AMTA

Australian
Mobile Telecommunications
Association

MobileMuster

The official recycling program of the mobile phone industry

2009-10 -Annual Report

mobilemuster
Official recycling program of the mobile phone industry

Tuesday, 26 October 2010

Round 'em up and Hand 'em in

MobileMuster, the official recycling program of the mobile phone industry, is AMTA's primary commitment to an environmentally sustainable industry that minimises the use of resources through product stewardship, including the environmentally sound disposal of all mobile phones at the end of their useful life.

The **primary goals** of MobileMuster are to

- increase collections,
- reduce disposal to landfill,
- increase awareness, and
- offer free recycling to consumers and retailers.

Table 1: MobileMuster – Key Performance Indicators to 2013

Collections	*Recycling*	*Consumer Behaviour*	*Industry Involvement*
• Increase the annual collection rate of net imports to more than 20% , up from 5.5% • Increase the annual collection for discarded phones to over 65%, up from 17% • Diversify collection methods to include free postage paid recycling satchels and kerbside recycling	• Maintain diversion from landfill rate greater than 90% • Maintain the estimated recycling rate *(i.e. materials recovered)* greater than 75%	• Increase awareness to more than 85%, up from 75% • Decrease disposal to landfill to less than 2%, down from 4% • Decrease personal storage rate of 2 or more phones to less than 18%, down from 32%	• Maintain whole of industry participation greater than 90%

MobileMuster continues to make good progress across all its key performance indicators as illustrated in Table 2.

Table 2: 2009-2010 MobileMuster Key Performance Indicators

(Definitions of each Key Performance Indicator are provided at the end of this document)

Key Performance Indicators	2009/10 Actual	2008/09 Actual	2007/08 Actual	2006/07 Actual	2005/06 Actual
Collections					
Annual Collection (tonnes)	***103*** *(c)*	***122*** *(b)*	*97 (a)*	*78*	*42*
*Annual Collection Rate (Discarded Mobiles)***	***50.6%*** *(c)*	***38.2%*** *(b)* *(37.4%)*	*18.9% (a)* *(24.1%)*	*18%*	*15%*
Annual Collection Rate (Net imports)	***7.9%*** *(c)*	***7.8%*** *(b)*	*5.5% (a)*	*5.3%*	*3%*
Estimated Number Handsets & Batteries	**845,919**	**806,812**	755,196	576,640	391,074
Participating Members Reported Shipments	**8.66 M**	**9.03 M**	9.77 M	8.63 M	8.41 M
Estimated Participating Members Exports	**1.41 M**	**1.43 M**	1.05 M	1.24 M	1.18 M
Net Imports (units)	**7.63 M**	**7.86 M**	8.87 M	7.39 M	7.23 M
Net Imports (estimated tonnes)	**1,297**	**1,572**	1,775	1,478	1,446
Recycling					
Diversion from Landfill of MobileMuster Collections	***100%*** *(c)*	***> 90%****(b)*	*> 90% (a)*	*> 90%*	*> 90%*
Estimated Recycling Rate (materials recovered)	***>75%***	***> 75%***	*> 75%*	*> 75%*	*> 75%*
Consumer Behaviour					
Storage Rate of Mobiles at home and work (% users with 2 or more handsets)	***38%*** *(c)*	***31%****(b)*	*32% (a)*	*36%*	*38%*
Disposal to Landfill Rate	***3%*** *(c)*	***2%****(b)*	*4% (a)*	*5%*	*9%*
Awareness Rate of Mobile Phone Recycling	***79%*** *(c)*	***79%****(b)*	*75% (a)*	*69%*	*46%*
Industry Participation Rate					
Manufacturers	***72%*** *(c)*	***81%*** *(b)*	*85% (a)*	*> 90%*	*> 90%*
Mobile Network Carriers	***100%*** *(c)*	***100%*** *(b)*	*> 95% (a)*	*> 95%*	*> 95%*

