AMTA

Australian Mobile Telecommunications Association

Annual Report 2012

AMTA Contacts

Membership

For information about AMTA or membership inquiries phone (02) 6239 6555 or see the website: www.amta.org.au

MobileMuster

To contact MobileMuster phone 1300 730 070 or email mobilemuster@amta.org.au. For more information about MobileMuster go to www.mobilemuster.com.au

Mobile Carriers Forum

To contact the Mobile Carriers Forum phone (02) 6295 8191 or see the website: www.mcf.amta.org.au

AMTA Members

Carriage Service Providers

Dodo Australia, gotalk, Lebara Mobile, Lycamobile, Optus, Tel. Pacific, Telstra, VHA Pty Ltd

Handset Manufacturers

LG Electronics Australia, HTC (Aust & NZ), Nokia Australia, Motorola Mobility Australia, Research in Motion, Samsung Australia, Sony Ericsson, ZTE Australia

Retailers

Mobile Network

Infrastructure Suppliers

Alcatel-Lucent Australia, Ericsson Australia, Huawei Technologies, Nokia Siemens Networks, Qualcomm International

Support Industries

Aeromobile, Crown Castle International, KPPR, Paradigm.one, RF Industries, Risk Insure, Urbis Pty Ltd

AMTA Vision

The Australian Mobile Telecommunications Association is the peak national body representing Australia's mobile telecommunications industry.

AMTA's vision is to promote an environmentally, socially and economically responsible, successful and sustainable mobile telecommunications industry in Australia.

AMTA aims to achieve its vision by:

- effective industry representation and leadership
- generating consensus on whole-of-industry issues
- improving the level of trust between the industry, related industries, key stakeholders and the wider community
- promoting an improved understanding of the mobile telecommunications industry and its contribution to the Australian community.

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Chair's Report 2012

Warwick Bray, Chair, AMTA

The mobile telecommunications industry continues to work co-operatively through the Australian Mobile Telecommunications Association (AMTA) to provide a united and concerted effort to meet policy and regulatory challenges and enhance the product and service awareness of consumers in the mobile telecommunications market.

The industry is undergoing rapid transformation from one based on the provision of voice and SMS services to new data-based services, such as mobile broadband, social networking, sending and receiving emails and downloading apps to smartphones and tablets, which add functionality across a myriad of content categories.

In 2012, the role of broadband in our evolving digital economy remained a central theme with much of the debate focused on the infrastructure, legislative reform and regulatory frameworks needed to support our digital economy. In this context the growth in demand for mobile broadband continues to be a standout feature. Much of AMTA's program remains focused on issues relevant to future mobile infrastructure, which is so central to meeting the projected growth in demand for mobile data.

The reality of mobile traffic growth means industry must continue to invest in cell sites, the latest technologies and network architectures and radiofrequency spectrum.

These elements together underpin network performance, which in turn determines the 'quality-of-service' experienced by customers.

In a market increasingly influenced by smartphones, tablets and mobile broadband dongles, the role of mobile data continues to expand, driving industry's infrastructure investment, enabling innovation in applications and services, and creating productivity and connectivity opportunities throughout our economy and society.

Governments around the world face the challenging dynamics of a converging landscape in which traditional legislative, regulatory and commercial boundaries are changing rapidly. The combination of high demand in fluid markets operating within traditional regulatory structures creates concerns for all involved.

Communications policy frameworks and regulatory settings in such rapidly evolving markets must be carefully crafted given the potential for unintended consequences. Legislative and regulatory arrangements should be relevant, but there is a real danger of excessive regulation if governments try to manage this evolving environment too closely. AMTA maintains that regulatory forbearance is the more sensible approach until the costs and benefits of regulatory proposals are well understood.

AMTA participated in the Convergence Review process that culminated in the Review Committee's final report in March and continues to advocate a regulatory reform agenda that promotes innovation in convergent technologies and ongoing investment in infrastructure, including spectrum for mobile broadband.

It is generally accepted by industry that the current regulatory framework is founded on outdated concepts and merits reform. To help guide that reform, AMTA proposes the following principles for the regulatory framework:

- It must promote fair and open competition in the mobile telecommunication market;
- Industry's compliance costs must be minimised;

- It should encourage deregulation where possible in order to provide the flexibility necessary for industry to adapt to the rapid pace of technological change and ongoing development of new business models;
- It must be clearly understood and applied consistently so that industry has the certainty necessary for continued investment.

This year has also been characterised by a strong refocus on customers, who are, of course, at the centre of our industry and increasingly enjoy benefits from the intersection of mobile and internet technologies – arguably two of the most influential technologies of our generation.

The ACMA's Reconnecting the Customer Inquiry, launched in 2010, drew a strong response from industry aimed at improving the customer experience. The retention of customers is a top priority for AMTA members given the high penetration rate in the mobile sector, which sustains the strong focus on meeting the needs of customers in all aspects of their mobile telecommunications experience.

AMTA has a broad charter to promote innovative mobile telecommunications technologies that help enable economic success and also provide social connectivity benefits. To that end, AMTA is engaging with consumers to offer advice on the safe and responsible use of mobile technologies and devices.

During 2012 this aspect of AMTA's work program has focussed on new and enhanced online information for consumers soon to be available at www.mobiletips.org.au.

In summary, AMTA has maintained a strong focus in 2012 on the key issues of most relevance and value to members - as defined by members. I am confident the work of the Association will continue to reflect the industry's needs in 2013 – a year that will see ongoing convergence trends played out against the backdrop of a federal election campaign. In this context industry unity and engagement via its Association will remain an important aspect of our collective interaction with government and the political process.

I would like to thank members of the AMTA Board for their engagement and contribution during the year.

On behalf of the Board, I express our appreciation to Henry Calvert (Optus) for his service as Chair for the past two years. This year we also welcomed to the Board: Sarah Pike (Optus); Hakan Eriksson (Ericsson); Steve Lewis (Nokia); Stephen McFeeley (Nokia Siemens Networks) and Sean O'Halloran (Alcatel Lucent).

In closing I acknowledge the professionalism of the AMTA team and thank them on behalf of the membership for their efforts and program results.

CEO's Report 2012

Chris Althaus, AMTA CEO.

AMTA has worked hard in 2012 to continue the momentum established over the last few years in supporting the needs of members as the local market continues to grow and develop as part of an increasingly complex and challenging environment responding to the forces of convergence.

As the statistics attest, latest generation mobile telecommunication technologies are both ubiquitous and pervasive having added multiple dimensions via mobile data services, such as mobile broadband, email and the ever expanding world of apps. In addition, the diversity of devices relating to mobile networks is also rapidly expanding courtesy of innovations such as smartphones, tablets and netbook computers.

There are over 29 million mobile subscriptions in Australia – a penetration rate of around 130% including 16.2 million mobile handset subscriptions with internet access capability, which are increasingly being used to access more and more data, with mobile data downloads increasing by 32% from Dec 2011 to June 2012.[1]

Cisco [2] recently predicted a 14-fold increase in Australia's mobile traffic data over the next five years. Mobile data traffic grew by 103 per cent in 2011 and by the end of 2012 two thirds of all mobile phones will be internet-enabled.

Australia is very much in line with global trends and forecasts (see graphs on pages 7 and 8) and in some cases is a world leader – for example, in smartphone adoption with a recent Telsyte study predicting 18.5 million or 90 per cent of all subscribers in Australia will be smartphone users by 2015.

