

TE TIROHANGA



Tyrewise

THE VIEW FROM HERE

Annual Report 2026

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Tyrewise is Aotearoa New Zealand's regulated product stewardship scheme for end-of-life tyres. For decades many used tyres followed separate paths to landfills, stockpiles and illegal dumps. In our first year, those paths finally met. Importers, retailers, transporters, processors and communities came together and set out as one system.

WE WALKED TOGETHER

Now we can see how far we've come.

He karu ruru, he tirohanga hōhonu. With the eyes of a ruru, we see deeply.

The ruru, the native owl or morepork that guides the Tyrewise brand, is a watchful kaitiaki, or guardian, with eyes made for distance. It sees furthest from high ground. This report is the view from here.

This report tells the story of our first full twelve months of collections, from every corner of the motu. From here, we can look back and see what has worked and what needs attention. Nineteen months of real-world operating data now shape how we run the scheme, where we improve it and what we plan for. For the first time, we can also see how our partners feel about it, through our first participant survey and the voices of the people who take part.

And we can look ahead, to growing domestic markets for recycled rubber, and to research, investment and new products made here in Aotearoa New Zealand. Some of that is already visible. Some is still taking shape.

He kōrero nā te Heamana
A word from the Chair

A year of consolidation

Last year I reported on New Zealand’s first regulated product stewardship scheme, that had just gone live. This year I can report that it has run for a full twelve months, and what the year has taught us.

In year one, the tyre industry came together and built the system: a nationwide takeback network, contracted transport, incentives for local processing, and the Tyrewise app that tracks tyres from collection to their end use. It included deep dives into the all-important Health and Safety aspects of the scheme, and the numerous legal contracts that required navigation.

In year two, the Board of Trustees has concentrated on oversight: of the Scheme Manager’s work to make that system run better, of the retendering of transport contracts, and of our first participant survey, which tells us most registered partners feel very positive about the scheme.

The year also marked the moment the Board’s attention lifted from the network in front of us to the market beyond it. With the network established, our next task is to build the domestic market for what it collects. In June 2025, Puna Taurima, the Tyrewise Fund, opened for expressions of interest and drew strong interest in its first round. The Grants Committee has made its recommendations to the Board, and the first funding agreements are being finalised. Alongside this, the action plan for rubber in roading gives Aotearoa New Zealand’s roading supply chain a shared plan for the market with the greatest potential to consume recycled rubber.

We do not operate alone. October’s Round Trip Summit with Tyre Stewardship Australia, and the Trans-Tasman Tyre Recycling Alliance that came out of it, mean the two schemes will face a fast-moving global market with one voice.

Change is coming to the legislation that Tyrewise operates under. The Board will continue to work with the Ministry for Cities, Environment, Regions and Transport (MCERT) and the Scheme Manager so that the transition, when it arrives, protects what the industry has built. There are a lot of moving parts to a product stewardship scheme, and this relies on everyone contributing extensively.

On behalf of the Trustees, thank you to MCERT staff; to the Scheme Manager, 3R Group;, to Nexia our accountants; to our Technical Advisory Groups; the Steering Group and all Board Committees; and above all to the thousands of registered partners whose daily work is the scheme.

Ka mua, ka muri. We understand what comes next by knowing what has come before.

Ngā mihi,

Mark Gilbert
Chair, Auto Stewardship New Zealand



He kōrero nā te Kaiwhakahaere Kaupapa
A word from the Scheme Manager

What a full year shows us

Seven months of collections gave us our first annual report. Twelve more have given us something better: a full year of real data on how end-of-life tyres move around Aotearoa, and the feedback of the people who move them.

That data has done its job, showing us where the takeback network runs well and where inefficiencies creep in. It told us, in the last quarter, that payments per tonne transported were rising, and it let us respond quickly, working directly with transporters and planning changes to the Tyrewise app that will reward efficient practice without cutting service. When conflict in the Middle East pushed fuel prices up sharply, the same data let us analyse the real effect on transporters’ costs and respond with evidence rather than guesswork.

The survey results in this report matter to us as much as the tonnages. Registered partners told us they understand the scheme, feel confident in their roles and rate their transporters highly. Tyre consumers who know about Tyrewise increasingly understand it, and more of them say they recycle their tyres. Those are the foundations a stewardship scheme is built on.

This year our attention also turned outward, to the markets that will take the rubber we collect. The action plan for rubber in roading, commissioned from WSP, sets out what the roading value chain needs to do to bring a technology already in use overseas to Aotearoa New Zealand roads. Puna Taurima, the Tyrewise Fund opened its first round and showed us the depth of ideas waiting for support. Our foreign end market verification work continued, in partnership with Tyre Stewardship Australia, to check that exported tyres go to sites that meet expected environmental standards and are not linked to modern slavery.

There is plenty still to do: transport efficiency, the first grant distributions, a working group on retreading, and a refreshed risk framework built on real-world experience. From where we stand, the picture is this: the network runs, the people in it are engaged, and the next stage is about value.

Thank you to every registered partner, transporter, processor and importer who made year two what it was.

Ngā mihi,

Adele Rose
Chief Executive, 3R Group, Tyrewise Scheme Manager



Te titiro a te ruru: tā mātou whāinga
The steady gaze of the ruru

Tā mātou kaupapa
Our mission

Improve the value for end-of-life tyres in cost-effective and environmentally sound ways.

Tā mātou whāinga
Our goal

90% of collected end-of-life tyres processed and sold into the Aotearoa New Zealand domestic market by 2030.

Ā mātou mātāpono
Our guiding principles

- To be collaborative
- To be economically effective
- To be environmentally sound
- To operate according to best practice

Te tau tuarua: he tirohanga tauanga
Year two: a statistical snapshot

65,765

Tonnes of tyres collected

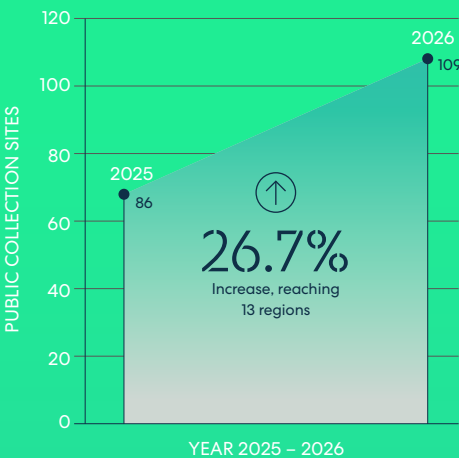
8.2M

end-of-life passenger car tyres.

Our first full twelve months of collections. Equivalent to 6.9 million passenger car tyres.*

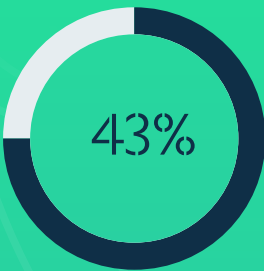
*using standard end-of-life measure of 8kg per passenger tyre equivalent.

Public collection sites



34,599

tonnes processed into tyre-derived products and tyre-derived fuel.



of tyre consumers say they recycle their tyres, up from 30% last year.



5,444

registered partner locations are able to book tyre collections up from 4,624 at the end of year one.



collection jobs booked through the Tyrewise app, up from 41,000+ for seven months of collections in year one



89%

or more of the takeback network survey respondents satisfied or very satisfied with the communication, friendliness, professionalism and reliability of their collection service



72% of respondents to our registered partner survey feel very positive about Tyrewise, and a further 20% somewhat positive.

SECTION 1

E HAERE
WHAKAMUA
TONU ANA
CONTINUING
TO MOVE
FORWARD

A full year of operations lets us see the network as a whole: where it runs smoothly, and where it needs work. In year one, Tyrewise built the ecosystem to recover regulated end-of-life tyres for recycling and reuse. In year two, we worked with our partners and stakeholders to make that network run better.

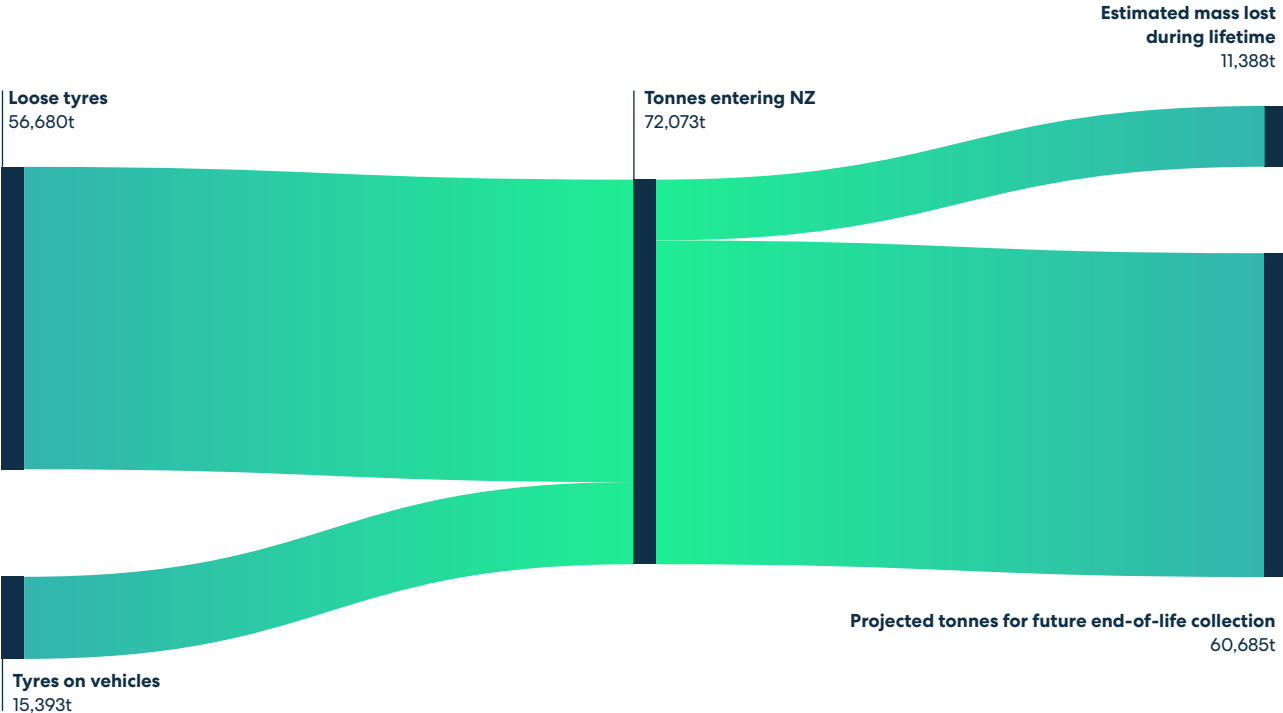
Mā ngā kai kawemai taea e neke tonu ai a Aotearoa
Tyre importers keep Aotearoa moving

Seven months of operating data from our first annual report, together with first-hand feedback from registered partners, showed us where to create efficiencies, improve systems and refine our plans for the future. We can now also measure how registered partners feel about the scheme and how confident they are in their roles, and how tyre consumers, who pay the tyre stewardship fee, perceive it.

Importers remain a vital part of the system. The point of import is where the tyre stewardship fee is first paid, before it passes through to the tyre consumer.

Most tyres entering the country arrive either loose, where the fee is collected based on declared tariff item data, or on road-registered vehicles, where the fee is collected using data supplied by NZTA Waka Kotahi at first registration. Smaller volumes are self-declared to Tyrewise.

Types of imports



Mass of loose tyres entering NZ is estimated based on their tariff classification.
Mass of tyres entering NZ on vehicles is estimated based on the fee charged to a vehicle, based on EPU.

Mass lost during the lifetime of a tyre is estimated at 15.8% of its new mass, leaving an estimate of the tonnes that will be available for collection at the end of life.
In addition to the volumes above, 2,693 loose tyres and 17,663 vehicles were self-declared to Tyrewise. Because the number of tyres on self-declared vehicles varies widely, we do not estimate their mass.

He kōrero nā David Rushbrooke
Tyreline Distributors

David Rushbrooke is Chief Operating Officer of Tyreline Distributors, New Zealand distributor for Michelin and other brands. From its main warehouse in Hamilton, Tyreline supplies retailers, fleets, agricultural contractors, mining customers and vehicle dealerships nationwide, bringing in more than 100,000 tyres a year, from passenger tyres to tyres for earthmovers.

Before Tyrewise, a disposal fee was charged at the end of a tyre's life, usually by the retailer. "We would usually have a fair idea of the companies our customers were using to dispose of tyres, but we didn't really know," David says. "In some situations, those tyres were probably going into landfill."

Now the fee is paid at import. The big change for Tyreline has been identifying every tyre that comes into the country and working out the correct fee based on its tariff item classification, then helping customers charge it on correctly. Importers classified some tyres differently at first. "That all worked itself out over time. Now we generally all charge the same rate for a certain tyre, and if we don't, our customers tell us pretty quickly."

Today most customers have the fee loaded in their systems and it passes through automatically. "It's pretty seamless."

What David would tell an importer overseas is that the scheme has put real value into the end-of-life industry, with payment flowing from collection through to the new industries developing in New Zealand. "When a tyre comes off a car or a truck, there's still a lot of raw material in it. If there's value to somebody to process that, we can create new industries out of it."

"When you buy a tyre now, there's a fee on the invoice that says tyre stewardship fee, as opposed to disposal fee. It's changed the way people look at buying a tyre."