*** The formula to calculate the annual collection rate of discarded phones has been modified. The formula no longer includes an estimate of mobile phones discarded from storage due to the uncertainty in estimating this figure. If the original formula was applied to the 2009-10 figures the result would be a negative number as the storage rate in homes went up. This does not reflect what is actually happening as the IPSOS market research indicates that mobiles were discarded during 2009-10. The revised formula is described in the definitions section of the MobileMuster Annual Report 2009-10 at http://www.mobilemuster.com.au/annual_collection_figures. The updated formula has been applied to the two previous year's results and the outcomes are shown in brackets below the original figure.*

a) Indicates KPMG has provided limited assurance on the figures, go to MobileMuster Annual Report 2007-08 including KPMG Assurance Report at http://www.mobilemuster.com.au/annual_collection_figures

b) Indicates PwC has provided limited assurance on the figures, go to MobileMuster Annual Report 2008-09 including PwC Assurance Report and 2008-09 definitions http://www.mobilemuster.com.au/annual_collection_figures

c) Indicates PwC has provided limited assurance on the figures, go to MobileMuster Annual Report 2009-10 including PwC Assurance Report and 2009-10 definitions http://www.mobilemuster.com.au/annual_collection_figures

Collections

Total collections while down in weight (figure 1) continue to grow in terms of the number of handsets and batteries received for recycling (figure 2). Likewise the collection rates have improved with the net import collection rate increasing slight to 7.9%, but more importantly the net collection rate of estimated discarded mobiles increasing to 50.6%.

The drop in total collection weight can largely be attributed to a drop in the average unit weight of a charger from 100 grams to 70 grams. Accessories including chargers normally make up 50% of the overall collections.

Figure 1: Total annual collections by weight (kg) - all mobile phone components

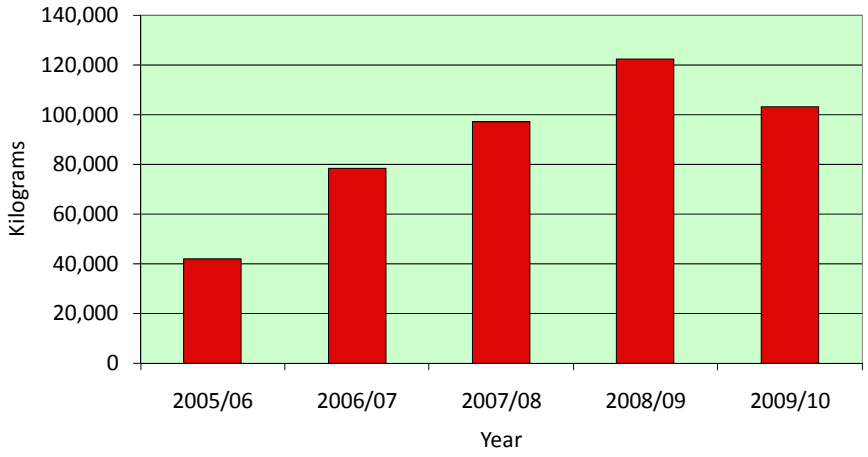
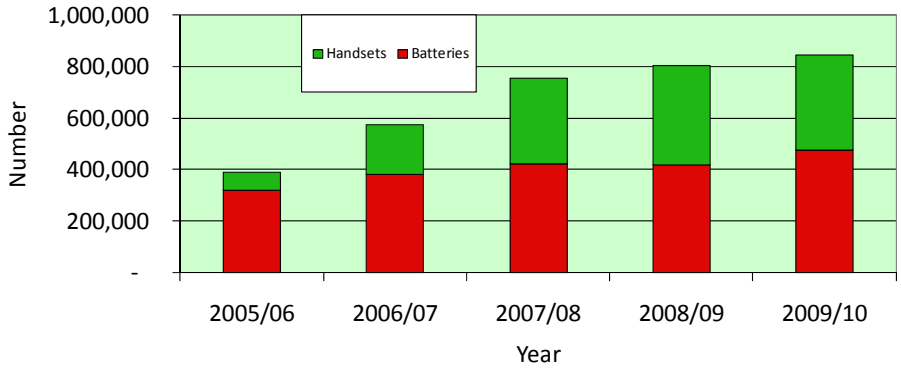


