



**Australian  
Mobile Telecommunications  
Association**

## MobileMuster

*The official recycling program of the mobile phone industry*

2007-08

Annual Report



## MobileMuster – Year in Review

Mobilemuster, the official recycling program of the mobile telecommunications industry, is AMTA's primary commitment to an environmentally sustainable industry, which minimises the use of resources through product stewardship, including recycling. MobileMuster has continued to make good progress against its 14 objectives. Its achievements for the past 12 months include:

### Transparency

*200% increase in collections in 3 years (by end 2008)*

- Total collections of mobile phone components were 97 tonne, up 24% on previous year; the number of handsets and batteries increased by 31% to 755,200.
- Due to a substantial increase in reported mobile phone shipments (*up 13% from 8.68 million to 9.77 million*) the annual collection rates of net imports increased slightly to 5.5% and the annual collection rate of discarded phones was 18.9%.
- Consumers can now post their mobile phones for free using the reply paid recycling satchels available in selected mobile phone packs and from Australia Post outlets nationwide.
- Recycling through kerbside is now also available in three regions of Australia.

### **Kerbside Collections**

AMTA is working with recyclers and local councils to collect mobile phones using either the "day-after" kerbside collection scheme or existing schemes, offering financial assistance to promote the collections and \$2 per kg to recyclers for collecting and sorting the mobiles.

In the Hunter Region, NSW, the Hunter Resource Recovery in partnership with FM Recycling commenced its new "Lifecycle" collection system in April this year. Mobile phones are collected along with unwanted household goods, such as toys, books and clothes.

Moonee Valley City Council in Victoria ran another *Renew* collection this year. This is similar to *Lifecycle*, where unwanted household goods are collected using the standard recycling bins and are picked up the day after the normal recycling night.

On the NSW south coast Eurobodalla Shire Council also accepts mobile phone components in their kerbside recycling bins. Residents are given a satchel to place their mobile phones in. They then place the satchel in their recycling bin with bottles and cans. The satchels are retrieved at WSN Environmental Services' Material Recycling Facility in Moruya then shipped to MobileMuster for processing.

*Reduce handsets going to landfill by 50% in 3 years*

- Disposal to landfill of consumers' most recently replaced handsets remained steady at 4% in February 2008 (compared to March 2007). This was down from 9% in March 2005.

*Recycling process to meet/exceed international benchmarks & transparency of recycling processes*

- Third party recyclers comply with international environmental standards i.e. ISO 14000

*Quarterly publishing of collections & annual external financial & environmental audits*

- Annual financial audit completed by RSM Bird Cameron Partners

- *Limited Assurance on Selected Performance Indicators* - KPMG was engaged to prepare a review report on selected key performance indicators for 2007-08. A Summary Table of Key Performance Indicators and KPMG's independent review report are available on page 6 and 7 of this report.

## Visibility

### *Category leading consumer awareness of mobile phone recycling*

- Awareness of mobile phone recycling in February 2008 was 75%, down slightly from 79% in July 2007.
- For the second year, MobileMuster implemented the *Old Phones, More Trees* campaign in partnership with Landcare Australia; for every handset recycled a tree will be planted - 100,000 handsets were collected between 2 May and 9 June 2008, 25,000 more than in 2007.

By the end of next year 175,000 trees will have been planted at various Landcare Australia projects across Australia.

The first 75,000 trees are being planted at 9 sites by local Landcare groups from Innisfail in Queensland; Taree, Penrith, Liverpool Plains and Murrumbidgee Catchment in New South Wales; Mentone and Framlingham in Victoria; Goolwa in South Australia; Mandurah in Western Australia. These plantings will help restore biodiversity; protect the habitat of endangered wildlife such as cassowaries and koalas; reduce soil salinity and erosion and improve water quality. Only native and site appropriate species are being planted.