Latest generation mobile telecommunications continue to make a big difference to businesses through increasing productivity, lowering costs and reaching consumers in new and innovative ways. In particular, mobile data services, such as mobile broadband, are playing an increasingly key role as a driver of productivity across all sectors of the economy as well as connectivity throughout society.

A key ongoing focus for AMTA involves interaction with key stakeholders in the policy and regulatory environment and the provision of information on the mobile sector and its economic and social impacts. To this end, AMTA is undertaking a major update of its economic research, including modelling to better understand the productivity benefits of mobile telecommunications, which we intend to launch early in the election year – 2013.

Governments and regulators must provide policy settings and regulatory frameworks that promote and support the enabling capacity of latest generation mobile telecommunications.

AMTA recognises the difficult task faced by government in getting the balance right between regulatory forbearance and intervention in such a dynamic environment. However, creating increased regulatory burden and/or uncertainty does have an impact on the industry and by extension has some flow-on implications for consumers.

AMTA works closely with the Department of Broadband Communications and the Digital Economy (DBCDE) and the Australian Communications and Media Authority (ACMA) and appreciates the relationships, which far more often than not share common goals which are achieved through co-operative effort.

Central to this aim is AMTA's support for the existing co-regulatory model based on industry codes of practice, which despite some criticism, remains a very flexible and potentially responsive approach in such a rapidly changing sector.

1 ABS 8153.0 Internet Activity, Australia June 2012
2 Cisco's Visual Networking Index, Feb 2012

For example, in 2012 new revised codes for "telecommunications consumer protection" and "mobile phone base station deployment" were finalised and registered with the ACMA under the auspices of Communications Alliance. Both outcomes reflected lengthy, but inclusive negotiations with stakeholders and have set new standards for industry performance in direct response to the dynamics of the market.

Against this background, AMTA's 2012 work on policy and regulatory matters in areas such as radiofrequency spectrum allocation, network deployment regulation and convergence has been complemented by our consumer-focused programs, which are primarily designed to build consumer awareness on key issues.

For example, cyber safety, bill shock, international mobile roaming, safe mobile use while driving, general health information, mobile device recycling and mobile accessibility all feature in AMTA's programs and consumer awareness resources. In fact, AMTA is planning to launch a new website designed to make consumer information more accessible at www.mobiletips.org.au.

AMTA's program issues and activities are outlined later in this year's Annual Report covering MobileMuster, Mobile Carriers Forum (MCF), policy and consumer related initiatives. However, I would like to mention two specific issues as key examples of AMTA's work.

Private Members Bills

Against a background of high mobile data demand and the resultant need for investments in network infrastructure, AMTA led an industry response to two private members bills introduced into the Federal Parliament to amend Schedule 3 to the *Telecommunications Act 1997* (Cth) (Telecommunications Act). Schedule 3 sets out carriers' powers and immunities in connection with access to land when deploying network infrastructure.

On 14 September 2011, Senator Bob Brown of the Greens introduced the *Telecommunications Amendment (Mobile Phone Towers) Bill 2011* (Brown Bill); and on 19 September 2011 Mr Andrew Wilkie, Independent Member for Denison, introduced the *Telecommunications Amendment (Enhanced Community Consultation) Bill 2011* (Wilkie Bill).

Early assessments clearly indicated that the Bills would significantly undermine the mobile telecommunications industry's ability to maintain and further develop existing networks and develop new networks.

Given the potential for substantial operational and financial impacts, AMTA/MCF engaged Deloitte Access Economics (DAE) to produce estimates of the costs involved with the proposed regulatory reforms.

In short, the Bills would have had widespread impacts including:

- diminishing the consumer welfare provided via mobile telecommunications
- reducing the contribution of mobile telecommunications to Australia's economic productivity and social connectivity
- inhibiting investment and/or causing under-investment in latest generation mobile telecommunications infrastructure and technologies
- dramatically increasing the cost burden on local councils.

Deloitte Access Economics estimated the overall additional annual costs of the bills as high as $2.20 billion.

DELOITTE ACCESS ECONOMICS – Conclusions extract

The Wilkie and Brown Bills have both been designed to ease community concerns about mobile telephone infrastructure, and to facilitate improved consultation with local communities before construction or work begins.

However, the legislative effect of each of the two Bills would be to create a system that makes the cost of completing the mandated legislative obligations to build new base stations or upgrade existing base stations prohibitively expensive, and runs the risk of substantial underinvestment in mobile telecommunications services in Australia going forward.

Coming at a time when the demand for mobile data is widely forecast to grow rapidly, this presents untimely barriers to an already challenging infrastructure development path for the mobile telecommunications industry, which may lead to large losses in consumer welfare.

Both Bills were referred to Parliamentary Committees. AMTA and MCF led the industry's response to the Committee hearings. Following submissions and public hearings the respective Committee Inquiries concluded as follows:

House of Representatives Standing Committee on Infrastructure and Communications (Wilkie Bill)

The Committee is aware of the tremendous contribution made by telecommunications networks to the Australian economy and society, and recognizes that demand for network capacity will continue to grow. The ability of the industry to efficiently maintain and upgrade its infrastructure is an essential component of the ability to extend services. The Committee is cognizant however of community concerns caused by the ever increasing roll-out of mobile phone towers. Effective and active consultation by industry is an essential part of this process.

The Committee concludes that the bill, as currently proposed, would not meet its objectives of strengthening the role of the community in the decision-making processes by carriers. Furthermore, essential routine activities by carriers, which would generally be of little concern to the community, will likely be severely disrupted by the consultation requirements of the bill.

Recommendation

That the House of Representatives not pass the Telecommunications Amendment (Enhancing Community Consultation) Bill 2011.

Senate Environment & Communications Legislation Committee (Brown Bill)

The Committee acknowledges the potential costs and unintended consequences associated with the bill as identified by various submitters. It is the committee's view that these costs and unintended consequences suggest the bill is impractical and would not effectively resolve the concerns it is seeking to address. ***On that basis, the Committee recommends that the bill not be passed.***

Observations from the Committee process

In rejecting the Bills, both committees strongly urged the industry to increase its efforts to improve engagement with affected communities and to be especially diligent in its application of, and adherence to, the new Communications Alliance Industry Code for mobile phone network deployment. They also flagged their willingness to reconsider regulatory intervention if any aspects of the Carriers' operations under the new Code proved unsatisfactory.

AMTA has further reflected on the underlying messages from both parliamentary committee processes, which clearly note the reality of ongoing concerns at community level and the need for industry to respect and address these concerns to a fair and reasonable degree.

Clearly industry must engage strongly to understand community concerns and provide information resources as per the new Code, including, where appropriate, briefings for local politicians. Communities will reflect their concerns via political means, which means governments, via their elected members, will remain close observers of industry performance.

Spectrum – Digital Dividend (DD) Auction (700MHz and 2.5GHz)

As previously noted, radiofrequency spectrum is a prerequisite to operating a mobile network and providing mobile telecommunication services. Given strong growth in mobile traffic and demand for mobile data services, such as mobile broadband, the industry has called on government to allocate additional spectrum for possible mobile use.

The ACMA reported in 2011 on the future spectrum requirements for mobile broadband and concluded:

"There is widespread recognition that mobile broadband services are an economic enabler within society and the provision of these services, technologies and applications in the wider community is in the public interest." Source: 2011 ACMA "Towards 2020 Future spectrum requirements for mobile broadband"

Nerida O'Loughlin, Deputy Secretary, Department of Broadband, Communications and the Digital Economy and Chris Althaus, AMTA CEO at an AMTA Networking Forum to discuss digital switchover in Sydney in June.