Figure 2: Total number of handsets and batteries collected



Access and ease of recycling continues to improve with more than 3,500 plus public drop off points across the country including mobile phone retail outlets - Telstra, Optus, Vodafone, 3 Mobile, Allphones, Fone Zone, Crazy Johns and Dick Smith stores; Nokia Care and Motorola One Service

Centres as well as various independent mobile phone retailers, participating local councils, other retail outlets such as Cartridge World and Battery World and more recently Officeworks.

Many businesses, educational institutions, state and federal government agencies, recyclers, MPs and community based organizations continue to join MobileMuster to help their staff, students and customers recycle their mobiles.

The use of reply paid recycling satchels and mailing labels continues to be a popular alternative for people to recycle. Satchels are now included in many of the new mobile phone packs purchased including Samsung, LG Electronics, Motorola, Optus, Boost, Sony Ericsson and ZTE packs, with Nokia planning to introduce the satchels in their packs in the second half of 2010.

Australia Post continues to support MobileMuster by making the recycling satchels available from their outlets across Australia.

To further simplify and make mobile phone recycling more accessible MobileMuster continues to work locally with councils and waste organisations to collect mobile phones and accessories using existing kerbside recycling collections and e-waste collection days.

At a national level AMTA continues to advocate and contribute to the development of a national systematic, regular collection of all e-waste, including mobile phones.

AMTA's submissions to the Federal Government Draft National Waste Policy and Consultation Regulatory Impact Statement for Computer and TVs in late 2009 called for:

- Commonwealth not State Based Regulation
- Broad Protection from Free Riders
- Industry not Government Managed & Funded Schemes
- Industry Specific not Single/Combined Producer Responsibility Organisations
- Industry Developed and Government Endorsed Targets
- Recycling Free to Consumers at point of disposal
- National, Systematic and Regular Collection of e-Waste

As a result of AMTA's input to the national waste policy AMTA now participates in the Federal Government's Stakeholder Reference Group for National Television and Computer Product Stewardship Scheme and contributes to the development of the Product Stewardship Framework legislation.

AMTA also continues to meets regularly with the television and computer industries to develop joint collection facilities and promotions.

Recycling

The recycling of mobile phone components is performed to the highest environmental standards, and none are refurbished or sold. Currently all mobile phones are dismantled and sorted into their various components by AMTA's recycling partner MRI in Sydney or Melbourne then they are either

processed locally by third parties in Australia or in Korea. 100% of the mobile phone materials handled by MRI are diverted from landfill and it is estimated that over 90% is recovered for reuse by third party recyclers.

MobileMuster's recent report ***A nation of mobile phone hoarders*** released in February 2010 estimates that if the 16 million old and unused mobiles in homes around Australia were recycled the materials recovered could produce 3.2 million aluminium cans, 160,000 plastic fence posts and save greenhouse gases equivalent to taking 5,200 cars off the roads.

Consumer Behaviour

General consumer awareness of mobile phone recycling has remained steady at 79%[1]. However, many people still hang on to their old mobile phones. The most recent independent research on mobile phone behaviours[1] found that 83% of mobile phone users either keep or pass on their previous mobile phone and that a greater proportion of people now have four or more phones.

People's desire to keep their old mobile phones is a major barrier to increasing collection rates. The research findings suggest that most people keep their previous mobile phone as a spare or back up with more and more people saying it has information on it. This in part reflects the growing take up of smart phones.

To counter this desire MobileMuster invests in short term campaigns such as the *Old phones, more trees* where in partnership with Landcare Australia a tree is planted for every kilogram of mobiles sent in for recycling. Incentives such as these have been effective in reminding people to recycle and provide an extra reason to recycle their old mobiles. Since 2007 more than 220,000 trees will have been planted as a result of this campaign with around 100,000 kilograms of mobile phone components diverted from landfill.