As part of the *Old Phone, More Trees* campaign in May, MobileMuster initiated the first of two *Schools' Recycling Challenges* for the year. The second *Schools' Recycling Challenge* was launched in late September and runs until 14 November 2008

### ***Schools' Recycling Challenges***

*Old Phones More Trees Schools' Challenge – May 2008.* The challenge was open to schools in NSW, Queensland, Victoria and the ACT. Over 200 schools and classes registered for the challenge and collected nearly 1,000 kgs of mobile phone components, including nearly 4,000 handsets. Students were rewarded with prizes - backpacks, watches and stationary kits - for their efforts. St Josephs Primary School in West Kempsey, NSW, collected a massive 64kgs of old mobile phones, batteries, chargers & accessories.

*National Schools Recycling Challenge – November 2008.* This challenge is open to all schools across Australia. Invitations to be part of the challenge were issued in September and over 300 schools registered. Schools and students will once again be rewarded for their efforts. If a school collects more than 14kg they will receive 50 native saplings and classes that collect more than 9 kgs will receive a native plant for each student to grow.

- MobileMuster set a new Guinness World Record™ on the 31 May 2008 for the largest donation of used mobile phones in 24 hours with 2,590 mobile phones. The Guinness World Record attempt was held simultaneously across Westfield shopping centres in Sydney, Melbourne, Brisbane, Adelaide and Perth.
- AMTA/MobileMuster was recognised for its contribution to Landcare Australia recently at the National Landcare Awards in Canberra. MobileMuster also received a Highly Commended certificate from the Public Relations Institute of Australia (PRIA) NSW State Awards for Excellence in the Environmental category for its Jewellery Campaign.

*Recycling information embedded within sales process*

- Manufacturers, service centres and mobile phone retailers continue to include MobileMuster recycling messages in catalogues, websites, direct marketing, television advertising, in-store promotions and other customer communications.
- A reward and recognition program for mobile phone retailers has been established to encourage staff to ask their customers to hand in their phones for recycling with every sale. Retailers have been rewarded with jelly beans, cash vouchers and Achievement Certificates. To educate and encourage staff in this role, a team of MobileMuster Ambassadors has been contracted to visit 1,250 mobile phone retailers quarterly in metropolitan NSW, VIC, QLD, ACT, SA and WA.

*Increased accessibility and effectiveness of collection network.*

- The number of public collection points nationwide is more than 3,200, which provides good and convenient public access to recycling facilities.
- Over half the collections in 2007/08 (52%) were received from mobile phone retailers. The largest growth by weight was also in the mobile phone retailer channel reflecting greater community participation. Satchels contributed to 4% of total collections.
- A trial to test the feasibility of reply paid mailing labels, stickers and recycling satchels was conducted in the first half of 2008. This included inserting stickers and satchels in mobile phone packs, distributing them via mobile phone retail outlets, at events as well as in magazines such as the Australian Farm Journal and Virgin Blue's Voyeur Magazine.

As a result recycling satchels are now a permanent feature in many Samsung mobile phone packs, distributed with every sale by Simply Mobiles and are available from Australia Post outlets nationwide.

Mobile phone users can also download reply paid mailing labels from the website.

*Expansion of collection points to include Government and Corporate locations*

- The number of local, state and federal government locations continues to grow with local council participation increasing by 23% from 228 to 280 local councils. There are more than 700 council collection points across Australia and as a result annual local council collections increased from 1.4 tonnes in 2006-2007 to 3.8 tonnes in 2007-2008.

***MobileMuster Local Government Awards***

The inaugural 2007 MobileMuster Local Government Awards were presented by Tim Flannery at ALGA's National General Assembly in November 2007 to recognise the outstanding efforts by local councils in promoting and collecting mobile phones for recycling.

Four awards were presented: Best Promoter (Lake Macquarie Council); Working With Schools (Campbelltown City Council); Top Collector/Recycler (Brisbane City Council); National Excellence Awards (Brisbane City Council).

Nominations for the 2008 MobileMuster Local Government Awards close on 19 November and will be presented at the Local Government Constitutional Summit – a special National General Assembly to be held at the Melbourne Convention Centre from 8 December – 11 December 2008.