Following policy announcements in 2010 and 2011 regarding the Government's intention to re-plan and market spectrum resources in the 700 MHz and 2.5GHz bands, 2012 saw the continuation of technical, regulatory and marketing processes needed to support the Government's decisions.

Significantly, delays in the preparatory work necessary to allow a 2012 auction resulted in the auction being re-scheduled from November 2012 to April 2013.

During 2012, AMTA has worked closely with carrier members on a range of issues within the preparatory information and processes for the auction and target dates for spectrum availability.

With only high-level visibility of the detailed processes being undertaken by the Government, principally via the ACMA, industry concerns were mainly with issues of timing – particularly in relation to when would the spectrum be available for use?

Following concerns raised by AMTA regarding pre and post-auction timelines and outcomes culminating in commencement of access to Digital Dividend spectrum for successful bidders, the industry was given the following assurances by the ACMA. In a letter to AMTA, the Chairman and CEO of the ACMA, Chris Chapman, noted the following:

By way of clarification:

- *The Government has made clear its expectations that 700MHz band will be cleared for new use before 1 January 2015*
- *My expectation is that Television Local Area Plans (TLAP) will be put in place to support that timing.*
- *The ACMA is fully committed to completing TLAPs as early as possible before the auction, conscious that prospective bidders will want to take them into account in preparing for the auction.*

AMTA continues to promote industry's concerns and need for certainty to access new spectrum while also acknowledging that the ACMA is working hard to meet timeline commitments in a very complex process.

Central to industry's agenda remains a transparent and workable process in preparation for the Digital Dividend auction and a degree of reasonable certainty regarding access to the 700 MHz and 2.5GHz spectrum without encumbrance by 1 Jan 2015.

AMTA has also argued the case for closer alignment of post-auction payments with access or licence commencement as industry's preferred position on the Digital Dividend payment schedule.

Conclusion

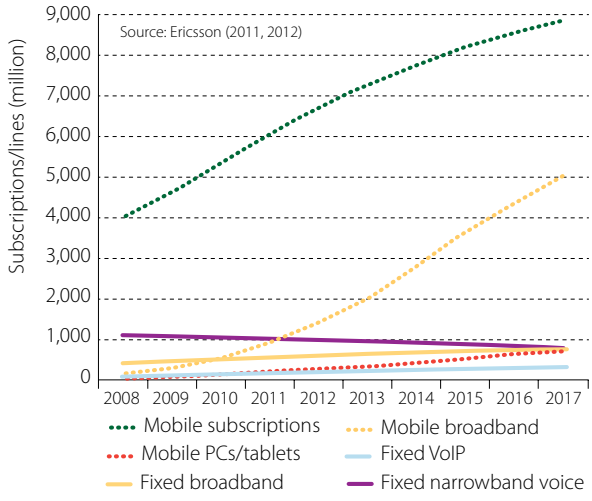
AMTA continues to enjoy close and productive relationships with members, key stakeholders in governments and strategically relevant non-government organisations. My thanks for your engagement with AMTA in 2012. I particularly note the strong working relationship that has developed with Communications Alliance.

AMTA has and will continue to be proactive in developing effective programs based on the needs of members. And above all, we will continue to work with members through the AMTA Board and AMTA committee structures.

In closing, I thank the Board and all AMTA committee members for their engagement, advice and commitment of time to AMTA in 2012. On behalf of the AMTA team, we look forward to continuing the journey with you in 2013.

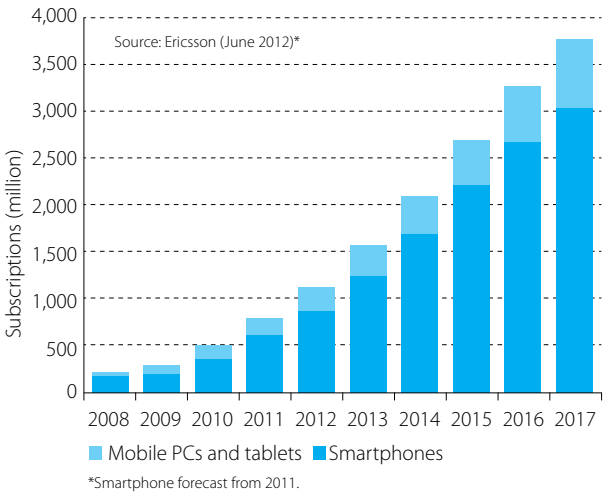
Finally, the staff of AMTA have achieved strong program outcomes in 2012. I acknowledge and thank them for their hard work and professionalism.

Global fixed and mobile subscriptions 2008-2017



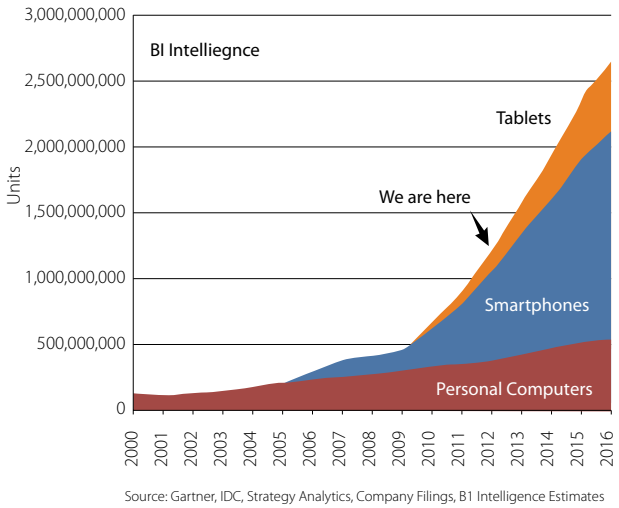
By the end of 2011, total mobile subscriptions reached around 6 billion and are expected to reach around 9 billion by the end of 2017. M2M will add to this figure. The number of mobile broadband subscriptions reached close to 1 billion and is predicted to reach 5 billion in 2017

Smartphones, PCs and tablet subscriptions with cellular connection, 2008-2017



Total smartphone subscriptions reached around 700 million in 2011 and are expected to reach around 3 billion in 2017.

Global internet device sales



Smartphones and tablets lead growth in internet-access devices over the next four years.

Vale Ann Wellsmore 1950-2012

AMTA was saddened by the passing of Ann Wellsmore in the early hours of Monday, August 13, 2012, after a short illness.

Ann was a key part of AMTA for nine years as Office Manager.

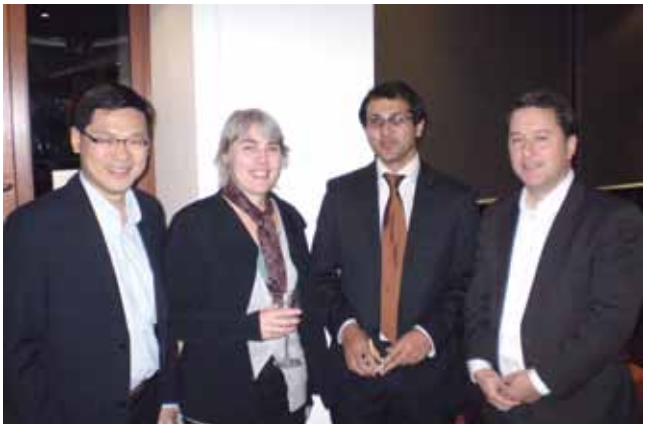
AMTA Chief Executive Officer, Chris Althaus, said Ann's passing was a big loss to members, colleagues and friends at AMTA, who had benefitted from her dedication, professionalism and friendship.