For Christmas last year MobileMuster partnered with Oxfam where for every handset sent in for recycling MobileMuster would give a chicken through Oxfam's Unwrapped program to a family in need . After a two week online campaign enough handsets had been sent in for recycling for MobileMuster to give 1000 chickens to families from Laos living in poverty.

Very few people throw their mobiles out in the rubbish, with less than 3% saying they threw their previous mobile phone out in the last 12 months[2].

MobileMuster continues to engage and educate Australia's youth through its National Schools Recycling Challenges. Two challenges were held in 2009-10 with **over 600** schools across Australia sending in more than 1,400 kg of mobile phones for recycling. Over 280,000 students are estimated to have contributed to their school's muster.

[1] Independent online survey conducted in February 2010 by IPSOS on behalf of AMTA of 650 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.

[2] Independent online survey conducted in February 2010 by IPSOS on behalf of AMTA of 650 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.

In recognition of the ongoing participation and contribution of local councils to MobileMuster, five awards were presented at the Australian Local Government Associations National General Assembly in June this year.

This year's winners were:

- **National Excellence** – Hunter Resource Recovery NSW (representing Cessnock, Newcastle, Lake Macquarie, Maitland and Port Stephens Councils).
- **Top Collector Overall (by weight)** – Brisbane City Council - QLD
- **Top Collector per Capita** – Shire Of Trayning- WA
- **Best Promoter** – Alice Springs Town Council NT
- **Working with School** – The Hills Shire Council NSW

Industry Involvement[3]

Members of the mobile phone industry continue to actively support MobileMuster both financially and in-kind by promoting the program to their customers and staff online, through sales material and in-store.

Over the past twelve months three new manufacturers have joined the program, HTC from Taiwan and ZTE and Huawei from China. Together with current members Nokia, Motorola, Samsung Electronics, Sony Ericsson and LG Electronics they represent 72% of the mobile phone handset market.

Australia's three network carriers Telstra, Optus, Vodafone Hutchison Australia and resellers Virgin Mobile and AAPT also continue to actively support the program, along with battery importer Force Technology.

To assist retailers maintain MobileMuster presence in store, over 1000 mobile phone retail outlets were visited up to three times this year to ensure recycling units were on display and staff were well versed on the program.

The Changing Face of Mobile Phone Recycling in Australia

Over the past 12 months there have been a number of significant changes in the mobile phone industry that have influenced the dynamics of mobile phone use and recycling of old and unwanted mobiles.

Changing Member Participation Mix

The number of handsets shipped in by MobileMuster's members in 2009-10 dropped to 8.66 million down from 9.66 million in the previous year.

[3] Industry participation is defined as the proportion of shipments for mobile phone handset manufacturers and revenue of mobile network carriers operating in the Australian mobile telecommunications market that contribute financially to the industry's mobile phone industry recycling program.

This decline has been driven by the rapid growth in smart phones including Apple's iPhone and Research In Motion's Blackberry (both manufacturers do not participant in MobileMuster).

Mobile Phone Refurbishing

In early 2010 a number of new commercially based mobile phone reuse/recycling programs entered the Australian market offering either cash or profit sharing with charities as incentives to consumers. These programs are funded by the resale of these collected mobiles into secondary markets in Europe, Asia and Africa for reuse.

While not a new concept in Australia, these refurbishment programs are investing substantially to promote and encourage people to send in their old mobiles.

MobileMuster does not currently refurbish and resell mobile phones as it considers the environmental, human health and quality control risks are greater then the potential environment and social benefits through reuse.

By recycling all mobiles collected through the program MobileMuster tracks and traces the product through the recycling chain, ensuring all mobiles are processed to the highest environmental standards and that over 90% of the materials are recovered and reused to make new products in a safe and responsible manner. Similarly, it can ensure that any information on mobiles collected is destroyed through the recycling process.