David Rushbrooke, Chief Operating Officer,
Tyreline Distributors



Te whai wāhitanga ki te kaupapa
Scheme participation

TYRE IMPORTERS

306

TYRE RETAILER / FITTERS

4,235

VEHICLE IMPORTERS

424

VEHICLE SELLER

998

COLLECTION SITES

109

TRANSPORTERS

9

PROCESSORS

5

MANUFACTURERS
(END USERS)

5

FLEET OWNER /
OPERATORS

571

SCRAP DEALER OF
VEHICLES

313

Locations with multiple functions counted multiple times

Te huringa o ngā miriona tupare
Moving millions of tyres

During the twelve months to 31 March 2026, our contracted transporters collected 65,765 tonnes of tyres from the takeback network.

Transporters play a key role in tyre recovery, and transport payments are the single biggest cost to the scheme.

The initial transport contracts ran for 12 months from 1 September 2024 and were extended by three months to allow time for a new tender and for contracts to be finalised. All existing transporters were reappointed from 1 December 2025, most for a 24-month term and one for 12 months. Some expanded their operations into regions beyond their initial contracts.

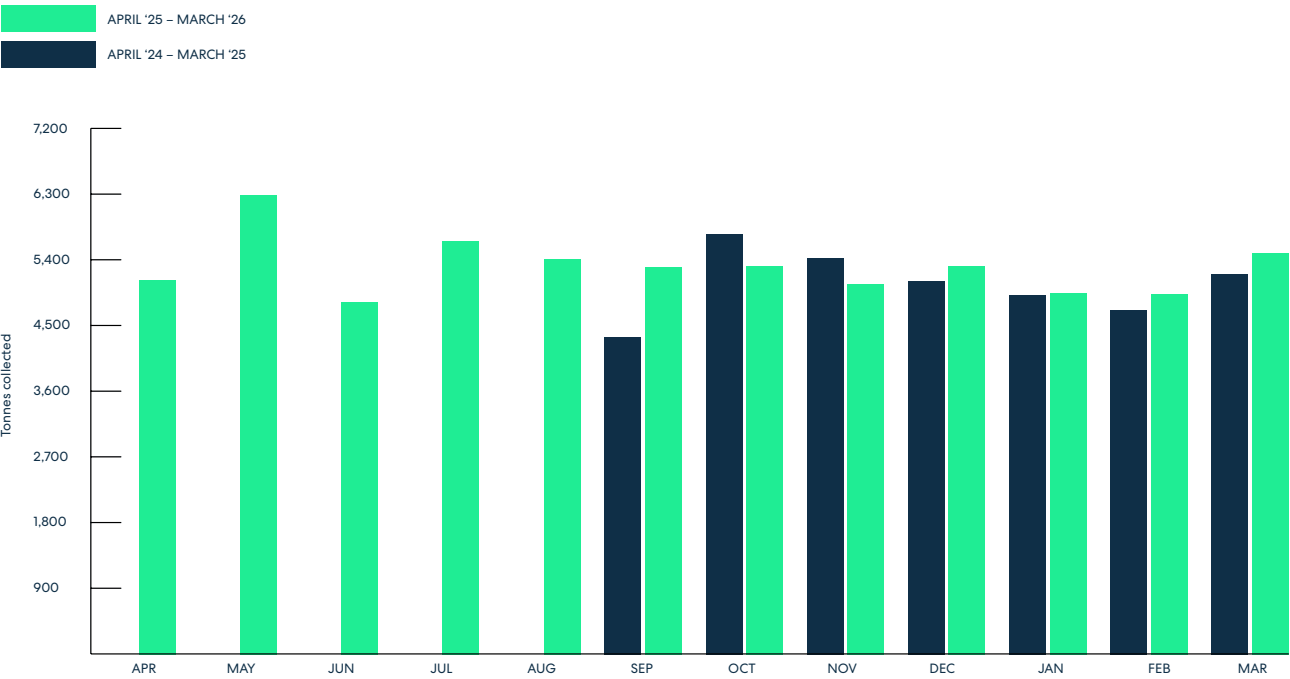
Takeback network efficiency

It’s critical that transporters and those receiving collections use the Tyrewise app correctly and operate efficiently. That’s how the scheme optimises its transport spend and minimises emissions while maintaining service levels to the takeback network and ensuring transporters have sustainable business models.

Over the last quarter of the reporting period, payments per tonne of tyres transported increased, indicating that inefficiencies were creeping into the system. We are addressing this directly with transporters and planning changes to the Tyrewise app to encourage more efficient practices without compromising service.

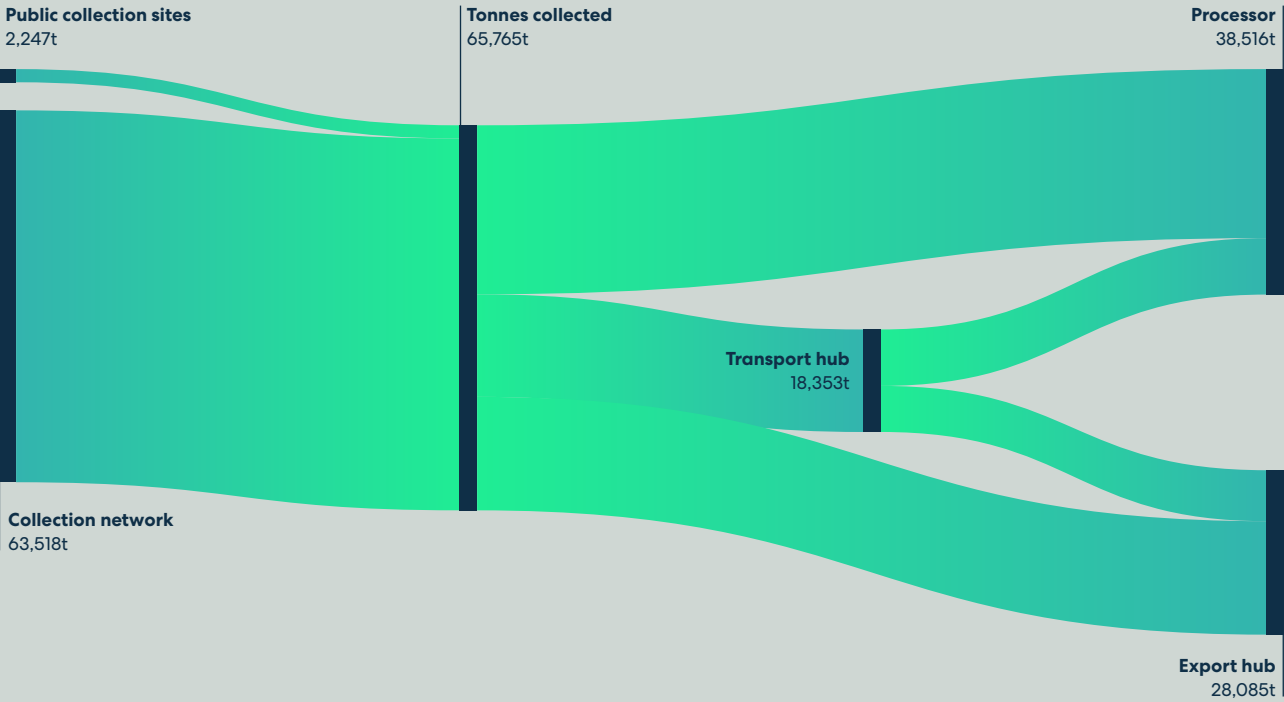
During the same period, conflict in the Middle East disrupted global supply chains and transporters faced sharp increases in fuel prices. This raised the possibility of contract variations and required an urgent review. Our analysis showed that although fuel costs were higher than the previous 12-month average, fuel is a small percentage of transporters’ total input costs, and one that can be better managed through improved route planning and service efficiency. We continue to monitor the risks to scheme operations from the ongoing conflict.

Year-on-year data shows collection volumes tracking slightly ahead of the previous year in most months.



Tonnes of tyres collected and delivery points

Year on year collection data shows collection volumes are steady, with little variation each month compared to the previous year.



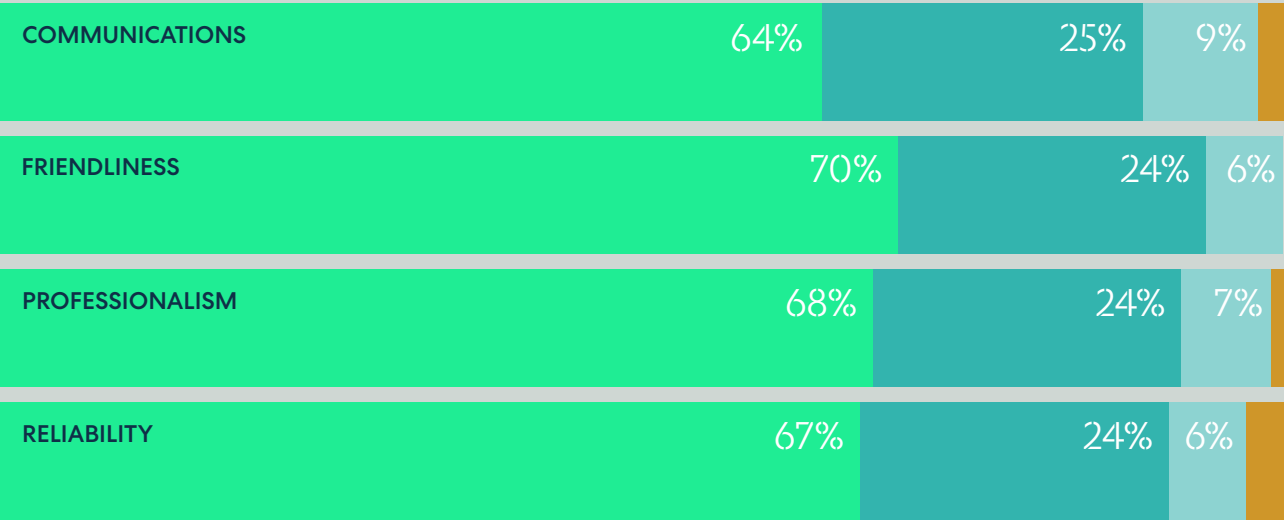
Network satisfaction with collection services

Our first participant survey, carried out during the year, showed that the takeback network is highly satisfied with the collection services transporters provide.

89%

At least 89% of respondents were satisfied or very satisfied with the communication, friendliness, professionalism and reliability of their collection service.

Please rate your chosen transporter on...

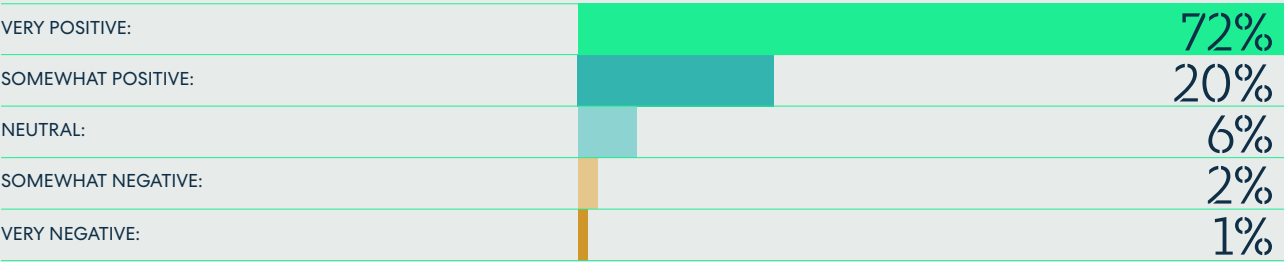


Ngā whakaaro o te hunga whai panga
The stakeholders' view

Data shows us the shape of the network. For a closer look, this year we asked the people in it how the scheme is working for them.

During the year we carried out our first annual participant survey and our second tyre consumer survey.

How do you feel about Tyrewise in general?



Participant positivity and confidence

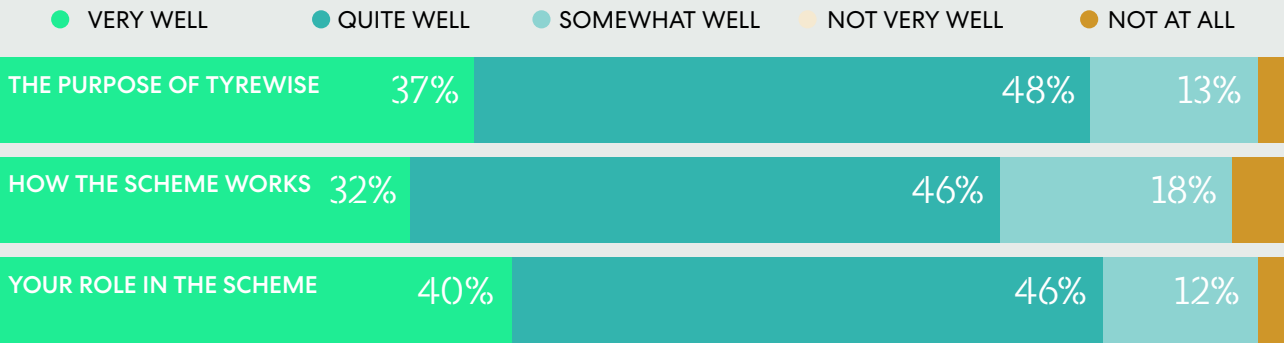
Our inaugural scheme participant survey showed a high level of positivity, with 72% of respondents feeling ‘very positive’ about the scheme, and 20% feeling ‘somewhat positive’.

85% of respondents were extremely or very confident about their roles in the scheme’ Only four percent feel ‘not very or not at all confident’.

Respondents also expressed high levels of understanding for the purpose of Tyrewise, how it works, and their role in the scheme.

