade and other receivables	7	340,482	397,249
Other financial assets	8	750,000	2,509,011
Other assets	9	751,607	601,569
TOTAL CURRENT ASSETS		<u>4,302,223</u>	<u>4,438,453</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	53,191	37,282
Intangible assets	11	77,096	262,294
Right-of-use asset	12	54,035	112,684
TOTAL NON-CURRENT ASSETS		<u>184,322</u>	<u>412,260</u>
TOTAL ASSETS		<u>4,486,545</u>	<u>4,850,713</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	362,912	674,467
Employee benefits	14	73,035	52,634
Lease liability	12	56,903	59,348
TOTAL CURRENT LIABILITIES		<u>492,850</u>	<u>786,449</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	-	56,903
Employee benefits	14	26,395	26,670
TOTAL NON-CURRENT LIABILITIES		<u>26,395</u>	<u>83,573</u>
TOTAL LIABILITIES		<u>519,245</u>	<u>870,022</u>
NET ASSETS		<u>3,967,300</u>	<u>3,980,691</u>
EQUITY			
Retained earnings		<u>3,967,300</u>	<u>3,980,691</u>
TOTAL EQUITY		<u>3,967,300</u>	<u>3,980,691</u>

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	3,980,691	3,980,691
Loss	(13,391)	(13,391)
Balance at 30 June 2022	3,967,300	3,967,300

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	3,796,373	3,796,373
Profit	184,318	184,318
Balance at 30 June 2021	3,980,691	3,980,691

Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from levies	6,701,178	5,534,634
Payments to suppliers and employees	(7,480,794)	(5,556,226)
Government Grants	653,292	171,500
Interest received	6,227	18,692
Lease liability interest	(3,391)	(1,613)
Net cash provided by/(used in) operating activities	22 <u>(123,488)</u>	<u>166,987</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from/(investment in) term deposits	1,759,011	(509,011)
Purchase of property, plant and equipment	10 (a) (41,747)	(20,046)
Payment for investment in term deposit	-	-
Purchase of intangible assets	-	(242,874)
Payment for security deposits	(4,591)	-
Net cash provided by/(used in) investing activities	<u>1,712,673</u>	<u>(771,931)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	<u>(59,675)</u>	(60,887)
Net cash provided by/(used in) financing activities	<u>(59,675)</u>	<u>(60,887)</u>
Net increase/(decrease) in cash and cash equivalents held	1,529,510	(665,831)
Cash and cash equivalents at beginning of year	<u>930,624</u>	1,596,455
Cash and cash equivalents at end of financial year	6 <u><u>2,460,134</u></u>	<u><u>930,624</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 principal activities of the Company for the year ended 30 June 2022 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; and
- iii) Communicating and educating on the subject of end of life of tyres.

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

The financial report was authorised for issue by the Directors on 29 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

(a) Transition to General Purpose - Simplified Disclosure Standard (SDS) reporting

In the previous year, the general purpose financial report has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* which complied with all recognition and measurement requirements.

There are no significant impact of the transition and description of the change in accounting policies to Australian Accounting Standards - Simplified Disclosures. There was no impact on the recognition and measurement as a result of the change in basis of preparation, however some additional disclosures have been provided in the current year, with the prior period comparatives also provided where required.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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) 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.

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(c) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Levy Revenue

Levy 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.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

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) 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 significantly less than fair value 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 asset's 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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%

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.

(e) 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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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 uncollectible 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(e) Financial instruments

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 lease liabilities.

(f) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(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) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(h) Leases

lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(k) Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. During the reporting period, management reviewed the Statement of profit or Loss and other Comprehensive income to ensure expenses were categorised by nature.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements 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 statements, 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/ Going concern

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.