- There are 440 businesses, small and large, collecting mobiles from staff at more than 690 sites on either a permanent or short-term basis.
- Over 450 schools, universities and TAFEs are also actively involved, substantially extending the reach of mobile phone recycling to Australia's youth

## Sustainability

*Program to be industry managed and funded & all carriers / handset vendors to be active participants*

- At least 85% of the industry continued to contribute financially to the program including handset manufacturers: i-Mate, LG Electronics, Motorola, Nokia, NEC, Samsung Electronics Australia, Sharp, Sony Ericsson – this group represents 85% of the market. Mobile telecommunications carriers, representing 100% of the market, are: Telstra, Optus, Vodafone, Hutchison, AAPT and Virgin Mobile; one battery importer, Force Technology, is also a contributor.

*Recycling offered free to consumers and retailers & recycling program's efforts aimed at long-term collection strategies*

- Members maintained contributions with handset levies remaining at the agreed levels of 42c per handset shipped into Australia and 13c for after-market batteries.
- The Environment Protection and Heritage Council endorsed the Mobile Telecommunications Industry Statement of Commitment to Mobile Phone Recycling, which includes collection, recycling consumer behaviour and industry participation targets to 2013.

### ***Mobile Telecommunications Industry Statement of Commitment to Mobile Phone Recycling***

This document outlines the AMTA and its participating members' commitments over the next five years to significantly improve community awareness and participation in mobile phone recycling.

AMTA will report annually on its performance against the key indicators listed below and will review and refine its strategies and indicators regularly in consultation with government and the community to ensure continual improvement in the performance of the program.

AMTA considers this statement of commitment as the next step along the path towards the mobile phone industry achieving its long-term vision of an environmentally sustainable industry, which minimises the use of resources through product stewardship, including the environmentally sound disposal of all mobile phones at the end of their useful life.

## Key Performance Indicators and targets to 2013

Key Performance Indicator	Target by 2013
<b>Collection</b>	
Annual collection rate for discarded phones	increase over 65%, up from 17%
Annual collection rate of net imports	Increase to more than 20%, up from 5.1%
<b>Recycling</b>	
Diversion from land fill rate	maintain at more than 90%
Estimated recycling rate ( <i>i.e. materials recovered</i> )	maintain at more than 75%

<b>Consumer Behaviour</b>	
Personal storage rate of 2 or more phones	decrease to less than 18%, down from 32%
Disposal to landfill	decrease to less than 2%, down from 4%
Awareness of mobile phone recycling	increase to more than 85%, up from 75%
<b>Industry Involvement</b>	
Manufacturer participation	> 90%
Mobile phone carrier	> 90%

## SUMMARY OF KEY PERFORMANCE INDICATORS

Key Performance Indicators	2008/09 Target	2007/08 Actual	2006/07 Actual	2005/06 Actual
<b>Collections</b>				
Mobile Phone Collections (tonnes)	130	97* ✓	78	42
Annual Collection Rate, Discarded Phones	24%	18.9% ✓	18%	15%
Annual Collection Rate, Net imports	7.7%	5.5% ✓	5.3%	3%
Estimated Number Handsets & Batteries	1,048,000	<b>755,196</b>	576,640	391,074
Reported Shipments	9.5 M	<b>9.77 M</b>	8.63 M	8.41 M
Exports	1.03 M	<b>1.05 M</b>	1.24 M	1.18 M
Net Imports (units)	8.47 M	<b>8.87 M</b>	7.39 M	7.23 M
Net Imports (estimated tonnes)	1,695	<b>1,775</b>	1,478	1,446
<b>Recycling</b>				
Diversion from Landfill	> 90%	> 90% ✓	> 90%	> 90%
Recycling Rate (estimated material recovered)	> 75%	> 75%	> 75%	> 75%
<b>Consumer Behaviour</b>				
Personal Storage Rate (% users with 2 or more handsets at home)	29%	32% ✓	36%	38%
Disposal to Landfill Rate	< 2%	4% ✓	5%	9%
Awareness of Mobile Phone Recycling	> 80%	75% ✓	69%	46%
<b>Industry Participation</b>				
Manufacturers	> 90%	85% ✓	> 90%	> 90%
Mobile Network Carriers	> 95%	> 95% <sup>#</sup> ✓	> 95%	> 95%

\* The collection result for FY 07/08 does not include approximately 9 tonnes of mobiles received during the period 1/7/07 to 17/7/07. This amount was included in the FY 06/07 collection result because it was part of MobileMuster's Old Phones New Trees initiative, where for every handset deposited at participating collection points between 21/5/07 and 30/6/07 a tree would be planted.