"Ann was a dedicated team member for nearly a decade at AMTA. Ann was small in stature, but her big personality kept us all up to the mark. Ann gave her very best at work and set a high standard for others to follow in serving the interests of our industry and members.

"On behalf of the members and staff of AMTA, I extend our condolences to Ann's husband, Michael, daughter, Fiona, and son, Sean.

"We all miss Ann very much and reflect on her promotion of a happy, harmonious and productive workplace where we all felt part of the AMTA team and her unstinting dedication for the best part of a decade to our industry's cause."

AMTA Policy Program



(L-R) Warren Chaisatien (Ericsson), Lisa Brown (AMTA),Sean Alexander (VHA), Matthew Lobb (VHA) at an AMTA Networking Forum in Sydney earlier this year.

AMTA's Policy and Strategy Steering Committee (PSSC) works to identify policy issues affecting the mobile telecommunications industry and develop strategies to enable the industry to effectively respond to those issues.

The PSSC focuses on three broad areas:

- Infrastructure and Australia's digital economy
- Social Responsibility
- Consumer protection, public awareness and education

The PSSC strives for leadership in promoting policy settings that deliver:

1. Public trust and confidence in mobile services and related products
2. Robust consumer safeguards
3. Encouragement and support for ongoing innovation and investment in infrastructure
4. Legislation and regulations that do not impose overly prescriptive or unworkable burdens on industry

Convergence Review

While the Government's Convergence Review was a strong focus of AMTA's policy work in 2011, the Review process drew to a close when the Convergence Review Committee delivered its final report to Senator Conroy, the Minister for Broadband, Communications and the Digital Economy on 30 March 2012.

The Review Committee's report recommended that the Government adopt a market-based approach to pricing broadcasting spectrum, which would bring it in line with the existing arrangements for other radiocommunications spectrum. AMTA supported such a recommendation in its commentary throughout the Review process.

AMTA welcomed the opportunity to participate in the Review process and AMTA's commentary consistently focussed on the need for the regulatory framework to promote and encourage continued innovation in convergent technologies as well as ongoing investment in infrastructure, including spectrum for mobile broadband. AMTA's commentary also highlighted the need for an assessment of the continuing relevance and application of new and legacy mobile regulation before any reform to the media and communications market is implemented.

AMTA believes an investment-driven approach will promote an innovative and efficient converged telecommunications market in Australia.

Infrastructure and digital economy

The PSSC has continued to run an active spectrum policy program throughout 2012 and members attended a video-conference spectrum strategy workshop, hosted by Telstra, on 7 August 2012. Workshop participants examined AMTA's strategy in relation to participation in the ACMA's process for defining future spectrum requirements for mobile broadband as well as AMTA's potential role in international spectrum forum engagement.

AMTA's 2012 submission to the ACMA's annual Five Year Spectrum Outlook stated:

> *"We are in an environment where the expectations of end-users are rising. This places increasing pressure on mobile network operators to ensure they have the capacity to meet consumer demand for faster speed and bandwidth-hungry mobile data applications and services. AMTA believes that to maximise the benefits of mobility in a digital economy we must get spectrum policy settings right."*

AMTA sees the following issues as priorities for spectrum policy as we move into 2013:

(L-R) Jason Horley, Crown Castle; Michael Swadling, Telstra; Mike Smathers (Nokia Siemens Networks) at AMTA Networking Forum in Sydney

- Certainty around the Digital Dividend re-stack process
- ACMA processes for defining the future demand for spectrum for mobile broadband
- Allocation and planning for new spectrum bands for future mobile broadband use

AMTA also engaged Deloitte Access Economics to further its research program in 2012 and it is anticipated that the results of this study, which will examine the economic impact of the mobile industry in Australia, will support AMTA's policy program for several years in relation to spectrum, physical infrastructure and other key policy areas.

Social Responsibility

Law Enforcement and Emergency Services

AMTA is committed to strengthening and facilitating the well-founded partnership that exists between law enforcement and national security agencies, emergency service organisations and the mobile industry. For example, in 2012 the PSSC provided feedback to the Attorney-General's Department regarding information for the public about mobile phone use during natural disasters and emergencies.

An Inquiry into Potential Reforms of National Security Legislation

The Attorney-General has put forward a package of more than 40 proposed legislative changes to Australia's national security legislation for consideration by the Parliamentary Joint Committee on Intelligence and Security (PJCIS).

The proposed reforms cover three main areas: lawful interception, security and resilience of critical network infrastructure and data retention.

AMTA and Communications Alliance prepared a joint submission to the PJCIS Inquiry. The joint AMTA/CA submission was also endorsed by the Australian Industry Group (AIG) and the Australian Information Industry Association (AIIA).

The AMTA/CA submission to the PJCIS supported the Government's objectives and existing partnerships with industry, but raised concerns regarding some proposals that appear prescriptive, onerous and would shift responsibilities and costs traditionally borne by Government on to industry.

For example, the Inquiry's terms of reference sought consideration of a largely undefined data retention regime that would see non-commercial telecommunications and internet data retained and held by industry members for up to two years.

While recognising the proposals reflect the difficulty of achieving some security-related objectives in an increasingly complex market environment, the Associations strongly believe that industry should not be asked to assume risks, responsibilities and costs that properly rest with Government.

The major reform package will remain a significant issue in 2013.

Prepaid Mobile Services

The *Telecommunications (Service Provider Identity Checks for Prepaid Mobile Telecommunications Services) Determination 2000* (the Determination) requires prepaid mobile service providers (or their agents) to collect and verify identity information about the purchaser and/or user of the service. Mobile service providers currently comply with the Determination by collecting and verifying purchaser identity information face-to-face at the point of sale using a paper-based system. For example, AMTA members use a specifically designed AMTA form.

As part of the federal Budget in May 2012, the Attorney-General's Department (AGD) announced the allocation of funding of $7.5 million over three years in order to extend access to the Government's Document Verification Service (DVS) to the private sector (mobile telecommunications and finance sectors only at this stage).

Access to the DVS for the mobile telecommunications sector will support a proposed online system of customer identity verification for prepaid mobile services that relies on Government issued identification documents such as Australian passports, visas, citizenship certificates and Medicare cards. It is also anticipated that the DVS will include State and Territory issued drivers' licences.

There is still much work to be done both by Government and industry before the new system based on DVS access is implemented. For example, the ACMA will need to revise the existing Determination and industry and Government are yet to finalise any cost recovery arrangements. AMTA will continue its engagement in this area with AGD and the Department of Broadband, Communications and the Digital Economy (DBCDE) in 2013 through the Prepaid Working Group and the Experts Group.

Consumer Protection, Public Awareness and Education

Telecommunications Consumer Protection (TCP) Code

On 1 September, 2012, the ACMA registered the revised Telecommunications Consumer Protections (TCP) Code. The TCP Code represents a new standard for consumer protection and offers upgraded customer information and management and service tools to assist consumers to maximise their user experience and better understand and monitor their service usage.

Since the ACMA's Reconnecting the Customer Inquiry began in April 2010 there has been widespread recognition by telecommunications service providers that performance relating to customer service and complaints handling across the sector needed to be improved. The mobile industry has made significant investments in network infrastructure and upgrades to customer service technology and systems over the last couple of years. The mobile industry's work in revising the TCP Code under the auspices of Communications Alliance has been a vital part of the overall improvements industry has sought to make in the area of customer service.

AMTA believes that a vibrant and competitive market will be the key driver of new and innovative products and applications that will benefit all users. Delivering those products and applications with good customer service is the key to success in our market.