AMTA supports the principles of product stewardship and its members are committed to continually reducing the environmental impact of telecommunications products through out their life cycle from design, manufacture, handling to use and disposal by:

- improving the efficiency of resource use in products;
- increasing resource recovery;
- minimising the generation of waste (including hazardous substances);
- improving the management of post-consumer waste; and
- reducing the risks to human health from poor management of products.

AMTA is also committed to ensuring consumers are informed about what they can do to reduce the environmental burden of mobile phone products by

- encouraging people to extend the useful life of their mobile phone by repairing it at any handset manufacturer certified service centre, and
- promoting its mobile phone recycling program MobileMuster

AMTA recognises that refurbishment and reselling of used mobile phones is a legitimate global commercial activity that can extend the useful life of mobile phones, improving access to communications and providing social and economic benefits.

AMTA considers that refurbishment and reselling is only appropriate when it is conducted in a manner consistent with the UNEP Basel Convention Guideline[4] on the Refurbishment of Used Mobile Phones.

That is the repair and reconditioning of used mobile phones is done in an environmentally sound manner that will protect human health and where the mobile phones re-entering the market comply with applicable original equipment manufacturer technical performance standards and regulatory requirements.

To ensure the scrap from these recently introduced reuse programs does not end up in Australian or overseas landfills, MobileMuster has established agreements with a number of the refurbishers to recycle their mobile phone scrap for free. In return MobileMuster is encouraging each program to report annually on the number and weight of mobile phone units exported for resale so that a more complete picture of mobile phone reuse and recycling can be included in future AMTA annual reports.

The impact of these mobile phone reuse programs on MobileMuster's collections in the past has been minimal however, given their increasing investment and incentives it is likely these programs will impact MobileMuster's collections moving forward.

However, in light of all these changes over the past 12 months, MobileMuster has continued to make good progress towards its objectives of increasing collections, reducing disposal to landfill, increasing awareness, and offering free recycling to mobile phone users.

[4] UNEP Basel Convention, (2006) Guideline on the refurbishment of used mobile phones. Mobile Phone Partnership Initiative Project 1.1 – www.basel.int

Definitions

Average unit weight
The average weight of a mobile phone unit (i.e. a handset, battery and charger) has also been reduced to 170 grams, down from the 200 grams used previously, based on advice from manufacturers and changes in collection weights. This is used throughout the KPI calculations defined below.

Annual Collections
The annual collection data is the weight of mobile phone components collected by MobileMuster measured in kilograms and then converted to tonnes. Mobile phone components include handsets, batteries, chargers, accessories and plastic coverings covered by the MobileMuster program.

Annual Collection Rate (Discarded Mobiles)
The formula used to calculate this rate for 2009/10 has been modified from that used in the previous two years due to the current uncertainty in estimating phones discarded from storage. The formula for estimating the amount of discarded phones no longer includes an estimate of phones discarded from storage (see revised definition of Discarded Phones below).

$$\text{ACRDM} = \frac{\text{Annual Collection (tonnes)}}{\text{Discarded Phones (tonnes)}} \times 100$$

Annual Collection = Weight of mobile phone components (i.e. handsets, batteries, chargers, accessories and associated plastics) received by recycler measured in kg and converted to tonnes

Discarded Phones = Participating Manufacturer Reported Imports – Estimated Participating Manufacturer Exports - (Kept + Given Away)

> Participating Manufacturer Reported Imports = measured in units[5] (i.e. mobile phone unit = handset, battery, charger and accessory) and converted to weight using the average unit weight
>
> Estimated Participating Manufacturer Exports = measured in units and converted to weight using the average unit weight. The figure has been calculated to reflect the proportion of participating manufacturer shipments that have been exported and is estimated as the All Industry Exports[6] divided by All Industry Imports[7] multiplied by Participating Manufacturer Reported Imports.
>
> Kept – Estimate based on market research[8] on the proportion of people who keep their previous phones for further use including “kept it just in case”, “not working but kept it anyway” and “still using it” multiplied by Participating Manufacturer Reported Imports. Measured as units and converted to weight using the average unit weight.