Moreover, the Tyre Product Stewardship Scheme (TPSS) which is administered by Tyre Stewardship Australia (TSA) was re-authorised by the Australian Competition and Consumer Commission (ACCC) on the 3rd May 2018, coming into effect 15 June 2018. Authorisation period was for six years, bringing the current Scheme expiry at 15 June 2024. An Independent Review has recently been completed and the document will inform TSA on recommendations for re-authorisation post 15 June 2024. As at the date of signing this report, management remains confident that the scheme will be extended (noting this is 24 months post reporting date) and as such the financials are prepared on the Going concern basis.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Levies	6,176,964	4,947,942
Other Income		
- Finance income	6,227	18,692
- Government stimulus (Job Keeper / Cash Boost)	-	121,500
- Funding contribution	627,794	107,834
Total Revenue and Other Income	6,810,985	5,195,968

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	2,460,134	930,624
	2,460,134	930,624

7 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	319,323	386,465
GST receivable	18,347	7,340
Other receivables	2,812	3,444
Total current trade and other receivables	340,482	397,249

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Trade and Other Receivables

The Company applies the simplified approach to expected credit losses, 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 2022 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

	2022	2021
	\$	\$
CURRENT		
Financial assets - term deposits	750,000	2,509,011
	<u>750,000</u>	<u>2,509,011</u>

9 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	26,882	47,643
Security deposits	20,414	15,825
Accrued income	704,311	538,101
	<u>751,607</u>	<u>601,569</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Property, plant and equipment

	2022	2021
	\$	\$
Furniture, fixtures and fittings		
At cost	25,706	22,252
Accumulated depreciation	(12,858)	(10,444)
Total furniture, fixtures and fittings	12,848	11,808
Office equipment		
At cost	38,199	28,677
Accumulated depreciation	(22,545)	(15,348)
Total office equipment	15,654	13,329
Computer equipment		
At cost	47,892	21,578
Accumulated depreciation	(33,016)	(20,996)
Total computer equipment	14,876	582
Fitout		
At cost	65,322	62,865
Accumulated depreciation	(55,509)	(51,302)
Total fitout	9,813	11,563
Total property, plant and equipment	53,191	37,282

(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 2022					
Balance at the beginning of year	11,808	13,329	582	11,563	37,282
Additions	3,454	9,522	26,313	2,458	41,747
Disposals	-	-	-	-	-
Depreciation expense	(2,414)	(7,197)	(12,020)	(4,207)	(25,838)
Balance at the end of the year	12,848	15,654	14,875	9,814	53,191

Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Intangible Assets

	2022	2021
	\$	\$
Computer software		
Cost	275,173	275,173
Accumulated amortisation and impairment	(198,077)	(12,879)
Total Intangible assets	<u>77,096</u>	<u>262,294</u>

(a) Movements in carrying amounts of intangible assets

	Computer software	Total
	\$	\$
Year ended 30 June 2022		
Balance at the beginning of the year	262,294	262,294
Additions	-	-
Amortisation	(25,698)	(25,698)
Impairment loss	(159,500)	(159,500)
Closing value at 30 June 2022	<u>77,096</u>	<u>77,096</u>

During the financial year, management reviewed future economic benefits and viability of the company's software development project. It was determined that the project required rescoping and redevelopment, this was deemed as fully impaired at 30 June 2022.

12 Leases

Company as a lessee

The Company has leases over a office premises.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Office premises

The Company leases land and buildings for their premises in Melbourne Australia. The current lease is for 2 years which ends in May 2023, including a renewal option for further periods. At the date of this financial report the Company has not yet decided whether it will exercise the option period.

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Leases

Right-of-use assets

	Office Premises	Total
	\$	\$
Year ended 30 June 2022		
Balance at beginning of year	112,684	112,684
Depreciation charge	(58,976)	(58,976)
Additions to right-of-use assets	327	327
Balance at end of year	54,035	54,035

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$
2022				
Lease liabilities	56,903	-	-	56,903
2021				
Lease liabilities	59,348	56,903	-	116,251

13 Trade and Other Payables

	Note	2022 \$	2021 \$
CURRENT			
Trade payables		220,164	525,547
Sundry payables and accrued expenses		142,748	148,920
		362,912	674,467

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Provision for employee benefits	73,035	52,634
	<u>73,035</u>	<u>52,634</u>
	2022	2021
	\$	\$
Non-current liabilities		
Provision for employee benefits	26,395	26,670
	<u>26,395</u>	<u>26,670</u>

15 Key Management Personnel Disclosures

The remuneration paid to key management of Tyre Stewardship Australia Limited during the year is as follows:

	2022	2021
	\$	\$
Short-term employee benefits	303,333	275,462
Long-term benefits	30,333	26,363
	<u>333,666</u>	<u>301,825</u>

The fees paid to the directors of the Company is \$ 284,378 (2021: \$ 262,009).