Confidence is high too. 85% of respondents were extremely or very confident in their roles within the scheme, and only 4% felt not very or not at all confident. Respondents also reported a strong understanding of the purpose of Tyrewise, how the scheme works and their own role in it.

How well do you understand....?



The transition

“We care about the environment and see this scheme as an excellent solution to what has been a nationwide problem.”

Fleet owner

“Since we implemented it on day one, there hasn’t been any issue. As far as it goes, very clear. And due to that, we’ve been able to be very clear with customers and the public of how it works, no issues.”

Collection Site

Outcomes

“So far it provides me ease of disposal and gives me pride that my end-of-life tyres have purpose.”

Retailer/Fitter

“We can honestly tell our customers why they have a fee and what happens to their scrap tyres.”

Retailer/Fitter

Changing tyres, changing times

Aaron Stevens has been changing tyres since he was 16, in the shop and out on farms and in quarries fitting mine and tractor tyres. Most of his customers never ask where their old tyres go. He has watched companies come and go trying to solve the problem, and says a compulsory, nationwide scheme means there will be plenty of tyres for processors and manufacturers to turn into products.

“The view from here is the scheme only growing stronger. The collections are working great, things are getting fine-tuned as we grow and learn, and as more products come to market there are only more options.”

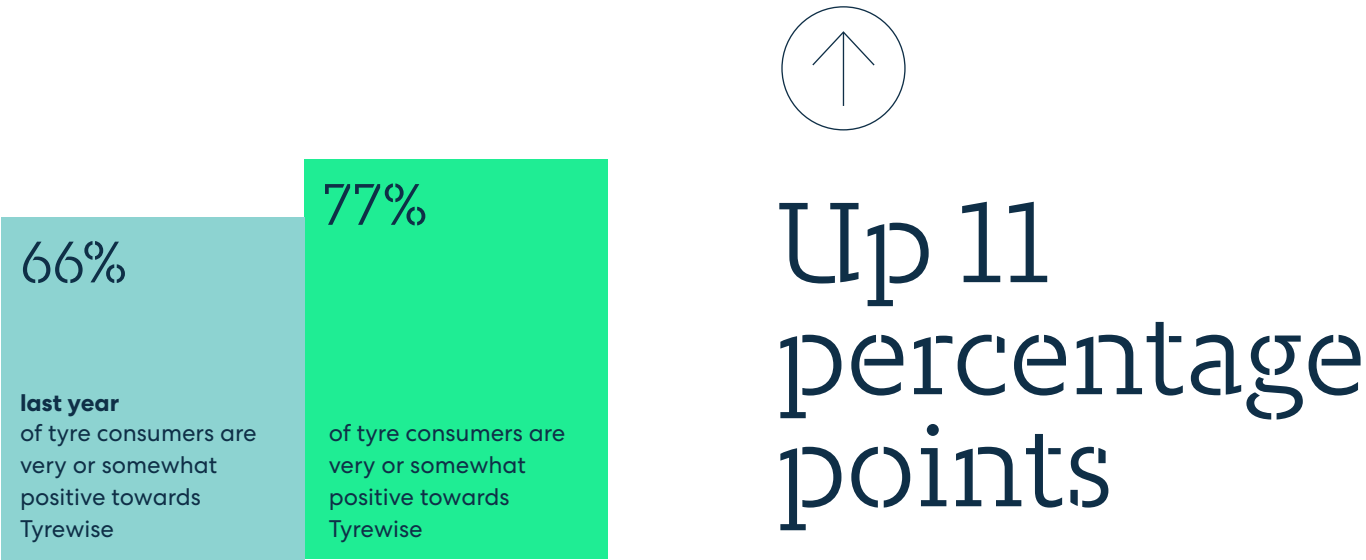
“I’m just glad the tyres are not going to a dump pile or some back farmland. They’re being repurposed into new products, and my kids don’t have to deal with the mess of cleaning up old tyres.”

Aaron Stevens,
Te Rapa Tyre Centre, Hamilton

Tyre consumer perceptions

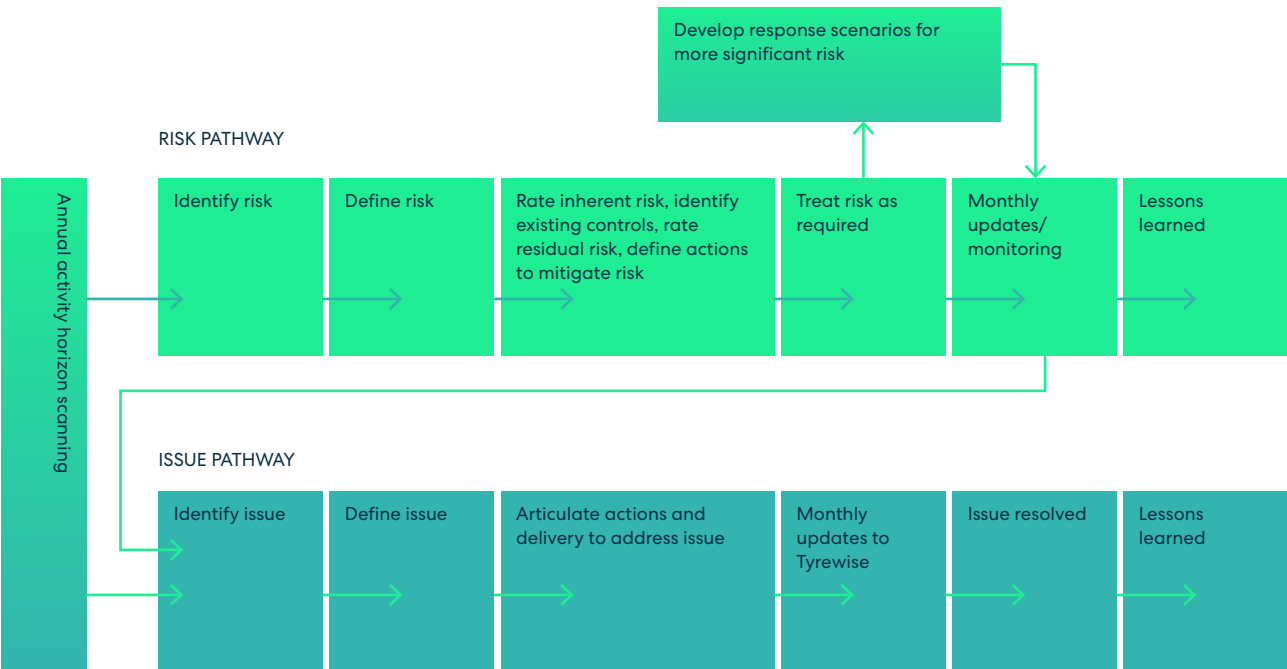
Awareness of the Tyrewise brand lifted only slightly on the previous year’s survey, but the behaviour behind it moved further. The share of respondents who say they recycle their tyres jumped 13 percentage points, from 30% to 43%. Understanding strengthened as well: 85% of respondents who were aware of Tyrewise had a correct understanding of the scheme.

Positivity towards Tyrewise rose significantly. 77% of respondents were very or somewhat positive towards the scheme, compared with 66% the previous year.



Te anga mōrearea e huri haere ana
Evolving risk framework

In the last quarter of the year, our Risk and Performance Manager began a series of workshops to evolve the scheme’s risk management framework. The workshops revisited the risks the scheme faces, this time with nineteen months of real-world operating experience to draw on.



Te aroturuki a te kaiuru
Participant monitoring

Our field reps made 3,584 site visits during this reporting period, checking that participants were acting in accordance with Waste Minimisation (Tyres) regulations 2023, and answering any questions they had.

The Scheme Manager’s Risk and Performance Manager logged 100 complaints or compliance issues during the period. Of those, 16 were considered serious. At the end of the year, seven were unresolved.

Across the year, a total of 37 matters were escalated to the Ministry for consideration. All but two of those were in relation to late retailer/generator registrations and, at the end of the reporting period, all matters had been resolved by the Ministry.

Ngā whanaketanga ā-ture, ā-whakaritenga hoki
Legislative and regulatory developments

Refining the legislation and regulations

In September 2025, the Waste Minimisation Act 2008 was amended to allow regulations to specify who is responsible for collecting product stewardship fees. The intention is to make fee collection more efficient.

In December 2025, minor technical amendments were made to the Waste Minimisation (Tyres) Regulations 2023. The most significant addressed a concern for tyre exporters: fees are not payable on tyres exported from Aotearoa New Zealand fixed on a vehicle or aircraft, or loose for use on a vehicle or aircraft. A refund is now available for tyres that are exported after 11 December 2025. Refund applications must be supported by appropriate evidence.

Recommendations from a Tyrewise working group to improve the alignment of tariff items with the tyre stewardship fee have been provided to the Ministry for its consideration.

Effectiveness of the tyre stewardship fee

The Ministry for the Environment (now MCERT), in its role as regulator, has begun assessing the effectiveness of the tyre stewardship fee and examining whether the fee settings are work-ing as intended. Best practice is that cost-recovery regimes are reviewed every three to five years. The review, and identification of any next steps, is expected to be completed by 30 June 2027.

Waste legislation changes

From April to June 2025, the Government held a public consultation on proposed changes to the Waste Minimisation Act 2008 and the Litter Act 1979. The aim is to modernise how Aotearoa New Zealand manages waste and litter, and the consultation included a proposed new framework for extended producer responsibility to replace the existing product stewardship provisions. Existing schemes such as Tyrewise would need to transition to the new framework.

Drafting of the amended waste legislation is presently on hold pending completion of other Government bills.



SECTION 2

KIA PUĀWAI
TE MĀKETE
Ā-ROTO
FOSTERING
DOMESTIC
MARKET
GROWTH

With operations bedded in and continuous improvement part of the everyday work, our attention is turning to what lies further out: the end markets for recycled rubber materials.

Large volumes of tyres (35,815 tonnes during this reporting period) continue to be exported to offshore markets, and with them goes the potential to add value to our domestic economy. 32,313 tonnes were processed into tyre derived fuel for the period. A small proportion of this, the remaining rubber, steel and ash is incorporated into cement manufacture.

2,286 tonnes was turned into tyre derived products for other domestic manufacturing.

Reaching our goal of 90% of collected end-of-life tyres processed and sold into the Aotearoa New Zealand domestic market by 2030 depends on executing our market growth and investment strategy.

Te rautaki wāhanga toru
A three-part strategy

Our Market Growth and Investment Strategy works on three fronts: stakeholder engagement for rubber in roading, grant funding through Puna Taurima, and marketing and communications.

Market Growth & Investment Strategy

		
Rubber in Roading Stakeholder Engagement	Grant Funding	Marketing & Communications
ELEMENT Rubber in Roading Stakeholder Engagement Plan	ELEMENT Tyrewise Grants	ELEMENT Marketing & Communications Plan
PURPOSE Create another anchor market (beyond Tyre Derived Fuel)	PURPOSE Unlock new / end markets	ELEMENT Build awareness & influence demand pull through
SUCCESS MEASURE 16–18K tonnes of crumb rubber used as a modified binder in asphalt and chip seal	SUCCESS MEASURE Funded projects scaling into market	SUCCESS MEASURE Procurement uptake Satisfaction measures by participants and tyre consumers

Mai i te tupare ki te rori From tyre to road: the action plan for rubber in roading

Promoting and enabling the use of crumb rubber in roading is a strong focus for two reasons: the volume it can consume, and its position in the World Business Council for Sustainable Development's tyre waste hierarchy. Reusing crumb rubber to replace virgin materials in roads, construction and manufacturing is second only to retreading.

In May 2025 we received a significant piece of work we had commissioned from WSP: an action plan to remove the barriers to market uptake of 16,000 to 18,000 tonnes of rubber-modified bitumen in the nation's roads. This is the plan Aotearoa New Zealand's

roading value chain needs to realise benefits that have already been proven around the world.

The barriers to domestic uptake fall into three categories: security of supply of recycled rubber materials, procurement demand for those materials, and domestically based research into performance and environmental impacts.

The action plan now forms the backbone of our engagement with roading stakeholders. It also helped shape Puna Taurima: its structure, its funding priorities and its assessment criteria.

Te waihanga i te ara ki mua Workshopping the road ahead

In October 2025, ahead of the Round Trip Tyre and Conveyor Belt Recycling Summit in Melbourne, we held a workshop on advancing the uptake of rubber in roading for delegates from New Zealand's roading supply chain.

The workshop gave the New Zealand supply chain the chance to discuss their respective roles in the Action Plan for Crumb Rubber in Roading, and to hear Australian research, implementation and procurement perspectives. Insights from NTRO, Fulton Hogan, Colas and Main Roads Western Australia were well received by the New Zealand contingent. We were also fortunate to have H. Barry Takallou of CRM in the USA contribute his decades of experience in North America.

“For a company new to roading we absorbed so much useful information and met some really good contacts willing to help kickstart rubber in roads here. We couldn't have asked for a better platform.”