[5] Data sourced from Informark – Participating Manufacturer Shipments.
[6] All Industry Exports (i.e. includes non participating manufacturers exports) sourced from Australian Customs Data that has been reported by Australian Bureau of Statistics and provided to AMTA by Informark.
[7] All Industry Imports (i.e. includes non participating manufacturers imports) sourced from Australian Customs Data that has been reported by Australian Bureau of Statistics and provided to AMTA by Informark..
[8] Independent online survey conducted annually by IPSOS on behalf of AMTA of 665 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.

Given Away – Estimated based on market research[9] on the proportion of people who pass on their previous phones for further use including "gave it to someone else", "traded it" and "donated to charity" multiplied by Participating Manufacturer Reported Imports. Measured as units and converted to weight using the average unit weight.

The following assumptions have been made in calculating the amount of discarded phones and may be subject to review in future years as more data becomes available:

- The majority of mobile phones being discarded are manufactured by participating manufacturers and that the number of non participating manufacturers is minimal / insignificant.
- The amount of unsold mobile phones held in stock is relatively low and remains constant through out the year.
- The IPSOS market research results used in the calculations are an accurate and consistent representation of what the general population do with their mobile phones when no longer in use.

Annual Collection Rate (Net Imports)

$$ACRNI = \frac{\text{Annual Collection (tonnes)}}{\text{Net Imports (tonnes)}} \times 100$$

Annual Collection = Weight of mobile phone components (i.e. handsets, batteries, chargers, accessories and associated plastics) received by recycler measured in kg and converted to tonnes

Net Imports = Participating Manufacturer Reported Imports – Estimated Participating Manufacturer Exports

Participating Manufacturer Reported Imports = measured in units[10] (i.e. mobile phone unit = handset, battery, charger and accessory) and converted to weight using the average unit weight.

Estimated Participating Manufacturer Exports = measured in units and converted to weight using the average unit weight. The figure has been calculated to reflect the proportion of participating manufacturer shipments that have been exported and is calculated by using the following formula All Industry Exports[11] / All Industry Imports[12] x by Participating Manufacturer Reported Imports.

The following assumptions have been made in calculating the annual collection rate based on net imports and may be subject to review in future years as more data becomes available:

- There is no material difference between the quantity of mobile phones being exported that are manufactured by participating manufacturers versus the estimated participating manufacturers exports which has been generated by applying the ratio of Participating Manufacturer Imports and All Industry Imports to All Industry Exports;

[10] Data sourced from Informark – Participating Manufacturer Shipments/Imports.
[11] All Industry Exports (i.e. includes non participating manufacturers exports) souced from Australian Customs Data that has been reported by Australian Bureau of Statistics and provided to AMTA by Informark.
[12] All Industry Imports (i.e. includes non participating manufacturers imports) sourced from Australian Customs Data that has been reported by Australian Bureau of Statistics and provided to AMTA by Informark..

- There is no material difference between the average unit weight of imported mobile phones versus the estimated average unit weight used that is based on manufacturer data.

Diversion from Landfill of MobileMuster Collections

This indicator measures the proportion of mobile phone components (i.e. handsets, batteries, plastics and accessories) collected by MobileMuster that, once sorted and dismantled by the primary recycler, are sent either to third party specialist recyclers for further processing or manufacturers for re-use, versus being sent to landfill.

This indicator does not measure the proportion of mobile phone components recycled/materials recovered versus any residues sent to landfill by third party specialist recyclers' and manufacturers.