✓ Indicates KPMG has provided limited assurance on the figures. For more information please refer to the KPMG independent review report.

# Data quoted is for 2006/07 from the Access Economics 2008 "Australian Mobile Telecommunications Industry" report based on IBISWorld Report J7122 February 2008.

## **Independent review report to the management of AMTA**

We have performed an engagement to provide a review in relation to the Australian Mobile Telecommunications Association's (AMTA's) selected sustainability performance data (the Performance Data) for the financial year ended 30 June 2008 reported on page 6 in AMTA's MobileMuster – Year in Review dated 14 November 2008.

### *Management responsibility for the Performance Data*

The management of AMTA are responsible for the preparation and presentation of the Performance Data in accordance with the definitions within Appendix 1 of AMTA's Mobile Telecommunications Industry Statement of Commitment to Mobile Phone Recycling (the Criteria), available online at [www.mobilemuster.com.au](http://www.mobilemuster.com.au). This responsibility includes establishing and maintaining internal control relevant to the preparation and presentation of the selected performance data that is free from material misstatement whether due to fraud or error. Management's assertions about the effectiveness of the performance management and internal control systems are included in a separate letter we have received from management.

### *Assurance practitioner's responsibility*

Our responsibility is to express a conclusion to management on the presentation of the Performance Data in accordance with the Criteria.

We conducted our review engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than audits or reviews of historical financial information* in order to state whether anything has come to our attention that would indicate that the Performance Data has not, in all material respects, been presented in accordance with the Criteria for the financial year ended 30 June 2008.

A review engagement consists of making enquiries, primarily of persons responsible for the collection and reporting of sustainability performance matters, and applying analytical and other review procedures. A review engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with Australian Auditing and Assurance Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance or audit opinion.

This report has been prepared for AMTA, the Recycling Committee and the AMTA Board for the purpose of inclusion in the online version (on the MobileMuster website) of the Performance Data in the MobileMuster – Year in Review dated 14 November 2008. We disclaim any assumption of responsibility for any reliance on this report and the related sustainability indicator data, to which it relates to any person other than AMTA, the Recycling Committee and the AMTA Board, or for any purpose other than for which it was prepared.

### *The Performance Data*

We have conducted an independent review of the Performance Data set out on page 6 in the MobileMuster – Year in Review dated 14 November 2008 for the year ended 30 June 2008. The Performance Data comprised:

- Annual collection rate of discarded mobiles
- Annual collection rate of net imports
- Diversion from landfill

- Storage rate of mobile phones at home or work
- Disposal to landfill rate
- Awareness rate of mobile phone recycling
- Industry participation rate (manufacturers)
- Industry participation rate (mobile network carriers)

*Inherent limitations*

Because of the inherent limitations of any internal control structure, as documented in the Criteria for the Performance Data, it is possible that errors or irregularities may occur and not be detected. Our review is not designed to detect all weaknesses in the Performance Data, as the review has not been performed continuously throughout the period and the procedures performed on the Performance Data were undertaken on a test basis.

Any projection of the evaluation of the operation of the Performance Data to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate.

The review conclusion expressed in this report has been formed on the above basis.

*Conclusion*

Based on our review engagement, which is not a reasonable assurance engagement or an audit, we have not become aware of any matter that would lead us to believe that the Performance Data has not, in all material respects, been presented in accordance with the Criteria for the period 1 July 2007 to 30 June 2008.

KPMG

KPMG  
14 November 2008