NZ processor

The potential benefits of crumb rubber in roading

The benefits of crumb rubber in roading extend beyond simply improving resource efficiency and reducing emissions. The properties of the recycled rubber itself can have additional benefits such as:

- Improved performance and durability
- Potential for improved whole of life cost, supported by use of the Tyrewise incentive
- Reduction of lifetime emissions
- Potential for quieter, safer roads
- Proven global technology
- Alignment with the delivery of public value in government procurement guidelines

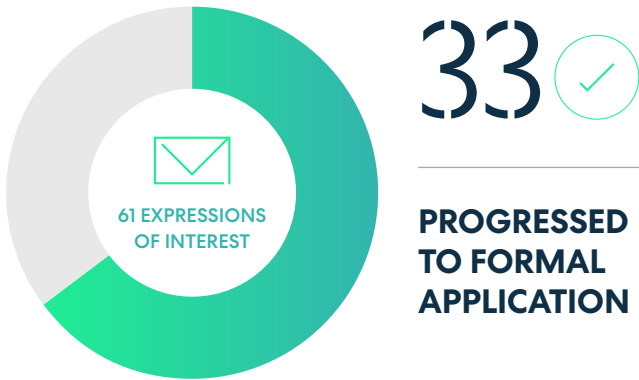
Puna Taurima,
The Tyrewise Fund

The financial model for Tyrewise allocates 9% of the tyre stewardship fee per epu to grant funding that fosters end markets for recycled rubber materials. In June 2025, Puna Taurima, the Tyrewise Fund, opened for expressions of interest.

Careful planning by the Tyrewise Scheme Manager ensured that the fund's expression of interest and application guidelines, funding streams, priorities and assessment criteria reflect the scheme's guiding principles and support market development.

The inaugural round drew 61 expressions of interest by the deadline, 33 of which progressed to formal application. 3R Group, the Tyrewise Scheme Manager, was pleased with the quality of the applications received. They assessed each one against the fund's criteria and made recommendations to the Tyrewise Grants Committee.

The Grants Committee made its recommendations to the ASNZ Board in December. Due diligence, agreement on detailed project plans and finalisation of contracts for approved projects were ongoing at the close of the reporting period.



- TYREWISE GRANTS COMMITTEE**
- Peter Holley, ASNZ Trustee
 - Samantha Sharif, ASNZ Trustee
 - David Tikao, Independent committee member
 - Ashleigh Gilmour, Nexia, Chartered Accountant

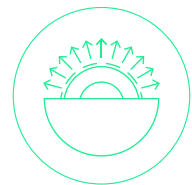
Funding streams:

Research & Development



This stream is focused on research that can create real benefits from the use of tyre derived products. Funding applications supported through this stream may range from exploration of new ideas to demonstration projects that have been proven via research and development and now require larger scale trialling, monitoring and real-world demonstration to validate viability. The funding may extend to projects aimed at 'standardising' and 'normalising' existing equipment and infrastructure that will ensure consistent, ongoing consumption of recycled rubber material.

Emerging Markets



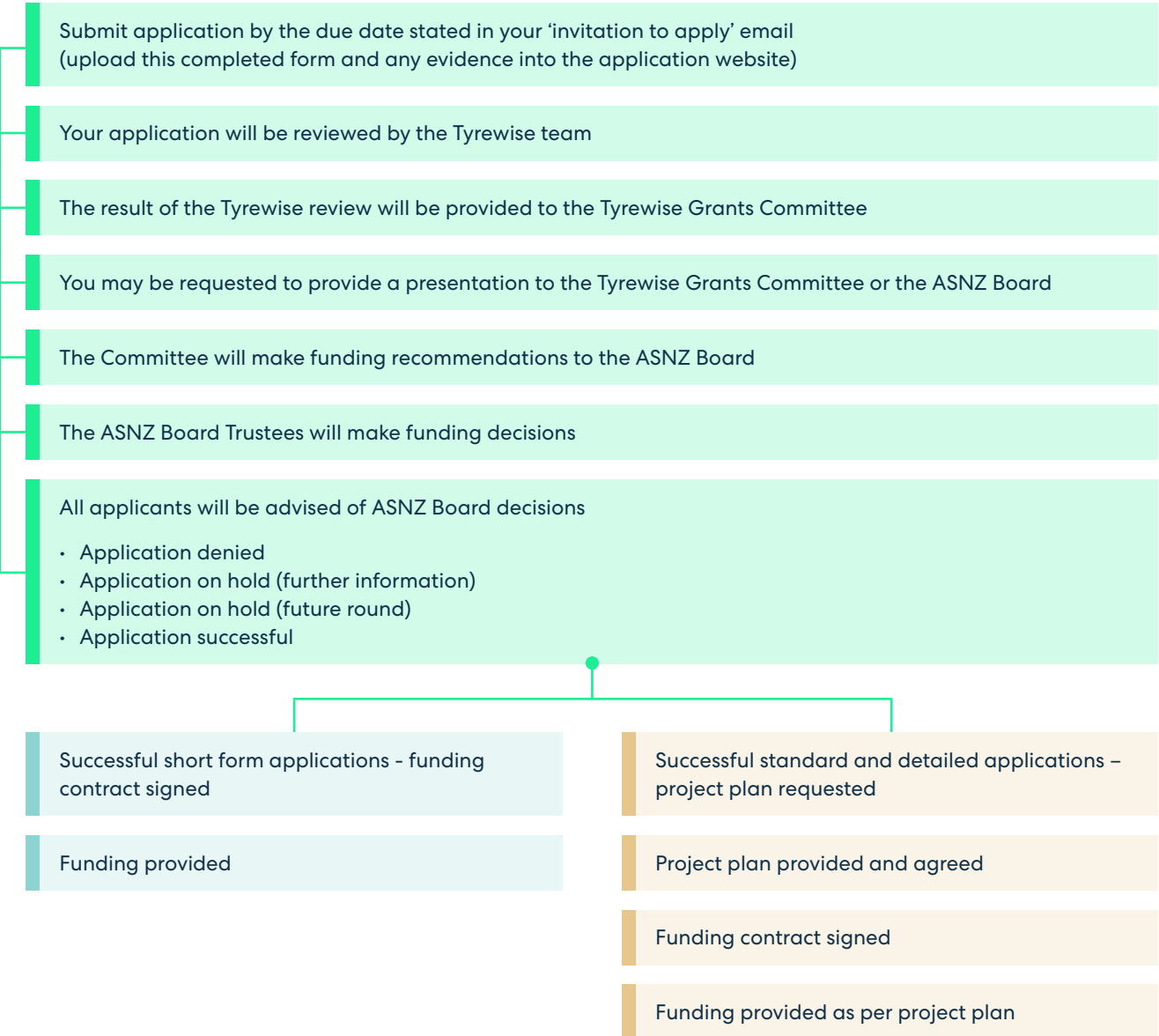
This stream supports innovative funding applications that are moving beyond the research phase and that can demonstrate both economic viability and sound environmental benefit for recycled rubber material. Projects must clearly demonstrate how they will expand and strengthen markets for ranges of tyre derived products.

Community Development



This stream considers projects that improve the functionality, quality and enjoyment of public spaces and facilities, with a particular focus on the environmental and social benefits the project generates.

Funding process:



Whakatairanga me ngā
whakawhitiwhiti kōrero
Marketing and communications

Marketing and communications activities support market development through engaging the audiences that can have the most influence on removing barriers to procurement, and on procurement decisions themselves.

Hosting targeted workshops, events and webinars maintains stakeholder engagement and grows sector knowledge of the benefits and practical use of recycled rubber materials in various applications.

We publish and disseminate research and case studies and maintain online knowledge hubs about tyre materials and the use of recycled rubber in roading. Communications activities such as media releases and newsletters promote the availability of grant funding to a range of possible funding recipients.

Once grant projects come to fruition, Tyrewise marketing and communication channels and activities will also be a platform to communicate the outputs of research and development, as well as share knowledge gained from emerging markets projects.

Together these activities will help to position recycled rubber materials as valuable, versatile, locally available resources for a range of uses.

He kōrero nā Dominic Salmon,
Tyrewise Fund Advisor

Dominic Salmon leads business development at 3R Group, the Tyrewise Scheme Manager, and took on the role of Fund Advisor for Puna Taurima, the Tyrewise Fund in July 2025, its first year. “Because it is grant funding, we have to be so careful and make sure we are absolutely watertight.”

The response exceeded any expectation he had. The largest value sat in research and development, particularly for the work needed to shift rubber into roading. Other ideas, such as permeable surfaces for car parks, paths and kerbs that let water reach trees, challenged how infrastructure is built, not only what it is built from.

The roading applications set out to remove the obstacles that stop councils and agencies specifying rubber: durability, recyclability, longer surface life. “It’s helping encourage early adoption. We believe the funded projects will give roading owners confidence to adopt rubber in roading technology, and we can build momentum from there.”

In three to five years he wants to see recycled rubber normalised in infrastructure, from roads to building foundations, and the reliance on export markets falling as a result. The measure is simple: what will the view look like in 2027? “This time next year I’ll be able to say we have achieved.”

“There is certainly no shortage of organisations and projects Puna Taurima can fund to nurture the uptake of Kiwi recycled rubber materials. The key is making sure there are solid project plans and deliverables to support success and reduce risk.”

Dominic Salmon,
Tyrewise Fund Advisor

“Because it is grant funding,
we have to be so careful and
make sure we are absolutely
watertight.”

Dominic Salmon,
Tyrewise Fund Advisor



“Kaitiakitanga reminds us that our decisions today affect the options available to future generations tomorrow.”

David Tikao, independent member,
Tyrewise Grants Committee



He kōrero nā David Tikao, Independent member, Tyrewise Grants Committee

David Tikao (Ngāi Tahu, Ngāti Kahungunu) brings deep experience across intergenerational wealth management, sustainable finance and culturally aligned stewardship.

He holds roles with Ngāi Tahu Holdings Corporation, Auckland City Mission Housing Ltd, Toitū Tahua: Centre for Sustainable Finance and Mindful Money, among others. As a member of the Ministry for Cities, Environment, Regions and Transport's Waste Investment Panel, he has a strong understanding of investment for waste minimisation and resource efficiency.

He saw the Grants Committee as a chance to apply his experience in stewardship and long-term investment thinking to a fund that can create lasting benefits for Aotearoa New Zealand. “What interested me most was the chance to help turn a waste challenge into future opportunities.”

He sees Puna Taurima, the Tyrewise Fund, contributing to a circular economy by creating new uses and markets for recycled tyre materials. “The real opportunity is generating environmental, economic and community benefits from a resource that was previously discarded.”

Because the fund is paid for by the tyre stewardship fee, he is clear about what fee payers should expect. The committee assesses applications against clear criteria and focuses on longer-term outcomes rather than short-term interests. “Fee payers should expect us to be careful stewards of their contributions, and to support projects that deliver real value.”

Kaitiakitanga shapes how he weighs a project: the capability, knowledge, environmental improvements or stronger communities it creates. Panels for other funding entities have taught him that successful projects need innovation and a realistic path to implementation. “Good ideas matter, but lasting impact comes from strong partnerships, clear outcomes and the ability to scale up.”

His advice to future applicants: be clear about the problem you are solving and the difference your project will make. “The strongest applications show how benefits will continue long after the funding has been spent.”

From where he stands, the conversation has shifted in the last twelve months from simply collecting tyres to creating value from them, with growing opportunities ahead in infrastructure, manufacturing and community applications.

He kōrero angitu: Fulton Hogan

Case study: Fulton Hogan

Incorporating rubber-modified bitumen into roading operations is already business as usual for Fulton Hogan across the Tasman. That experience has positioned the company well to become an early adopter of the technology in Aotearoa New Zealand. Its story here tracks the three barriers the action plan identifies: supply, procurement demand and research.

Bryan Pidwerbesky, Technical Director for Pavements, has spent 40 years in New Zealand roading. Fulton Hogan embraced crumb rubber when it expanded into Australia 25 years ago, where it had already been used in sealing for decades. "The Australians recognised the benefits of crumb rubber in bitumen and how it improves the life of the seal."

The company's first New Zealand use was an asphalt trial nine years ago, backed by a Waste Minimisation Fund grant. The bitumen left the plant in Tauranga, was blended with imported crumb in Auckland and driven to Wellington to be mixed and laid. "There was no one in New Zealand producing crumb rubber to the standard we needed."

The first crumb rubber chipseal came this year, on a quarry road Fulton Hogan operates in Selwyn, chosen so the team had total control and no public traffic to manage. Australian colleagues came across to make sure the work followed best practice, and Fulton Hogan adopted the Australian specifications as they stand, since they already allow for the softer bitumen that colder South Island conditions need. The seal is being monitored.

The main change in the last twelve months, Bryan says, is a reliable, consistent, good-quality local supply of crumb. Quality is specific: consistent sizing, compatibility with the bitumen, and no metal, which wears out nozzles and pumps. Locally made crumb could replace up to 16% of the bitumen New Zealand imports.

The benefits are longer seal life, flexibility, less cracking and less flushing in summer, and lower whole-of-life cost despite higher setup costs. The work ahead is research: NZTA currently specifies emulsion seals on state highways because they are sprayed at lower, safer temperatures, while crumb rubber currently needs heat. "If we can get crumb rubber into emulsion, I'll be very happy...it means operating at a safer working temperature."



"The opportunity now is to move from proving what's possible to scaling what works. By bringing together industry experience, local supply and forward-thinking clients, we can accelerate the use of recycled tyre materials in roads and unlock long-term benefits for both communities and the environment."

Bryan Pidwerbesky, Technical Director
for Pavements, Fulton Hogan



He kōrero angitu: Porous Lane

Case study: Porous Lane by Watersmart

Porous Lane is a permeable pavement made from recycled tyre rubber, rock aggregate and a proprietary polyurethane binder. Developed through University of Melbourne research, it is produced in Aotearoa New Zealand under licence by Watersmart. It lets rainwater flow through where it falls, and the rubber makes it semi-flexible and crack resistant, so councils increasingly specify it where tree roots lift footpaths.