The indicator expressed as a percentage and calculated using the formula below:

$$DFLR = \frac{\text{Total weight of mobile phone components collected by MobileMuster and sent to third party specialist recyclers or manufacturers (kg)}}{\text{Annual Collections (kg)}}$$

Estimated Recycling Rate (materials recovered)
Due to lack of specific data on the processing of mobile phone components from third party recyclers this KPI can only be an estimate of the proportion of materials recovered for reuse from mobile phone components recycled based on industry reported recovery rates for particular materials or components where data is available.

$$\text{Estimated Recycling Rate} = \frac{\text{Estimated Weight of Materials Recovered for Reuse}}{\text{AMTA Annual Collection Wt}} \times 100$$

Estimated Weight of Materials Recovered for Reuse = Estimated weight of all materials recovered from mobile phone components accepted for recycling by all recyclers involved in the processing of mobile phone components for further productive use. This estimate is based on industry reported recovery rates for particular materials or components where data is available.

Storage Rate of Mobile Phones at home and work
Derived from annual market research[13] that measures the percentage of mobile phone users having two or more mobiles in storage.

Disposal to Landfill Rate
This is currently measured through market research[14] that measures the percentage of mobile phone users that dispose of their mobile phones to landfill.

Awareness Rate of Mobile Phone Recycling
This is currently measured through market research[15] that measures the percentage of mobile phone users that are aware of mobile phone recycling.

[13] Independent online survey conducted annually by IPSOS on behalf of AMTA of 665 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.
[14] Independent online survey conducted annually by IPSOS on behalf of AMTA of 665 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.

Industry Participation Rate

Industry participation is defined as the proportion of shipments of mobile phone handset manufacturers and revenue of mobile network carriers operating in the Australian mobile telecommunications market that contribute financially to the industry's mobile phone industry recycling program.

This is measured in two parts.

Manufacturers[16] = Participating Manufacturer Shipments / Industry Imports

&

Mobile Network Carriers[17] = Total Market Share (by revenue) of each Mobile Network Carrier contributing financially to MobileMuster

Participating members as at 30 June 2010

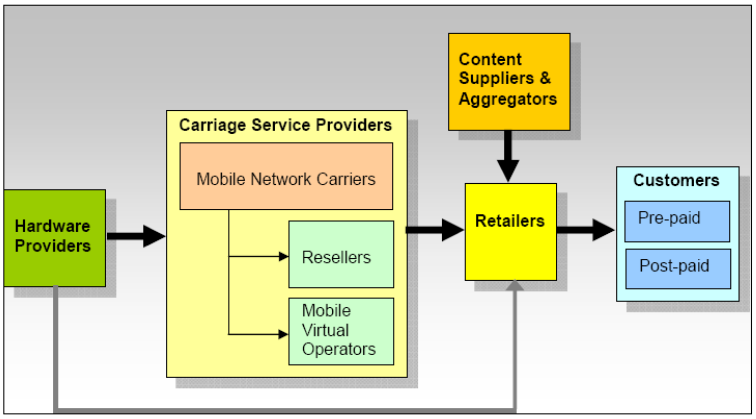
Handset Manufacturers- i-Mate, LG Electronics, Motorola, Nokia, NEC, Samsung Electronics Australia, Sharp, Sony Ericsson, HTC, ZTE

Battery importers - Force Technology

Carriage Service Providers – Mobile Network Carriers- Telstra, Optus, Vodafone, Hutchison ("3")

Resellers/Mobile Virtual Network Operators - Virgin Mobile, AAPT

FIGURE 2-1: THE MOBILE TELECOMMUNICATIONS INDUSTRY



Source – Access Economics 2008 Australian Mobile Telecommunications Industry, Economic Significance and contribution

[15] Independent online survey conducted annually by IPSOS on behalf of AMTA of 665 mobile phone users, aged between 16 and 64 years old randomly selected across Sydney, Melbourne, Adelaide and Perth.