16 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 15.

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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 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:

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

	2022	2021
	\$	\$
Financial assets		
Cash at bank and in hand	2,460,134	930,624
Trade receivables	319,323	386,465
Financial assets - term deposits	750,000	2,509,011
Total financial assets	3,529,457	3,826,100
Financial liabilities		
Financial liabilities at amortised cost	362,912	674,467
Total financial liabilities	362,912	674,467

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 Financial 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

18 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditors, for:		
- auditing the financial statements	19,250	18,500
Total	19,250	18,500

19 Contingencies

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

As at 30 June 2022, Tyre Stewardship Australia Limited had signed and entered into various ongoing research project funding agreements and market development contracts. At 30 June 2022 the cumulative amount of contracts in total is \$8,675,265 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 2022. 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 \$1,197,280 exclusive of GST at 30 June 2022.

Tyre Stewardship Australia Limited have spent a total of, \$7,477,985 on research projects and market development contracts in total. At 30 June 2022, \$5,966,095 of contracts have been completed, these projects have been removed as contingent liabilities.

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 29 September 2022 by the Board of Directors.

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.

21 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 outstanding obligations of the Company. At 30 June 2022 the number of members was 11 (2021: 11).

Notes to the Financial Statements

For the Year Ended 30 June 2022

22 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:

	2022	2021
	\$	\$
Profit/(loss) for the year	(13,391)	184,318
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation, amortisation and impairment	211,037	36,625
- amortisation of right of use asset	58,976	61,950
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	56,767	91,898
- (increase)/decrease in other assets except security deposits	(145,449)	(502,788)
- increase/(decrease) in trade and other payables	(311,555)	273,459
- increase/(decrease) in provisions	20,127	21,525
Cashflows from operations	<u>(123,488)</u>	<u>166,987</u>

23 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

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 35 to 55, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2022 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: Albert John



Dated this 29 day of September 2022


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**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 2022, 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 2022 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosure 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 2022, 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.

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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 – Simplified Disclosure 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/ar1.pdf. This description forms part of our auditor's report.

Moore Australia

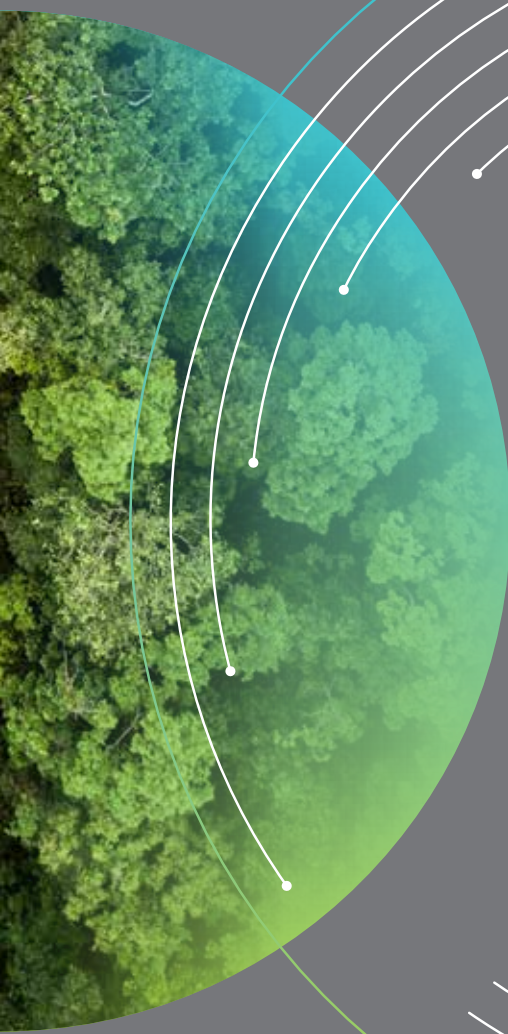
MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

A handwritten signature in black ink, appearing to read 'Ryan Leemon'.

RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria

29 September 2022



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