The Morrinsville Road shared path in Hamilton is a small section, but around 100 recycled tyres went into it. Porous Lane generally uses between one and a half and three tyres per square metre, and a larger Hamilton project at Lake Domain Drive upcycled just over 250. The crumb comes from a Tyrewise-registered processor in the Waikato, and Watersmart is itself a Tyrewise-registered partner. “The rubber crumb within our pavement is all New Zealand sourced and processed end-of-life tyres.” Local civil contractors built the path for Hamilton City Council.

Klaudia Matyas, Watersmart’s technical business development manager for civil infrastructure, says the problem it solves is one every growing city faces. “As our cities grow, we keep introducing more footpaths, more cycle lanes, more buildings, increasing the impermeable surface as we go. Porous Lane gives you the ability to build a footpath without decreasing the permeable space available.”

Melbourne’s laboratory testing and field studies gave councils and specifiers peace of mind while Watersmart builds local case studies. Engineers specify it as much for the flexibility the rubber gives as for sustainability. “It’s not just a sustainability-based decision.”

For a product with up to 60% recycled rubber, security of supply matters. With supply in place and awareness growing, the next step is a network of local installers in every region. Klaudia’s view from here is simple. “We want to make this technology the new status quo.”

“Tyrewise gives us the confidence that we can scale our business and implement the technology across multiple projects around New Zealand.”

Klaudia Matyas, Technical Business Development Manager, Civil Infrastructure, Watersmart



SECTION 3

TE TIROHANGA
WHĀNUI I NGĀ
KARU O TE RURI
THE WIDER
VIEW: OUR
IMPACT

Every tonne the takeback network collects is a tonne that stays out of landfills, stockpiles and gullies. This section looks at what the scheme did with those tonnes in its first full year, and at the emissions it produced along the way.

Te tohu i waihotia e mātou
Our handprint

Pikinga i te pūnaha whakarōpū para
Ascending the waste hierarchy

The domestic use of end-of-life tyres is currently heavily skewed towards tyre-derived alternative fuel in the Golden Bay cement kiln. This is classed as recovery hybrid in the tyre waste hierarchy. We also rely heavily on overseas markets: 35,815 tonnes were exported during the reporting period.

Our goal is to reduce reliance on overseas end markets by growing the domestic market for recycled rubber materials, particularly through the use of rubber-modified bitumen in roading. That will move end uses further up the waste hierarchy.

Diversion from landfill

Every tyre collected by Tyrewise this year was diverted from landfill.

Supply chain efficiency and resilience

A steady domestic supply of recycled rubber reduces our exposure to offshore markets. It also answers one of the three barriers the rubber-in-roading action plan identified: security of supply.

Recovering and recycling what we already have avoids the emissions of extracting the same amount of raw material and, often, of shipping it here. Tyre-derived fuel at Golden Bay, for example, replaces coal that would otherwise be mined overseas and shipped to New Zealand.

Foreign end market verification

The purpose of foreign end market verification is to check that exported tyres go to sites that meet expected environmental standards and are not linked to modern slavery.

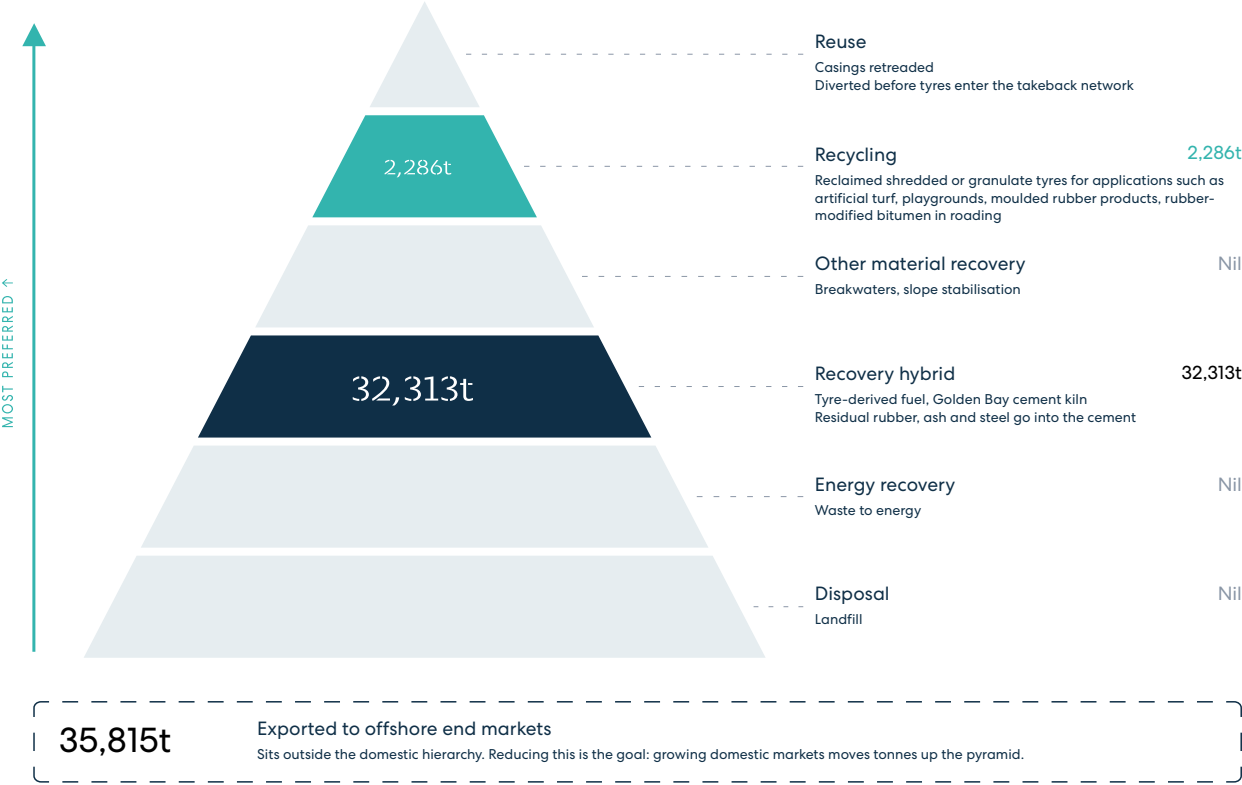
Verifying export sites has remained challenging. During the year we worked with Tyre Stewardship Australia to make the verification process more accessible and streamlined for end market sites and developed our relationships with brokers who can assist in the process.

At the close of the reporting period, 12 sites were at various stages of the verification process.

Influencing behaviour change

The scheme's design is changing behaviour across the industry. Retailer/fitters get free collection through a network that tracks and monitors every tonne, so there is little reason to dump or stockpile commercial quantities of tyres.

Tyre consumers now pay for end-of-life disposal when they buy a tyre, not when they get rid of it. That takes away the saving that once came from dumping tyres or sending them to landfill. It does not clear the tyres already out there, which is why some illegal dumping continues (see Illegal tyre dumping, below).



Emissions

Running a nationwide collection network produces emissions of its own. We measure them so we can reduce them, which is why transport efficiency sits at the centre of our operational work.

Total emissions from scheme management were 270.17 tCO2e (tonnes of carbon dioxide equivalent) for the period.

Fuel purchased by transport partners for the transport of end-of-life tyres makes up part of the scheme's Scope 3 emissions. These have not been included in this reporting period.

New transport contracts require the emissions from fuel to be reported to the Scheme Manager for the year ending 31 March 2027.

Scope 3 passenger transport is largely made up of flights. Scope 2 emissions from purchased energy have been offset by our energy supplier.

Illegal tyre dumping

Councils are still experiencing illegal dumping that includes tyres, despite a network of public collection sites where up to five tyres can be dropped off at no cost. Sometimes what appear to be commercial quantities are dumped, such as the approximately three trailer loads dumped from a bridge in Taranaki in February 2026.

It's possible some of these are legacy tyres (end-of-life tyres accumulated before regulation came into effect), and therefore not eligible for funded collection. Some may also originate from activities such as illegal street racing and drifting.

The scheme runs periodic campaigns to remind people of the free drop-off.

Tyrewise management	2025/26
Total tCO2e GHG Inventory Emissions (Total)	270.17
Scope 1 tCO2e GHG Inventory Emissions	19.27
Scope 2 tCO2e GHG Inventory Emissions	0.58
Scope 3 tCO2e GHG Inventory Emissions	250
Scope 1: fuel	19.27
Scope 2: purchased energy	0.58
Scope 3: passenger transport (mainly flights)	250
Scope 3: transmission and distribution losses	0.04
Scope 3: waste	0.03
Scope 3: freight transport (transporter fuel, not yet reported)	–

A brand owner’s view: what’s good for the planet is good for Michelin

David Hickey looks after public affairs, including end-of-life tyre stewardship for Michelin in Australia and New Zealand, where its tyres arrive through Tyreline Distributors. He rates Tyrewise as fair and transparent. His caution is about what sits either side of it. “End-of-life management is one small part of the life cycle analysis. It’s an important part, but what we don’t see enough is people talking about what goes into making a tyre, how it’s designed, how long it lasts. The longer the tyre performs, the less waste you have to treat.”

A good recovery scheme, he warns, can become a reason not to look upstream. His example is a European push to lift the legal minimum tread depth from 1.6 to 3 millimetres. “You would not be putting any onus on manufacturers to improve the product. What could happen is people just put on more rubber.” Millions more tyres a year would arrive for recycling before their time. Michelin’s answer is design: compounds that wear more slowly, regenerative tread patterns, similar performance new to used, lighter tyres that need less processing afterwards and burn less fuel in use.

Downstream, he wants the whole chain counted. “We could say we’re doing great because we collected and processed these tyres. If we then put that into a shipping container and send it to destination X, have we factored in the environmental impact and emissions of logistics and processing as well as of the vessel?” He is wary of long term supply contracts that lock material into low-value outcomes. “If that waste can be used for something of higher-order value in the waste hierarchy, even if economically it’s worse off, we have to consider that.” Any scheme, he says, has to stay agile enough to act on what it learns.

The maths runs the other way too. A truck tyre Michelin designs for a million kilometres, regrooved once and retreaded three or four times, keeps its materials in use. “If we reduce the amount of tyres being consumed, we reduce the vessels delivering them, the trucks delivering them to the retailer, and the trucks collecting them for processing. It’s a multiplier.”



“I say to customers that my job is to sell you less tyres to do the same work. Your total budget should be the same with fewer tyres consumed, less maintenance downtime and fitting, and you have less waste to process afterwards.”

David Hickey, Project & Public Affairs Manager for Michelin (Australia and New Zealand)

SECTION 4

RURU AO,
RURU WHENUA
GLOBAL
CONNECTIONS

Some of what we can see from here lies well beyond our shores. Tyres are a global material, and the answers to what we do with them are being worked out around the world. Tyrewise takes part in that work and brings what it learns home.

Round Trip Tyre and Conveyer Belt Recycling Summit

In October 2025, Tyrewise held a two-day cross-Tasman summit in partnership with Tyre Stewardship Australia. The Australian scheme is voluntary and Tyrewise operates under regulation, but scheme participants and the sector as a whole share interests and concerns on both sides of the Tasman.

Topics included how different regulatory and compliance regimes shape outcomes, market development, and rubber recycling technologies. Panel discussions brought together the views of scheme leaders, processors and retailers.

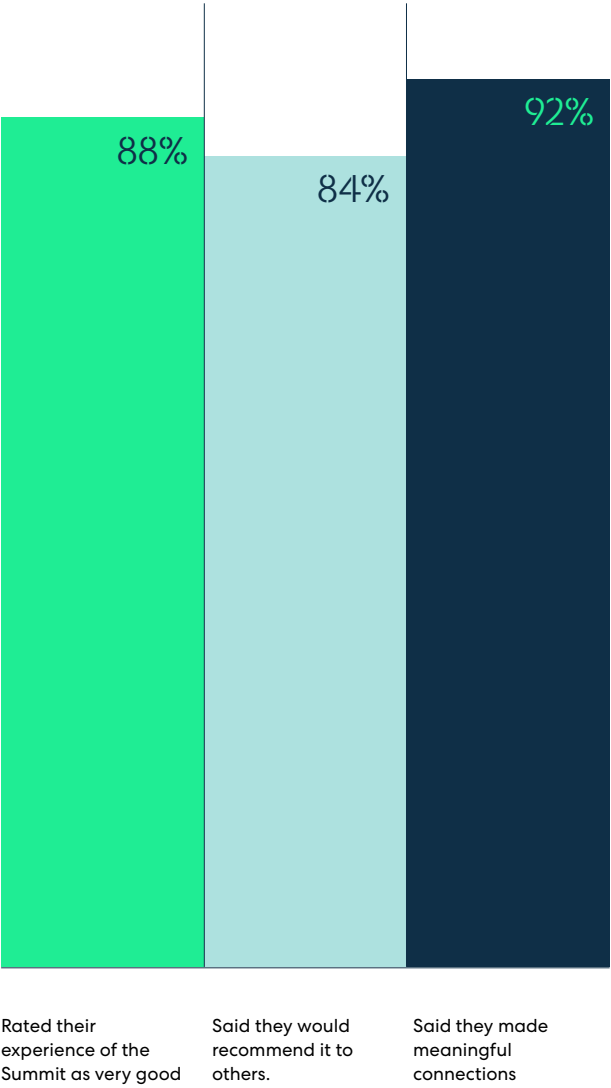
A particularly sobering session by journalist Paul Kenyon showed the environmental and human cost of relying on poorly regulated export markets for surplus tyres.

What delegates told us

88% of attendees rated their experience of the Summit as very good, and a further 11% as good. 84% said they would recommend it to others.