International Mobile Roaming

In August 2012, the Minister for Broadband, Communications and the Digital Economy announced measures to raise consumer awareness about the costs of international mobile roaming to coincide with the publication of a joint draft report on Trans-Tasman roaming by the Australian and New Zealand Governments.

More specifically, the Minister has directed the ACMA to develop an industry standard regarding the information provided to roaming customers on arrival in a destination country.

AMTA is committed to increasing its efforts to work with the Government to find better ways to ensure greater transparency about the potential costs and options for effective use of mobile devices while travelling overseas, where consumers are reliant on partnerships between local and overseas networks to maintain contact with home. AMTA will participate in the ACMA's process to develop an industry standard as well as engage with Government on other measures to enhance information targeting Australian consumers travelling overseas.

The joint Australian and New Zealand Governments' draft Report on Trans-Tasman roaming set out several options for possible market intervention. AMTA's submission in response stated that regulatory intervention in the Trans-Tasman roaming market would be premature at this stage.

While AMTA believes that industry is already pursuing measures to ensure customers have information on potential costs of international roaming, AMTA recognises the Minister's concern in this area and is committed to further engagement to address the issues.

Cyber-Safety

Building on experience gained through AMTA's partnership with the Alannah and Madeline Foundation in 2010, AMTA has continued its commitment to cyber-safety issues through its membership of DBCDE's Consultative Working Group (CWG) on Cyber-Safety. In 2011-12, AMTA provided industry feedback to the CWG regarding parental controls for mobiles and ways to most effectively disseminate cyber-safety

information to consumers. AMTA also updated its template for a Mobile Phone Acceptable Use Policy for schools this year to reflect the changing attitudes and practices relating to the use of mobile phones and other devices in schools as many schools revise their previous prohibition policies to embrace the appropriate use of mobile technologies as important tools and aids for learning. AMTA strongly supports the ACMA's Cybersmart program and provides tips for parents and children on cyber-bullying. These tips were also updated in 2012 as part of an overall review of consumer tips outlined below.

AMTA's Mobile Tips Website

As part of its commitment to consumer protection, public awareness and education, AMTA has maintained a set of consumer focussed tips and fact sheets that have been made available on the AMTA website. In 2012 the consumer tips and fact sheets have been over-hauled and updated with a stronger consumer focus in mind so that they can be made available on a new consumer- friendly website, which AMTA intends to launch before the end of the year.

The new consumer tips website will include tips on topics such as how to avoid bill shock, international mobile roaming, mobile coverage, cyber-safety and cyber-security, how to handle cyber-bullying (for parents and children), health and safety concerns, safe driving tips and link to other AMTA programs such as MobileMuster. The website will also provide information for people with accessibility requirements and link to Global Accessibility Reporting Initiative (GARI) database managed by the Mobile Manufacturers Forum. The GARI database allows consumers to easily search for a mobile device that meets their accessibility needs.

ACCAN Review

In late 2011, AMTA participated in the Government's mid-term Review of the Australian Communications Consumer Action Network (ACCAN). One of the positive outcomes of the ACCAN Review has been the establishment of regular formal engagement between ACCAN and AMTA (as well as other industry organisations). AMTA believes that such regular engagement, collaboration and co-operation between industry and consumers can provide the foundation for a socially and economically responsible mobile telecommunications industry in Australia.

Mobile Carriers Forum

The Mobile Carriers Forum, a division of AMTA, deals with social, environmental, policy and regulatory issues related to the deployment and operation of mobile telecommunications networks in Australia.

The MCF, on behalf of its member Carriers – Telstra, Optus, and Vodafone Hutchison Australia – strives to create the best regulatory environment for the planning, building and operation of mobile telecommunications networks.

The rate of change in mobile network technology continues apace and these advances have continued to drive exponential growth, in particular in the uptake of mobile broadband. Users accessing the internet via mobile broadband enabled laptops and handsets place enormous additional demand on mobile network infrastructure.

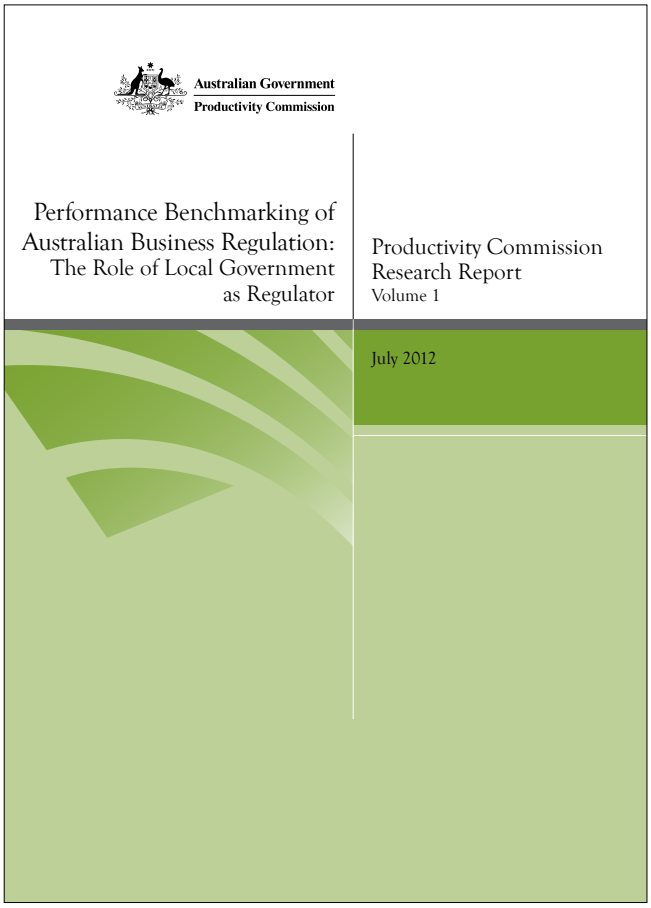
This provides on-going challenges for the industry. However, it is important to emphasise to the community and policy makers that reliable mobile services can only be maintained where facilities are located in reasonable proximity to the user. As mobile networks evolve, and numbers of mobile devices in use increase, the industry needs to continually plan for growth particularly in major metropolitan and CBD areas.

The MCF aims to foster positive working relationships with governments and regulators at all levels, along with other key community and industry stakeholders. Throughout 2012, the MCF has engaged with government at state and local levels to address issues in the community.

Working with Government

Federal Productivity Commission

In 2012, the MCF provided two submissions to the recently released study by the Federal Government's Productivity Commission on 'Performance Benchmarking of Australian Business Regulation: The Role of Local Government as Regulator'. The MCF submissions outlined how differences and inconsistencies in planning regulations between and within Australian states and territories caused impediments to the efficient deployment of mobile telecommunications infrastructure in Australian communities.



The MCF's submissions addressed three key areas:

- the role of local governments as consent authorities for development of network infrastructure facilities
- the role of local governments as land owners where network facilities were being developed on Council lands
- the role of local governments in setting fees and charges for processing planning applications and associated works

The Productivity Commission noted the inconsistencies in requirements set by local governments when assessing development applications (DAs) could be problematic for Carriers. The report also noted the MCF's contention that provision of overarching State based planning provisions and guidelines, such as the NSW State Environment Planning Policy, Infrastructure (ISEPP), is highly desirable in this area and provides much needed support to the decision-making process for local governments.

The MCF highlighted the wide variation in fees and infrastructure levies and recent increases in these in some states. The report notes fees in Queensland, where cost recovery principles apply, were often the highest across a range of business sectors, including the telecommunications industry. In other states, nominal maximum fees were applied, capping such costs.