[16] Data sourced from Informark

[17] Data quoted is for 2007/08 and sourced from IBISWorld Report, Mobile Telecommunications Carriers in Australia, J7122, September 2009.

pwc

Independent Limited Assurance Report to the Directors of Australian Mobile Telecommunications Association on selected Key Performance Indicators presented in the MobileMuster 2009-10 Annual Report for the year ended 30 June 2010

You have engaged us to provide limited assurance on selected key performance indicators for the MobileMuster national mobile phone recycling program (included on page 18 "2009-2010 MobileMuster Key Performance Indicators" table, column titled "2009/10 Actual" of the Australian Mobile Telecommunications Association (AMTA) MobileMuster 2009/10 Annual Report (Annual Report) for the year ended 30 June 2010 (the selected KPIs). The selected KPIs provided to us were chosen by AMTA for our review.

The selected KPIs consist of the following:

- Annual Collections (tonnes)
- Annual Collection Rate (Discarded Mobiles)
- Annual Collection Rate (Net imports)
- Diversion from Landfill of MobileMuster Collections
- Storage Rate of Mobiles at home and work (% users with 2 or more handsets)
- Disposal to Landfill Rate
- Awareness Rate of Mobile Phone Recycling
- Industry participation rate – Manufacturers
- Industry participation rate – Mobile Network Carriers

AMTA management's responsibility

Management of AMTA (**Management**) are responsible for preparing the selected KPIs based on AMTA's "Definitions" included on pages 9 – 12 of the Annual Report. Management are responsible for determining the adequacy of the Definitions to meet the requirements of the MobileMuster national mobile phone recycling program.

Our responsibility

Our responsibility is to form an independent conclusion on whether, based on our limited assurance procedures, anything has come to our attention to indicate the selected KPIs have not been prepared and presented in all material respects in accordance with the Definitions. Our responsibilities do not extend to any other information presented in the Annual Report.

Assurance work performed

We conducted our limited assurance engagement in accordance with the *Australian Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits and Reviews of Historical Financial Information* (**ASAE 3000**) issued by the Australian Auditing and Assurance Standards Board. A limited assurance engagement involves making enquiries, primarily of persons responsible for the selected KPIs and applying analytical and other limited assurance procedures to the selected KPIs. The procedures selected, in order to form our conclusion, depend on judgment, including an assessment of the risks of material misstatement of the selected KPIs.

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Our procedures applied to the selected KPIs primarily comprised:

- making enquiries of relevant AMTA management and of third parties who have supplied information to AMTA;
- evaluating the design of the key processes and controls for managing and reporting the selected KPIs;
- testing, on a selective basis, the preparation and collation of the selected KPIs prepared by the AMTA; and
- undertaking analytical procedures over certain data provided to us.

Use of our Report

This Report, including the conclusion set out below, has been prepared solely for the use and benefit of AMTA to assist the Directors in reporting on the performance of the MobileMuster national mobile phone recycling program.

We assume no responsibility and accept no liability arising out of, or in connection with, any use of, or reliance on this Report by any party other than the Directors AMTA, or for any purpose other than that for which this Report was prepared.

We consent to this Report being included in the Annual Report and understand that a copy of the Annual Report will be made available on the MobileMuster website. We accept no responsibility for the integrity and security of the MobileMuster website and this Report is not intended to relate to, or to be read in conjunction with, any other information that may appear on the MobileMuster website. Readers of this Report on the MobileMuster website (who may read it for their information only) should bear in mind the inherent risks arising from the electronic communication of data.

Inherent Limitations

Because of the inherent limitations of any internal control framework and underlying data, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement in accordance with ASAE3000 primarily comprises of making enquiries, primarily of Management and applying analytical and other review procedures where the work is substantially less detailed than undertaken for a reasonable assurance engagement under ASAE3000. The conclusion expressed in this Report has been formed on the above basis.

Additionally, non-financial performance data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. There are no generally accepted reporting standards applicable for non-financial performance data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. It is important to read the selected KPIs in the context of AMTA's Definitions.

Conclusion

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention, which causes us to conclude that the selected KPIs included in the Annual Report for the year ended 30 June 2010 have not been prepared, in all material respects, in accordance with the Definitions.

PricewaterhouseCoopers

PricewaterhouseCoopers Australia

Liza Maimone
Partner
Sustainability and Climate Change

Melbourne
29 October 2010