On average, 95% responded positively about the relevance, usefulness and diversity of the topics, the keynote speakers and the panel discussions.

92% said they made meaningful connections, 68% would pursue new opportunities as a result of the Summit, and 78% would share what they learned with their organisations and networks.



“There was great enthusiasm for collaboration and much potential shown for building on the progress that has already taken place.”

Summit delegate

“Variety of speakers and attendees, willingness to host and provoke challenging conversations, openness to new ideas, creating the space for different stakeholders to lead the discussion.”

Summit delegate

“Overall, I’d rate my experience at the Round Trip Summit as excellent. The sessions were insightful, the networking opportunities were valuable, and the event was very well organised.”

Summit delegate

Trans-Tasman Tyre Recycling Alliance

One outcome of the Round Trip Summit was an agreement between Tyrewise and Tyre Stewardship Australia to work together on areas of common interest.

The two organisations agreed to prioritise initiatives that create high-value, circular economy outcomes for end-of-life tyres, such as rubber in roads, advanced manufacturing and the development of innovative products. For Aotearoa New Zealand participants, the practical value is access to Australian experience

in exactly the markets Tyrewise is trying to grow, and a stronger voice in the standards and procurement settings both countries rely on. The Alliance’s work falls into five areas.

On technology and innovation, it will showcase global best practice and connect technology providers with end users. On market development, it will support demand for high-value tyre-derived products in infrastructure, manufacturing and construction. On policy, it will advocate for circular economy frameworks, procurement standards and regulatory reform.

It will create forums for industry collaboration and evidence-based decision making, of which the Round Trip Summit was the first.

And because Australia and Aotearoa New Zealand operate in a global market where dynamics can shift rapidly, the Alliance will provide a unified voice in international forums, so that the region’s interests and perspectives are represented in global tyre stewardship discussions.

Connections with global initiatives

Tyrewise is connected to the global tyre recycling community through our relationship to the Tire Industry Project that operates under the auspices of the World Business Council for Sustainable Development.

In March 2026 the Tire Industry Project released it’s End-of-Life Tire Toolkit 2.0. The toolkit outlines approaches for developing resilient, transparent and effective ELT management systems amid diverse regulatory and market conditions. Tyrewise is one of nine national-level schemes profiled in the toolkit.

Embracing the global research community

Tyrewise stakeholders have the opportunity to both learn from and contribute to the global knowledge base for tyre recycling, the End-of-Life Tyre Research Portal.

There are currently over 600 items listed in the portal. We expect that outputs of some of the research and development grants from Puna Taurima, the Tyrewise Fund, will be published here.

Strategic focus areas include:

01

Technology and innovation

Showcasing global best practices and facilitating connections between technology providers and end users

02

Market development

Supporting demand creation for high-value tyre-derived products in infrastructure, manufacturing, and construction

03

Policy advocacy

Advancing circular economy frameworks, procurement standards, and regulatory reform

04

Knowledge sharing

Creating forums for industry collaboration and evidence-based decision making

05

Regional voice

Australia and New Zealand operate in a global market where dynamics can shift rapidly. The TTTRA will provide a unified voice for Australasia in international forums, ensuring our region’s interests and perspectives are represented in global tyre stewardship discussions

SECTION 5

HE KARU O TE RURI, HE TIROHANGA KI MUA THE VIEW AHEAD

Some of the year ahead is already in sight. Some of it we will work on with our stakeholder communities.

Market development activity

Stakeholder engagement, marketing and communications, and leveraging projects funded through Puna Taurima will remain the cornerstones of our market development activity. We expect a number of grant-funded projects to be completed in the coming year, helping to unlock the market for recycled rubber materials in roading and infrastructure.

Transport efficiencies

The Tyrewise Scheme Manager will keep exploring ways to improve transport efficiency, optimising the interrelated aspects of cost per tonne, emissions and service levels.

Oversight of Puna Taurima

Distribution of funds for the initial round of grants is expected in the next reporting period. Each deed of funding includes a project plan, expected outcomes and, for more complex projects, milestones that must be reported on. The Scheme Manager will monitor all of them.

Changes to the Technical Advisory Groups

We expect the existing products and end markets group to be disestablished and a new group established with a more technical focus, providing expert advice on the research, development and commercialisation of new products.

Diverting more casings for retreading

Retreading suitable casings sits at the top of the waste hierarchy for tyres. A working group has been established to look at improving the diversion rate of suitable casings for retreading. Its work will include assessing the feasibility and cost implications of diverting truck and bus casings from the Tyrewise end-of-life network, reviewing market dynamics for buffings, and considering whether buffings should be included in the Tyrewise incentive schedule. A final report will be produced during the next annual reporting period.

Legislative and regulatory development

Work to update the Waste Minimisation Act 2008 and the Litter Act 1979 began under the previous government and has continued under the current coalition government. It is a pragmatic update of the legislation. Drafting is presently on hold pending completion of other Government bills, and the timeframe depends on the wider programme of government priorities.

Governance structure

Auto Stewardship New Zealand (ASNZ), a charitable trust, governs Tyrewise. The trust structure ensures the scheme operates in the public interest.

Board of trustees

The ASNZ trustees oversee scheme strategy, approves budgets and makes policy decisions. Board members bring expertise in product stewardship, environmental management, business operations, and governance.



Mark Gilbert

Mark has over 30 years’ automotive industry experience, for international company’s Volvo, and the BMW Group, where he held a number of senior executive roles, both in Asia and New Zealand. Since 2012, Mark has become a Professional Director, with Chair / Independent Director roles in a diverse range of organisations.



Peter Ryan

Peter has 20 years’ international experience within the infrastructure industry. He brings a wealth of experience in operations management, performance transformation as well as a proven ability working across technical, operational, and commercial strategy to optimise business objectives.



David Vinsen

David has over 40 years’ experience in the motor industry and community organisations, as well as serving in family businesses in property and tourism.



Samantha Sharif

Samantha is a seasoned leader in logistics, infrastructure, decarbonisation, and investment, with a commercial law and finance background. She has chaired and served on the boards of various companies and organisations in New Zealand and abroad, focusing on delivering solutions and results in challenging and complex environments.



Sturrock Saunders

Sturrock has a proven track record of success in business, leadership and governance in the automotive sector. He has also been strongly involved in building pathways for young people to grow and succeed.



Peter Holley

Peter spent almost 3 decades as the CEO at Mission Estate Winery, one of the first wineries in New Zealand to adopt the ISO 14001 environmental management system in 1997. He brings a strong sustainability and carbon reduction ethos as well as his experience as a director from previous and current governance roles.



Vaughan Renner,

Chair of the Regulated Product Stewardship Group



David Tikao,

Tyrewise Grants Committee independent member

Scheme manager

3R Group serves as scheme manager, handling daily operations including registration, field visits, service desk support, contract management, payment processing, monitoring, communications, and reporting.

ASNZ Accountant

Independent accountancy and advisory services provided by Nexia (Hawkes Bay) Ltd. Nexia also manage the payments system for Tyrewise.

ASNZ Trustees and Committee secretariat

Governance and Management support provided by Jen Butler of Absolute Gems; includes managing the board calendar, minutes and other secretarial duties.

Regulatory Compliance

Tyrewise operates under the Waste Minimisation (Tyres) Regulations 2023 and maintains accreditation under the Waste Minimisation Act 2008. The scheme reports to MCERT (Previously the Ministry for the Environment) as required by its Operational Delivery Plan.

Technical Advisory Groups

Product and End Markets

Chair: Jeremy Wu

Tyre Importers (loose and on vehicles)

Chair: Bill Prebble

Tyre Transporters

Chair: Dom Kalasih

Auto Stewardship New Zealand acknowledges that financial support has been received from the tyre stewardship fee, which is administered by the Ministry for Cities, Environment, Regions & Transport to fund Tyrewise, the regulated product stewardship scheme for end-of-life tyres.

Mā te ruru e kite te pae tawhiti, engari mā te tokomaha e whakatutuki te haerenga.

It is the ruru that sees the distant horizon,
but it is the many who complete the journey.

WE HAVE
LONG WAY

COME A
TOGETHER.

From here, we can see
where we are going next.

FINANCIAL REPORT

The view from here reaches past the horizon. Tyres are a global material, and the answers to what we do with them are being worked out around the world.

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Entity Information

For the year ended 31 March 2026

Legal Name of Entity

Auto Stewardship New Zealand

Type of Entity and Legal Basis

Auto Stewardship New Zealand is a charitable trust incorporated in New Zealand

Registration Number

Charity Number: CC59525

Entity's Purpose or Mission

Auto Stewardship New Zealand is a not-for-profit charitable trust created to help accelerate sustainable outcomes for vehicles in Aotearoa New Zealand by providing best practice product stewardship governance. Auto Stewardship New Zealand is the governance structure required for “Tyrewise”, a regulated product stewardship scheme for end of life tyres under the Waste Minimisation Act 2008.

The objectives of Auto Stewardship New Zealand are to:

- be the Product Stewardship Organisation for schemes that steward any vehicle related product
- promote the aims of product stewardship in the auto industry to the benefit and advantage of all New Zealanders
- promote the adoption of programmes by the auto industry for environmentally sound waste management practices
- collaborate to grow stewardship programmes for the auto industry

Entity Structure

Auto Stewardship New Zealand is governed by a Board of Trustees responsible for strategic oversight and operational direction. The Board of Trustees is required to comprise of between four and ten trustees. These trustees are nominated via a Trustee Appointment Committee representing stakeholders.

Contact Details

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Crowe New Zealand Audit Partnership
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211 Market Street South
Hastings

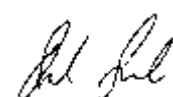
Consolidated Statement of Financial Position

As at 31 March 2026

	NOTES	CONSOLIDATED	
		31/03/2026 \$	31/03/2025 \$
Assets			
Current Assets			
Cash and Cash Equivalents	6	19,244,896	15,826,591
Trade and Other Receivables	7	1,668,575	650,678
Prepayments	8	1,490,080	1,511,866
Investments	9	4,000,000	2,000,000
Total Current Assets		26,403,551	19,989,135
Total Assets		26,403,551	19,989,135
Liabilities			
Current Liabilities			
Trade and Other Payables	10	5,777,507	3,030,643
Provisions	11	–	288,054
Deferred Revenue	12	20,626,044	16,670,438
Total Current Liabilities		26,403,551	19,989,135
Total Liabilities		26,403,551	19,989,135
Net Assets		–	–
Equity			
Accumulated Surpluses / (Deficits)		–	–
Other Reserves		–	–
Total Equity		–	–

Approved by the Board


TRUSTEE


TRUSTEE

These Consolidated Financial Statements should be read in conjunction with the Notes to the Consolidated Financial Statements and Independent Auditor's Report.

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2026

	NOTES	CONSOLIDATED	
		01/04/2025 – 31/03/2026 \$	01/03/2024 – 31/03/2025 \$
Revenue from Non-Exchange Transactions			
Crown Funding	3	56,531,316	32,020,323
Total Revenue from Non-Exchange Transactions		56,531,316	32,020,323
Expenses			
PSO Governance	4	1,358,658	1,379,424
PSO Scheme Delivery Manager Costs		2,906,192	4,757,731
PSO Scheme Participant Information		2,449,132	2,396,062
PSO Payments to Collection Sites		203,415	76,250
PSO Payments to Transporters		33,605,610	17,084,867
PSO Payments to Tyre Processors / End Markets	4	12,987,715	6,171,119
PSO Payments for Foreign End Market Verification		3,020,595	154,871
Total Expenses		56,531,316	32,020,323
Operating surplus/(deficit)		–	–
Net Finance Income	5	–	–
Total surplus/(deficit) for the Period		–	–
Total Comprehensive surplus/(deficit)		–	–

These Consolidated Financial Statements should be read in conjunction with the Notes to the Consolidated Financial Statements and Independent Auditor's Report.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	ACCUMULATED SURPLUSES / (DEFICITS) \$	OTHER RESERVES \$	TOTAL \$
Opening Balance 1 March 2024	-	-	-
Total comprehensive (deficit)/surplus for the year	-		-
Balance 31 March 2025	-	-	-
Total comprehensive (deficit)/surplus for the year	-		-
Balance 31 March 2026	-	-	-

These Consolidated Financial Statements should be read in conjunction with the Notes to the Consolidated Financial Statements and Independent Auditor’s Report.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	NOTES	CONSOLIDATED	
		01/04/2025 – 31/03/2026 \$	01/03/2024 – 31/03/2025 \$
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from non-exchange transactions			
Receipts from Crown funding		60,071,166	48,369,828
Receipts from exchange transactions			
Interest received		344,552	371,665
		60,415,718	48,741,493
Cash was applied to:			
Payments to suppliers		54,462,663	30,420,702
Trustee remuneration		534,750	498,750
		54,997,413	30,919,452
Net Cash Flows from Operating Activities	17	5,418,305	17,822,041
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase of Investments		2,000,000	2,000,000
Net Cash Flows used in Investing Activities		(2,000,000)	(2,000,000)
Net Increase / (Decrease) in Cash and Cash Equivalents		3,418,305	15,822,041
Cash and cash equivalents at the beginning of the period		15,826,591	4,550
Cash and cash equivalents at end of the period	6	19,244,896	15,826,591

These Consolidated Financial Statements should be read in conjunction with the Notes to the Consolidated Financial Statements and Independent Auditor’s Report.