The MCF's submissions to the inquiry were keenly sought by the Productivity Commission and were key to bringing these issues to the fore within a much wider scope canvassed by the report.

State Government

Throughout 2012 the industry has continued to work with state governments in an effort to provide regulatory consistency and certainty in the planning process in line with the MCF's objectives.

The MCF has prepared a new submission for the Victorian Minister for Planning regarding the status of "A Code of Practice for Telecommunications Facilities in Victoria" which is a part of all Council Planning Schemes in Victoria. The Code has remained unchanged since its introduction in 1999 and does not adequately govern modern communications infrastructure required to be deployed by the carriers to meet future demand.

The MCF has strongly encouraged the Victorian Government to review the State Section of the Planning Scheme and a Code of Practice for Telecommunications Facilities in Victoria to ensure that infrastructure can be deployed to meet the needs of consumers in all parts of the State in a timely manner and ensure Victorians reap the full benefits of modern mobile telecommunications technology. In addition, following a further review of wide ranging changes to zoning rules in Victoria, a number of anomalies have been identified and potential remedies suggested.

In NSW, although the ISEPP remains a best-practice model for telecommunications deployment for the types of deployments covered by its provisions, around half of deployments in that state still proceed under local government planning processes. A recent green paper released by the NSW Department of Planning and Infrastructure proposes a wide ranging review of NSW planning provisions, in particular the role of local governments imposing unnecessary red tape for the development of important infrastructure, including telecommunications.

This concern is also picked up in a recently announced review by the NSW Independent Pricing and Regulatory Tribunal (IPART). IPART serves as the NSW Government's economic advisor and policy think tank to ensure the quality and reliability of government services. IPART's review focuses on how councils in NSW implement and enforce regulations, and seeks to identify local government compliance and enforcement practices that are imposing unnecessary costs on councils, business and the community.

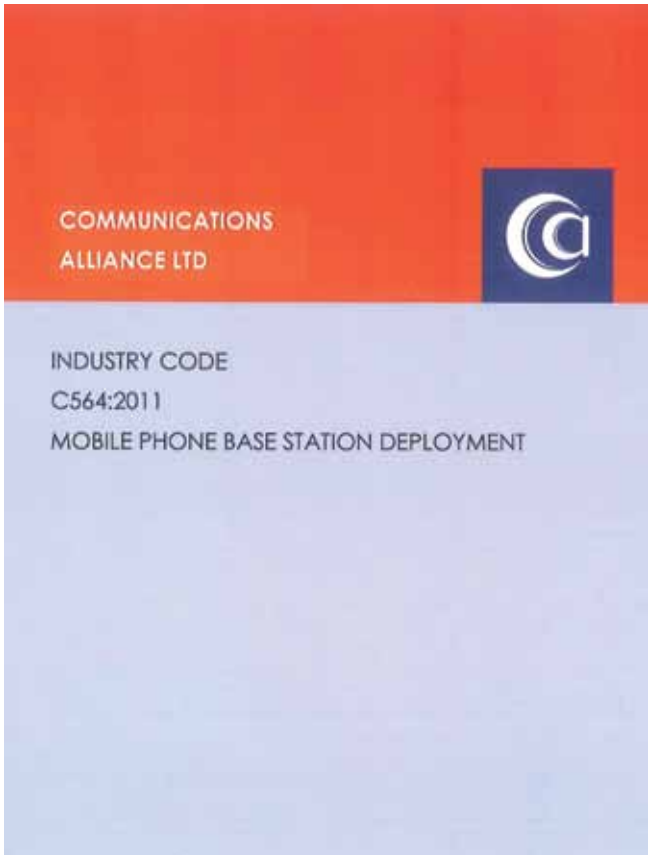
The MCF has provided submissions to the green paper and IPART review to support proposals for the introduction of independent expert panels at the local level addressing statewide planning provisions, retention of the ISEPP provisions for telecommunications infrastructure, and to encourage adoption of these provisions more widely.

Improved engagement with the community

The MCF continues to support the industry's efforts to execute best practice community consultation at new and upgraded network facilities.

Consultation is determined by local government regulations or in the case of low impact facilities, by the obligations outlined in the Communications Alliance (CA) Industry Code for Mobile Phone Base Station Deployment.

The Code recently underwent a review to ensure its on-going relevance and effectiveness. Through the MCF Deployment Code Committee, the industry participated in the Communications Alliance Code Review Working Committee (which also included community representation and the ACMA) and worked through a range of submissions solicited through a public comment phase.



The new code, published in December 2011, has been improved by:

- Requiring carriers to develop and evolve more effective consultation plans for new proposals
- Improving transparency and visibility of the consultation process with local councils and communities
- Increasing the time allowed for local councils and communities to comment on proposals for new infrastructure
- Incorporating new and revised methods of communicating with local councils and the community (e.g. websites, letters, signage)

The Code was the object of a significant industry effort in 2012 to ensure compliance with the new provisions of the Code in time for the implementation date of 1st July 2012. This required the review and redevelopment of systems, processes and documentation to manage compliance with the Code, and a significant industry wide-training program to ensure that Carriers' staff and contractors were familiar with their new responsibilities under the Code.

The Code has been a significant tool to assist the industry engage with the communities in areas where network facilities are deployed. Over the past decade, the Code has been very successful in dealing with community concerns about base station deployment. Official ACMA figures show there has been a fall in complaints received by the ACMA from 137 in 2002 when the Code was first utilized to only six complaints in 2011/12. This fall is against the background of the number of sites deployed subject to the Code's requirements increasing by 175 per cent between 2003/04 and 2011/12.

Financial Year Summary 2002/03 – 2010/11

Year	No. of complaints	Related No. of sites	No. of sites deployed
02 – 03	137	31	Not known
03 – 04	48	28	1300
04 – 05	42	25	1100
05 – 06	27	20	3639
06 – 07	31	21	1292
07 – 08	6	5	2587
08 – 09	8	6	1159
09 – 10	11	8	1580
10 – 11	7	5	4432
11 – 12	6	Not known	3580

Source: ACMA Annual Reports 02/03 – 11/12.

The performance of the Code in dealing with communities' concerns is expected to further improve following this latest review.

Engaging with the community online

In addition to its direct involvement with the development of the Code, the MCF also hosts the key radiofrequency (RF) safety compliance management tool, the RF National Site Archive (RFNSA). It not only provides a database of site safety information which can be shared amongst the mobile operators in ensuring they meet their health and safety regulatory commitments, but is also a key information interface with the public and a tool for managing the many site specific consultation processes that are prescribed in the Code.

With the introduction of the new Code, a major system overhaul and redevelopment was undertaken in 2012 to ensure the compliance management system met all the new provisions of the updated Code. A key element of the redevelopment was the implementation of an online system for developing community consultation plans and the provision of a publicly accessible community consultation portal where access to all the consultation information required by the new Code was made easily available to the community on a single web page.

The implementation of the new system has been an outstanding success with positive feedback from all stakeholders, including industry, regulators and the community users.

Working with Councils

An important part of the MCF stakeholder engagement program is ongoing proactive liaison with local government.

Councils provide local knowledge which can be critical to the success of achieving development approval for mobile network infrastructure. The MCF and the Carriers rely on Councils to assist in providing feedback on the best locations for new towers in areas where we need to provide coverage.

The key focus for the MCF is to encourage improvements in planning policies and practices in support of carriers' deployment activities.