Summary of Significant Accounting Policies

For the year ended 31 March 2026

1. General Information

The consolidated financial statements of Auto Stewardship New Zealand (the “Trust”) and its controlled entities (the “Group”) for the year ended 31 March 2026 were authorised for issue in accordance with the resolution of the Board on 5 August 2026. Auto Stewardship New Zealand is a not-for-profit charitable trust created to help accelerate sustainable outcomes for vehicles in Aotearoa New Zealand by providing best practice product stewardship governance. Auto Stewardship New Zealand is the governance structure required for “Tyrewise”, a regulated product stewardship scheme for end of life tyres under the Waste Minimisation Act 2008.

2.1 Statement of Compliance and Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with Public Benefit Entity Accounting Standards (“PBE”) as appropriate for Tier 1 not-for-profit public benefit entities. Auto Stewardship New Zealand is a charitable trust governed by the Charitable Trusts Act 1957 and registered under the Charities Act 2005.

The consolidated financial statements are presented in New Zealand Dollars, which is the functional and reporting currency of the Group. The accounting policies have been consistently applied to all the periods presented. The consolidated financial statements of the Group have been prepared in accordance with the Financial Reporting Act 2013. Auto Stewardship New Zealand is domiciled in New Zealand and is a public benefit entity for the purpose of financial reporting.

The consolidated financial statements have been prepared on the basis of historical cost, unless stated otherwise. The consolidated cash flows statement is prepared using the direct method. The consolidated financial statements are prepared on an accrual basis.

2.2 Statement of Significant Accounting Policies

a) Consolidation

The controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases. Inter-group transactions, balances and unrealised gains and losses on transactions between members of the group are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by the controlling entity. These entities are listed below:

- Auto Stewardship New Zealand Limited (100% ownership)
- Tyrewise Limited (100% ownership)

b) Taxes

INCOME TAX

No income taxation is payable by the Group in terms of section CW 42 of the Income Tax Act 2007 which exempts charitable trusts.

GOODS AND SERVICES TAX (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except for accounts payable and accounts receivable which are stated inclusive of GST. Amounts showing within the Consolidated Statement of Cash Flows are presented as inclusive of GST.

c) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

d) Financial Instruments

FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. The Group’s financial assets include: cash and short-term deposits and trade and other receivables.

SUBSEQUENT MEASUREMENT

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified, or impaired. The Group’s financial assets at amortised cost includes receivables from exchange transactions, receivables from non-exchange transactions and term deposits.

DERECOGNITION

The Group derecognises a financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets when:

- The right to cash flows from the asset has expired or is waived; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset; or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

FINANCIAL LIABILITIES

FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

Financial liabilities comprise primarily trade and other payables and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Given the short-term nature of the Group’s financial liabilities, the effect of discounting or the time value of money is not material and, accordingly, the carrying amounts approximate their fair values.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

e) Revenue Recognition and Measurement

REVENUE RECOGNITION

Revenue from exchange transactions are measured as the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer. These revenue streams are rendering of services and sale of goods that is at an approximately equal value to the service provided. Non-exchange revenue is when the goods or services received is not approximately equal to the value the Group provides.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenues from non-exchange transactions are measured at fair value and recognised on obtaining control of the asset (cash, goods, services, and property) and it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably.

f) Reporting Period

In 2023, the Group transitioned from a June balance date to a March balance date to align with the Tyrewise Scheme delivery deeds and reporting periods required with the Ministry for Cities, Environment, Regions & Transport. As a result, the comparative period is a thirteen month period from 1 March 2024 to 31 March 2025 while the current reporting period is a twelve month period from 1 April 2025 to 31 March 2026 and are therefore not directly comparable.

g) Accounting Standards and Interpretations Issued (but not yet effective)

There are a number of Standards, Amendments, and Interpretations which have been approved but are not yet effective. The Group expects to adopt these when they become mandatory. None are expected to result in a material impact on the Group’s financial statements.

2.3 Significant Judgements and Sources of Estimation Uncertainty

The preparation of the Group’s financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and Assumptions

Management makes assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about the future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Key estimates and assumptions relate to provisions and the estimated cost per job for unverified jobs at balance date.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 11. Provisions are measured at the management’s best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

AUTO STEWARDSHIP NEW ZEALAND

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. Revenue from Non-Exchange Transactions

	2026 \$	2025 \$
Crown Funding		
Tyre Stewardship Fee	56,531,316	31,905,289
Waste Minimisation Fund	–	115,034
Total Crown Funding	56,531,316	32,020,323

The Ministry for Cities, Environment, Regions & Transport collects the Tyre Stewardship Fee on all tyres newly imported into the New Zealand market. Funds are passed on to Auto Stewardship New Zealand under a Regulated Product Stewardship Scheme Delivery Deed, to fund the operations of the Tyrewise Scheme.

Funds are paid in advance of activity periods (milestone periods) and are only to be used for scheme delivery costs incurred to meet the scheme objectives, activities and deliverables as set out within a separate Operational Delivery Plan as agreed with the Ministry for Cities, Environment, Regions & Transport. This includes the management of the scheme, tyre collection services and incentive payments for local processing and tyre-derived product manufacture for the New Zealand market. As the funds are received in advance based on forecasted estimated costs from an agreed budget with the Ministry for Cities, Environment, Regions & Transport, underspends are required to be returned or offset against future milestone payments. Refer to note 12 for further information.

Prior to the Tyrewise regulation coming into effect on 1 March 2024, the Group received funding under the Waste Minimisation Fund. This funding was capped at \$1.2 million and was for the ‘Implementation Project’ necessary to establish the Tyrewise Scheme. The final payment under this agreement was received during the prior reporting period.

4. Expenses

	2026 \$	2025 \$
PSO Governance		
Accounting	131,294	123,107
Audit – Financial Statements (Crowe)	88,579	64,900
Consultants	55,549	135,833
Insurance	181,160	179,284
IT Network, Maintenance & Licences	25,810	40,025
Legal Fees	52,591	69,466
Other PSO Governance Expenses	17,630	18,500
Scheme Related Expenses	235,584	165,057
Travel and Accommodation	36,461	27,502
Trustee Remuneration	534,000	555,750
Total Governance Expenses	1,358,658	1,379,424

	2026 \$	2025 \$
PSO Payments to Tyre Processors / End Markets		
Processing Incentives – TDF1	11,305,886	5,514,521
Processing Incentives – TDP2	753,199	455,132
Processing Incentives – TDP4	928,609	201,466
Processing Incentives – TDPI	21	–
Total Payments to Tyre Processors / End Markets	12,987,715	6,171,119

5. Net Finance Income

	2026 \$	2025 \$
Interest Income	389,845	389,509
Tyre Stewardship Fee – Interest Adjustment	(389,845)	(389,509)
Net Finance Income	–	–

Interest income and the Tyre Stewardship Fee – Interest Adjustment is recognised using the effective interest method.

Interest earned by the Trust is required to be remitted back to the Ministry for Cities, Environment, Regions & Transport to reduce future milestone payments and reduce the overall cost of the scheme operations. This is recognised by the “Tyre Stewardship Fee – Interest Adjustment” to bring the net finance income back to nil.

6. Cash and Cash Equivalents

	2026 \$	2025 \$
ANZ Bank – Bank Accounts	5,014,896	13,826,591
ANZ Bank – Term Deposits	14,230,000	2,000,000
Total Cash and Cash Equivalents	19,244,896	15,826,591

Cash and cash equivalents comprise of cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

7. Trade and Other Receivables

	2026 \$	2025 \$
Accrued Interest	63,091	17,844
GST Receivable	1,605,483	632,834
Total Trade and Other Receivables	1,668,575	650,678

8. Prepayments

	2026 \$	2025 \$
Insurance	135,249	172,537
Scheme Delivery Manager	726,548	726,548
Scheme Participant Information	612,283	612,283
Other Prepayments	16,000	497
Total Prepayments	1,490,080	1,511,866

9. Investments

	2026 \$	2025 \$
ANZ Bank – Term Deposits	4,000,000	2,000,000
Total Investments	4,000,000	2,000,000

The ANZ Bank term deposits are recognised as current assets as they have original maturities of greater than 90 days and mature within 12 months of the reporting date. Accordingly, they are classified separately from cash and cash equivalents disclosed in Note 6. As at the reporting period, including those classified as cash and cash equivalents in note 6, they have stated interest rates ranging between 2.30% and 3.40% (2025: 4.15% and 4.20%).

10. Trade and Other Payables

	2026 \$	2025 \$
ANZ Bank – Credit Card	–	3,192
Air New Zealand – Travelcard	–	3,217
Accounts Payable	5,682,276	2,932,874
Accrued Expenses	86,231	82,360
PAYE Payable	9,000	9,000
Total Trade and Other Payables	5,777,507	3,030,643

11. Provisions

	2026 \$	2025 \$
Provision for Transport Payments	–	288,054
Total Provisions	–	288,054
Provision for Transport Payments		
Opening Carrying Amount	288,054	–
Additions During the Period	–	288,054
Amounts Used During the Period	(288,054)	–
Closing Carrying Amount	–	288,054

Provisions are made to recognise a liability for service jobs performed on behalf of the Tyrewise Scheme prior to balance date, but not yet verified or loaded for payment. This liability is calculated using management's estimate of the average payment per job. The settlement of the provision is expected within the next 12 months.

12. Deferred Revenue from Non-Exchange Transactions

	2026 \$	2025 \$
Revenue Received in Advance – Tyre Stewardship Fee	20,516,438	16,483,538
Tyre Stewardship Fee – Interest Adjustment Payable	109,606	186,900
Total Deferred Revenue from Non-Exchange Transactions	20,626,044	16,670,438

Deferred revenue is comprised of revenue received in advance under the “Tyrewise Scheme Delivery Deed” with the Ministry for Cities, Environment, Regions & Transport. As there are service performance and return conditions attached to the revenue received, the Group recognises the revenue when the conditions have been met. Refer to note 3 for further information.

While a Reserve Fund may be established to cover grants, research and development, on agreement with the Ministry for Cities, Environment, Regions & Transport. As at balance date, no such fund was established.

13. Financial Instruments

(a) Categories of financial instruments

	FINANCIAL ASSETS AT AMORTISED COST \$	FINANCIAL LIABILITIES AT AMORTISED COST \$	TOTAL \$
2026			
Financial assets			
Cash and cash equivalents	19,244,896	–	19,244,896
Trade and other receivables	63,091	–	63,091
Term deposits and investments – current	4,000,000	–	4,000,000
Total financial assets	23,307,987	–	23,307,987
Total non financial assets			3,095,564
Total assets			26,403,551
Financial liabilities			
Trade and other payables	–	5,777,507	5,777,507
Total financial liabilities	–	5,777,507	5,777,507
Total non financial liabilities	–	–	20,626,044
Total liabilities			26,403,551

2025	FINANCIAL ASSETS AT AMORTISED COST \$	FINANCIAL LIABILITIES AT AMORTISED COST \$	TOTAL \$
Financial assets			
Cash and cash equivalents	15,826,591	–	15,826,591
Trade and other receivables	17,844	–	17,844
Term deposits and investments – current	2,000,000	–	2,000,000
Total financial assets	17,844,435	–	17,844,435
Total non financial assets			2,144,700
Total assets			19,989,135
Financial liabilities			
Trade and other payables	–	3,030,643	3,030,643
Total financial liabilities	–	3,030,643	3,030,643
Total non financial liabilities	–	–	16,958,492
Total liabilities			19,989,135

All financial liabilities are trade and other payables due within 60 days. The Group has no long-term financial liabilities.

Financial Instruments Risk Management

The nature of activities, management policies and disclosure with respect to financial instruments are:

(I) CREDIT RISK

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. In the normal course of business, the Group incurs credit risk from Trade Receivables, Cash and Cash Equivalents, and Investments. The credit risk associated with Trade Receivables is minimised as Trade Receivables relates to funding receivable from the Ministry for Cities, Environment, Regions & Transport and are received prior to each quarterly milestone. As a result, credit risk exposure is limited to Cash and Cash Equivalents and Investments held with a New Zealand registered trading bank.

(II) LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial liabilities. Liquidity risk is managed in two ways:

- Revenue is received in quarterly instalments prior to a milestone activity period and is calculated based on forecasted estimated costs, minimising risk as revenue is received prior to costs being incurred.
- Cash flow forecasts are modelled for the milestone period prior to placing funds in short term investments as well as these investments being spread over 30 to 120 day investment terms.

(III) MARKET RISK

The Group is not subject to market risk that would influence the surplus or deficit reported.

14. Contingent Liabilities

There are no contingent liabilities as at 31 March 2026, (2025: Nil).

15. Subsequent Events

There were no material subsequent events between the reporting date and the date the financial statements were authorised for issue that require adjustment to, or disclosure in, the financial statements.

16. Related Party Transactions

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are:

- the members of the governing body, which comprise the Board of Trustees
- 3R Group Limited, who is the Scheme Manager
- Nexia Hawkes Bay Limited, who provide the outsourced finance function

The aggregate remuneration of key management personnel and the number of trustees receiving remuneration for their services is as follows:

	2026 \$	2025 \$
Total Trustee Remuneration	534,000	555,750
Number of Trustees	6	6

The amounts paid or payable to 3R Group Limited and Nexia Hawkes Bay Limited for the key management services provided cannot be differentiated from the total value of the services they provide, which is disclosed further below.

	2026 \$	2025 \$
3R Group Limited		
Scheme Delivery Management	2,906,192	4,757,731
Scheme Participant Information	2,449,132	2,396,062
Total	5,355,324	7,153,793
Consultancy & Administration Services	–	116,664
Total Amounts Paid or Payable to 3R Group Limited	5,355,324	7,270,457

Nexia Hawkes Bay Limited	2026 \$	2025 \$
Accountancy Services – Outsourced Finance Function		
Services Provided under Crown Funding – Tyre Stewardship Fee	131,294	123,107
Total Amounts Paid or Payable to Nexia Hawkes Bay Limited	131,294	123,107
Amounts Payable / Owing at Year End to Related Parties	2026 \$	2025 \$
3R Group Limited	(934)	–
Nexia Hawkes Bay Limited	16,262	7,895
Total Amounts Payable / Owing at Year End to Related Parties	15,328	7,895

17. Reconciliation of Operating Cash Flows

	2026 \$	2025 \$
Net Surplus (Deficit) for the Year	–	–
Total Non-Cash Items	–	–
Net Change in Working Capital		
(Increase)/Decrease in Receivables	(45,248)	169,821
(Increase)/Decrease in GST	(972,649)	(632,466)
(Increase)/Decrease in Prepayments	21,786	(1,511,866)
(Decrease)/Increase in Payables and Provisions	2,458,810	3,126,114
(Decrease)/Increase in Deferred Revenue	3,955,606	16,670,438
Movement in Working Capital	5,418,305	17,822,041
Net Cash Flows from (to) Operating Activities	5,418,305	17,822,041

AUTO STEWARDSHIP NEW ZEALAND

Statement of Service Performance

For the year ended 31 March 2026

Our Mission – “Why we exist”

Each year in Aotearoa it’s estimated more than 150,000 cars are taken off the road. More than 7 million tyres and 80,000 car bumpers are replaced, as well as many other vehicle related parts. Some vehicle materials are recycled or repurposed when they reach their end of life, however outcomes are varied, with a loss of useful resources to landfill.

Auto Stewardship New Zealand (ASNZ) is a not-for-profit charitable trust created to help accelerate sustainable and circular outcomes for vehicles in Aotearoa by providing best practice product stewardship governance. ASNZ’s view is that all parts of a vehicle will require stewarding in future. To this end, ASNZ stakeholders have made a commitment to progress ‘whole of vehicle’ stewardship.

Established in 2013, ASNZ was originally set up to provide the governance structure required for the Tyrewise project, a proposed regulated product stewardship scheme for end of life tyres under the Waste Minimisation Act 2008.

ASNZ is a future-proofed governance structure that can act as the Product Stewardship Organisation required for any vehicle related scheme – from whole of vehicles, through to tyres (Tyrewise programme), large batteries (B.I.G. project) and commonly replaced items like car bumpers.

Tyrewise – “How Tyrewise works”

Tyrewise was created to prevent millions of tyres ending up in landfill, being illegally stockpiled or dumped each year, so we can protect the health of both te taiao, our environment, and our hapori, communities.

Tyrewise is Aotearoa’s first regulated product stewardship scheme, which tracks tyres via a network of registered participants, throughout their life cycle, to ensure tyres are recycled and repurposed into other useful products.

The scheme is funded by tyre stewardship fees, which are collected by the Ministry for Cities, Environment, Regions & Transport (MCERT) on all applicable tyres newly imported into the Aotearoa New Zealand market – whether loose or on vehicles. Funds are transferred to ASNZ to operate Tyrewise under an approved Operational Delivery Plan. Funds are allocated to:

- management of the scheme;
- operating the nationwide takeback network;
- tyre collection services;
- incentive payments for local processing and tyre-derived product manufacture for the New Zealand market; and
- grants available for research and development, circular solutions and community support (from April 2025).

In the comparative period, ASNZ worked through implementation of the scheme and going “live”. The regulations to bring Tyrewise to life, the Waste Minimisation (Tyres) Regulation 2023 came into effect on 1 March 2024, with the launch date of 1 September 2024.

Tyrewise – “What we did”

During this twelve-month period, ASNZ was required to meet the General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020 (<https://gazette.govt.nz/notice/id/2020-go3343>); this also included delivering specific objectives under four milestones (Milestone 3, Milestone 4, Milestone 5 and Milestone 6) as agreed with MCERT in the Tyrewise Scheme Delivery Deed. Agreed key objectives to 31 March 2026 were:

- Set up the nationwide takeback network (as at 31 March 2026, there were 5,444 sites. In determining this figure, where a site has multiple roles, each role is included as a unique site)
- Provide for transparent and accurate reporting of tyre movements and financial transactions through waste tracking and payment systems
- Target 20,000 tonnes of end of life tyres being transported
- Target the processing of more than 18,000 tonnes of tyres into tyre-derived products or tyre-derived fuel, and a further 4,000 tonnes of end use or manufactured product derived from them
- Establish accurate budget estimation, spending and forecasting
- Invest in a Market Growth and Investment Strategy
- Report on participant awareness and satisfaction
- Carry out site assessments and performance monitoring
- Ensure compliance through scheme delivery audits commissioned by MCERT

ASNZ has chosen to report on analysis of spending, tyre collection information and tyre derived products and fuel sold within the Statement of Service Performance. ASNZ has determined that these three areas are most important for accountability and decision-making as they provide relevant information about the application of levy funds during the period and relevant information about the delivery of the product stewardship scheme. Detailed Scheme Manager Reports that provide all information in relation to each milestone and the above objectives achieved can be found on the Tyrewise website – www.tyrewise.co.nz

Analysis of Spending

In 2025, ASNZ included an EPU table analysing the projected and actual costs on a per equivalent tyre (EPU) basis for the first year of the scheme against the Tyre Stewardship Fee of \$6.65 per EPU. This table has not been included in the current financial year as it is more appropriately managed at a MCERT level and ASNZ has minimal control and influence outside of the Tyrewise Scheme Delivery Deed and Operational Delivery Plans.

ASNZ is required to establish accurate budget estimation, spending and forecasting as part of its key objectives agreed with MCERT under the agreed Operational Delivery Plan, covering the relevant reporting period. The below “Operational Expenditure Milestone Budgets v Actual” tables summarises the budget and spending for the period along with the associated variances. This has been included for the current and comparative periods and replaces the EPU tables.

To 31 March 2026

Operational Expenditure Milestone Budgets v Actual	MILESTONE BUDGETS (\$)	ACTUAL EXPENDITURE (\$)	VARIANCE (\$)	MILESTONE BUDGET (%)	ACTUAL EXPENDITURE (%)
Governance (PSO)	1,710,174	1,358,658	351,516	3%	2%
Scheme Management	2,906,194	2,906,192	2	5%	5%
Promotion / Education	2,449,130	2,449,132	(2)	4%	4%
Collection Site Payments	533,485	203,415	330,070	1%	0%
Transport Payments	27,510,390	33,605,610	(6,095,220)	46%	59%
Processing / End Market Payments	13,102,050	12,987,715	114,335	22%	23%
R&D and Community Development	7,726,999	–	7,726,999	13%	0%
Foreign End Market Verification	3,418,802	3,020,595	398,207	6%	5%
Total	59,357,224	56,531,316	2,825,908	100%	100%

The Milestone Budgets were agreed under the Operational Delivery Plan with MCERT covering Milestone 3, Milestone 4, Milestone 5 and Milestone 6. Agreed Milestone Budgets are independent of the actual Tyre Stewardship Fee receipted by MCERT.

Material variances are as a result of:

- Actual transport expenditure exceeded the budget for the period primarily due to higher than forecasted tyre tonnage being made available for collection by Tyrewise.
- During the year, Puna Taurima (the Tyrewise Fund) for R&D and Grants was opened for expressions of interest. As at balance date, no payments had been made in relation to Puna Taurima. The funding has been held for expected distribution in the 2027 year.

To 31 March 2025

Operational Expenditure Milestone Budgets v Actual	MILESTONE BUDGETS (\$)	ACTUAL EXPENDITURE (\$)	VARIANCE (\$)	MILESTONE BUDGET (%)	ACTUAL EXPENDITURE (%)
Governance (PSO)	1,638,919	1,379,424	259,495	5%	4%
Scheme Management	4,757,731	4,757,731	–	14%	15%
Promotion / Education	2,396,062	2,396,062	–	7%	7%
Collection Site Payments	367,500	76,250	291,250	1%	0%
Transport Payments	16,012,918	17,084,867	(1,071,949)	47%	53%
Processing / End Market Payments	6,470,100	6,171,119	298,981	19%	19%
R&D and Community Development	–	–	–	0%	0%
Foreign End Market Verification	2,089,267	154,871	1,934,396	6%	0%
Total	33,732,497	32,020,323	1,712,174	100%	100%

The Milestone Budgets were agreed under the Operational Delivery Plan with MCERT covering Milestone 0, Milestone 1 and Milestone 2. Agreed Milestone Budgets are independent of the actual Tyre Stewardship Fee receipted by MCERT.

Material variances are as a result of:

- Actual transport expenditure exceeded the budget for the period primarily due to higher than forecasted tyre tonnage being made available for collection by Tyrewise.

ANALYSIS OF TYRE STEWARDSHIP FEE REVENUE

The below table illustrates the Tyre Stewardship Fee receipted by MCERT (as advised by MCERT) and compares it to the actual funding ASNZ received from MCERT for the same period (Milestone Payments) under the agreed Operational Delivery Plans, which includes Milestone Payments made in advance of a period. The Tyrewise Scheme operates financially on the basis of expenses equalling revenue over time and can run a deficit provided this accumulated deficit is reduced to \$0 by 30 June 2033. MCERT is responsible for the alignment between the Tyre Stewardship Fee revenue and the approved deficit limit, which runs according to the Crown financial year of 1 July to 30 June.

Fee Reconciliation	2026	2025	ACCUMULATED
Tyre Stewardship Fee – Receipted by MCERT	47,892,466	51,409,917	99,302,383
Milestone Payments – MCERT Payments to ASNZ under ODP	59,357,224	33,732,497	93,089,721
Milestone Payments – MCERT Payments Made in Advance of Period	1,206,990	14,656,357	15,863,347
Variance	(12,671,748)	3,021,063	(9,650,685)

The accumulated column represents the total Tyre Stewardship Fee receipted and Milestone Payments for the life of the Tyrewise Scheme. For the current financial year, this is for the periods ending 31 March 2025 and 31 March 2026. 2025 was a thirteen month period.

SCHEME ACTIVITIES AND RELATED INFORMATION

ASNZ receives mass balance data on imported loose tyres and tyres on registered vehicles entering the market from MCERT. Data for other tyres is received from the Tyrewise self-declaration process.

By using the Tyrewise app, ASNZ tracks what happens to end-of-life tyre volumes from their collection through to processing, manufacture into tyre derived products and fuel, or export. As the scheme continues, more data will accumulate, allowing greater understanding and interpretation of trends over time.

TONNES OF TYRES COLLECTED

In establishing the nationwide takeback network, a key measure of performance is the tonnage of end of life tyres collected and transported for processing. For the period to 31 March 2026, 70,000 tonnes were collected (rounded to the nearest thousand) (2025: 33,000 tonnes noting collections only began during September 2024 when the Tyrewise scheme went live).

TONNES OF TYRE-DERIVED PRODUCTS AND FUEL SOLD WITHIN NEW ZEALAND

To reduce the tonnes of end of life tyres ending up in landfill, a key component of the product stewardship scheme is to repurpose end of life tyres. A key measure of performance is the tonnage of end of life tyres used for processing. For the period to 31 March 2026, Tyrewise incentivised 32,313 tonnes of tyre-derived fuel (2025: 14,058 tonnes) and 2,062 tonnes of tyre-derived products (2025: 1,020) used within the New Zealand market. The 2025 comparative figures are only for the period from 1 September 2024 when the scheme went live.

Tyre-derived fuel (TDF) is a sustainable energy source produced from shredded tyres, used primarily in industrial applications as an alternative to fossil fuels. Tyre-derived products (TDP) is the use of the tyre in the production of an alternative product (such as playground matting).



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Independent Auditor’s Report

To the Trustees of Auto Stewardship New Zealand

Opinion

We have audited the consolidated general purpose financial report of Auto Stewardship New Zealand (the Trust) and its controlled entities (the Group) which comprise the consolidated financial statements on pages 3 to 18, and the consolidated service performance information on pages 19 to 23. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 31 March 2026 in that the consolidated service performance information is appropriate and meaningful and prepared in accordance with the entity’s measurement bases or evaluation methods

in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated General Purpose Financial Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

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Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Trustees are responsible for the other information. The other information comprises the information included in the entity information on page 2, but does not include the consolidated general purpose financial report and our auditor's report thereon.

Our opinion on the consolidated general purpose financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated general purpose 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.

Trustees' Responsibilities for the Consolidated General Purpose Financial Report

The Trustees are responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board;
- (b) the selection of elements/aspects of service performance measures and/or descriptions and measurement bases or evaluation methods that present consolidated service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Accounting Standards;
- (c) the preparation and fair presentation of consolidated service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with Public Benefit Entity Accounting Standards;
- (d) the overall presentation, structure and content of the consolidated service performance information in accordance with Public Benefit Entity Accounting Standards; and
- (e) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated general purpose financial report, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated general purpose 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 ISAs (NZ) and NZ AS 1 (Revised) 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 decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's consolidated service performance in accordance with the Public Benefit Entity Accounting Standards.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated general purpose financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and elements/aspects of service performance in accordance with Public Benefit Entity Accounting Standards in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Restriction on Use

This report is made solely to the Group's Trustees, as a body. Our audit has been undertaken so that we might state to the Group's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe New Zealand Audit Partnership

Dated at Hastings this 5th day of August 2026

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.



Tyrewise