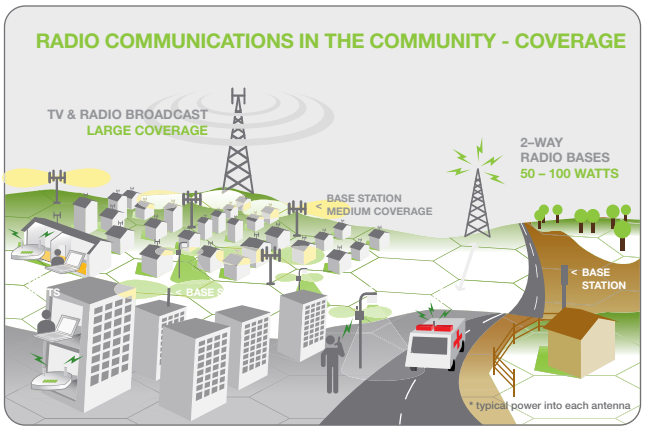
The Council liaison program is facilitated through the MCF with strong support from its regional MCF carrier representatives in each State. This year, the MCF has commenced the implementation of a targeted 'visits' program, whereby local Council areas which pose particular challenges due either to irregular planning policies or high levels of deployment activity are identified and prioritised for engagement by the MCF national office.

The purpose of the engagement is to address the particular issues of a given Council or Council area, which are often based on misconceptions or misunderstandings regarding safety concerns or planning issues that can be easily overcome with direct engagement and transparent provision of reliable information.

In one such exercise, MCF Manager, Ray McKenzie, presented to an audience of Tasmanian local government and planning representatives at a special technical forum for elected members and council officers at the Glenorchy Civic Centre in Hobart. The presentation, which was facilitated by the Glenorchy City Council and the Southern Tasmanian Councils Authority (STCA) addressed the health, environment and social issues associated with mobile phone base station installations.

The special technical forum was in response to continued concerns expressed by Councils and the general public when mobile phone base stations are proposed, with parts of Hobart and several councils across Tasmania having been particular problem areas for mobile network deployments in recent times. A similar forum has been planned for the Cradle Coast (North West Tasmania) Council Region in the near future.

It is hoped that the MCF's participation at events such as these and direct engagement with Councils will inform local government and planning stakeholders and thereby gain a better understanding of how we could work together in the consultation, planning, and assessment processes.



Radio communications are a part of everyday life of the community. All radio communications systems utilise EME in the radiofrequency (RF) part of the electromagnetic spectrum. Typical background EME levels from radio communications systems are very low and well below safety guidelines (Source: AMTA)

Radio Frequency National Site Archive

Site No 2060001 32 Walker Street Nth Sydney 2060

Site Information and Reports	Community Consultation

Proposal Summary

What is proposed: Carrier X proposes the installation of a new mobile telephone base station on the rooftop at 32 Walker Street Nth Sydney to provide improved mobile phone reception in the Walker street area.

Why is this required: A new facility is required due to the increased number of customers using mobile telephone services in the Walker street precinct. The existing base stations in Nth Sydney do not have sufficient capacity to handle the number of call customers are making especially during peak times.

Community Update & Announcements

17th February 2011
The consultation period has been extended by 2 weeks to 14th March due to the floods in Nth Sydney.

11th February 2011
Community consultation commences for the proposed new base station at 32 Walker Street Nth Sydney. Submissions are due by 5pm 28th February 2011

Proposal Details

Site Proposal Details (single or multiple sites)
Installation of 3 antennas on the rooftop at 32 Walker Street Nth Sydney. Each antenna is 2.5m in length mounted on a 2m support. The total height above the roof is 4.5m

Download the community notification letter

Download the EME report

Download design drawing

Download photomontage

Consultation Report – watch for announcement

Location – 32 Walker Street, Nth Sydney

Click to enlarge

Community Consultation & Having Your Say

Our community consultation program runs from 3rd – 28th February. We welcome your feedback on our proposal through the following channels.

Information Kiosk

Location	Level 9, 32 Walker Street Nth Sydney
Times:	Thursday 17 March 1-3pm
	Friday 18 March 9-11am

Email us	**contact.enquiries@ca.com.au**
Call us	02 1234 5678

The closing date for submissions is 5pm 28th February. This web site will be updated when the consultation report is sent to council.

Additional Information

Deployment Code FAQ's

EME information

Deployment Code Information Portal

MobileMuster

MobileMuster is the official product stewardship program of the mobile phone industry. Our promise is to keep old mobiles out of landfill. To achieve this we ask consumers to recycle their old mobiles with us.

The Australian Mobile Telecommunications Association manages MobileMuster on behalf of its members: Nokia, Samsung, Motorola, LG, HTC, Huawei, ZTE, Telstra, Optus, Vodafone, Virgin Mobile and Force Technology. The Members voluntarily fund MobileMuster.

MobileMuster aims to:

- keep old mobiles out of landfill
- increase awareness of recycling
- optimize resource recovery
- provide a free recycling service to consumers , retailers and workplaces by continually improving the visibility, accessibility, transparency and sustainability of the service.

Since 2006 MobileMuster has:

- increased awareness from 46% to over 82%
- decreased the disposal to landfill from 9% to 2%
- grown the collection rate of available mobiles from 18% to 51%
- grown its public collection network to over 4,500 drop off sites across Australia
- put in place a freepost service using either recycling satchels or postage paid mailing labels.

MobileMuster Brand Update

Updating your brand in an evolving market is a key to staying relevant and in 2012 it was time to give MobileMuster a brand makeover.

A key challenge is convincing people to recycle their old mobiles instead of stashing them away unused at home. Two other challenges are the growth of other programs in Australia that offer cash for phones or donate funds to charity and the ability to store more personal data on new smartphones. This has resulted in confusion about the programs, what they offer, data security concerns and cynicism as to what happens to the phones.

MobileMuster's new look and promise

With these challenges in mind, AMTA's new marketing agency The Republic of Everything created MobileMuster's updated brand to reinforce that MobileMuster, the only official industry recycling program in Australia that is endorsed by manufacturers and network carriers, aims to keep old phones out of landfill. It is the only program that recycles mobiles in a safe, secure and ethical way for no commercial gain.

The other key element of the rebrand is to showcase the industry's commitment to reduce the impact of its products on the environment by implementing MobileMuster as an industry funded and led product stewardship program.

The new brand was launched on World Environment Day in June with a call for Australians to help MobileMuster achieve its product stewardship "promise" to keep old mobiles out of landfill by promising to recycle unused mobile phones and accessories with MobileMuster.

(L-R) Matt Perry (Co-founder Republic of Everyone), Senator Don Farrell (Federal Parliamentary Secretary for Sustainability and Urban Water), Rose Read (Manager Recycling, AMTA), Chris Althaus (CEO, Australian Mobile Telecommunications Association).

Table 1: MobileMuster – Key Performance Indicators to 2013	
KPIs for June 2013	**Results @ June 2012**
Consumer Behaviour	
• Increase awareness to more than 85%, up from 75%	82%
• Decrease disposal to landfill to less than 2%, down from 4%	2%
• Decrease personal storage rate of 2 or more phones to less than 18%, down from 32%	40%
Industry Involvement	
• Maintain whole of industry participation greater than 90%	99% carriers 61% manufacturers
Collections	
• Increase the annual collection for discarded (i.e. available) phones to over 65%, up from 17%	51.4%
• Increase the annual collection rate of net imports to more than 20% , up from 5.5%	10.3%
• Diversify collection methods to include free postage paid recycling satchels and kerbside recycling	ACHIEVED
Recycling	
• Maintain diversion from landfill rate greater than 90%	97%
• Maintain estimated recycling rate (i.e. materials recovered) greater than 75%	Est > 75%

At the launch of MobileMuster's "Promise" video in Sydney in July, the Federal Parliamentary Secretary for Sustainability and Urban Water, Senator Don Farrell, said: "MobileMuster's action embodies the ideals of the Australian Government's Product Stewardship legislation, which provides a foundation to help ensure we all share responsibility for products we consume. I encourage other industries to follow MobileMuster's lead and help to minimise the environmental and human health impacts of their products and services."

2011-12 Results

While community awareness of mobile phone recycling has remained steady at 82%, people's desire to keep their old mobile phones continues to remain high with 40% of people having two or more unused mobiles at home. As a result the estimated number of handsets in storage at home or work has grown from 19 million to 22 million. On the upside, fewer people are throwing their mobiles away, dropping from 4% to 2%.

In 2011-12, MobileMuster collected 117 tonnes of mobile phone components, which is up 11 tonnes on last year. This included more than 847,000 handsets and batteries as well as 67,874 kg of accessories.

This represents a collection rate of just over 51% of mobile phones available for recycling (i.e. mobiles that people are no longer using or storing at home), or just over 10% of net imports.

There has been growth in second-hand markets for mobile phones sold overseas and a number of Australian companies now offer to buy back old mobiles, which they then sell for profit in developing countries. Some companies also share profits with charities as a fundraising activity.

Two of the companies involved in second-hand trading of mobiles have advised that they sold more than 100,000 handests (12 tonnes) overseas for reuse in the 12 months to June 2012.

MobileMuster provides free recycling services to a number of these companies and 1.8% or 2.1 tonnes of MobileMuster's annual collection came from these companies. A further 214kg was recycled by an alternative recycling program.

See figures 1 and 2 for annual collections by weight and numbers for the past seven years.

Recycling

The new recycling and logistics contracts with TES-AMM Australia Pty Ltd and The Infoactiv Group have been in place for just over 12 months. All circuit boards, lithium ion and nickel metal hydride batteries and accessories are now recycled by TES-AMM at their Singapore facility, providing

Members of MobileMuster recommited to the 'MobileMuster Promise' to keep old mobiles out of landfill on 29 May 2012 in Sydney while holding a Plasmar recycled plastic fence post made from various recycled plastics including plastics, from mobile phones recycled with MobileMuster.

Front row on couch (L-R): Stephen Baxter Product Manager Nokia, David Kelly Account Director ZTE, Antal Keur Key Account Manager HTC, Thomas Roets General Manager – Strategy and Business Development Vodafone, Pauline Gregg General Manager – Environment Chief Sustainability Office Telstra. Back Row standing (L-R): Brent Gerstle Manager Environmental Affairs Risk Management Optus, Rose Read MobileMuster Recycling Manager AMTA, Lorin McDowell Handset Portfolio Manager Devices Division Huawei, Paul Hamshere ANZPI Product Marketing and VAS Regional Lead Motorola Mobility (Photograph: Andy Morris)

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

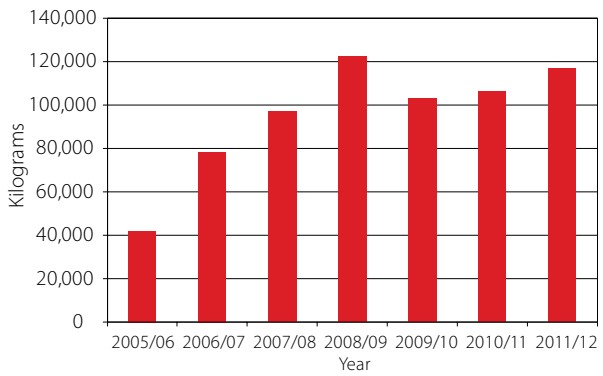
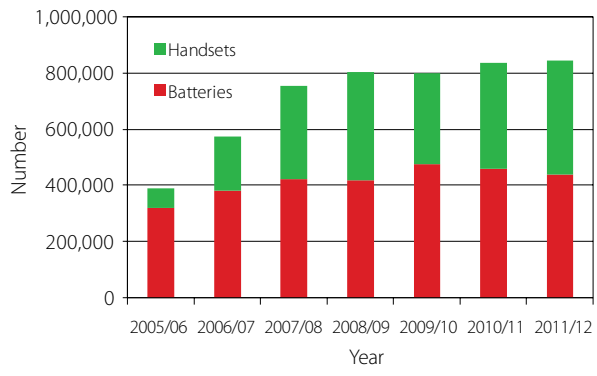


Figure 2: Total number of handsets and batteries collected



Summary of key performance indicators @ 10th september 2012

Key Performance Indicators	2011/12 Actual (13 months Jun 11-Jun 12) #	2011/12 Actual	2010/11 Actual**	2010/11 Actual* (11 mths)	2009/10 Actual	2008/09 Actual	2007/08 Actual	2006/07 Actual	2005/06 Actual
Collections									
Mobile Phone Collections (tonnes)	*123*	*117*	*106*	*100 ✓*	*103 ✓*	*122 ✓*	*97 ✓*	*78*	*42*
Annual Collection Rate, Discarded Phones	*49.5%*	*51.4%*	*48%*	*52.3% ✓*	*50.6% ✓*	*35% ✓*	*18.9% ✓*	*18%*	*15%*
Annual Collection Rate, Net imports	*9.9%*	*10.3%*	*8.6%*	*8.9% ✓*	*7.9% ✓*	*7.8% ✓*	*5.5% ✓*	*5.3%*	*3%*
Estimated Number Handsets & Batteries	912,274	847,240	797,105	744,816	845,919	806,812	755,196	576,640	391,074
Reported Shipments	8.55 M	7.80 M	8.70 M	7.95 M	8.66 M	9.02 M	9.77 M	8.63 M	8.41 M
Exports (adjusted)	1.23 M	1.12 M	1.45 M	1.34 M	1.41 M	1.43 M	1.05 M	1.24 M	1.18 M
Net Imports (units)	7.31 M	6.67 M	7.25 M	6.61 M	7.63 M	7.90 M	8.87 M	7.39 M	7.23 M
Net Imports (estimated tonnes)	1,243	1,134	1,232	1,123	1,297	1,581	1,775	1,478	1,446
Recycling									
Diversion from Landfill	*97%*	*97%*	*100%*	*100% ✓*	*100% ✓*	*> 90% ✓*	*> 90% ✓*	*> 90%*	*> 90%*
Recycling Rate (estimated material recovered)	*> 75%*	*75%*	*>75%*	*>75%*	*>75%*	*> 75%*	*> 75%*	*> 75%*	*> 75%*
Consumer Behaviour									
Personal Storage Rate (% users with 2 or more handsets at home)	*40%*	*40%*	*40%*	*40% ✓*	*38% ✓*	*32% ✓*	*32% ✓*	*36%*	*38%*
Disposal to Landfill Rate	*2%*	*2%*	*4%*	*4% ✓*	*3% ✓*	*2% ✓*	*4% ✓*	*5%*	*9%*
Awareness of Mobile Phone Recycling	*82%*	*82%*	*84%*	*84% ✓*	*79% ✓*	*79% ✓*	*75% ✓*	*69%*	*46%*
Industry Participation									
Manufacturers	*62%*	*61%*	*64%*	*63% ✓*	*72% ✓*	*78% ✓*	*85% ✓*	*> 90%*	*> 90%*
Mobile Network Carriers	*97%*	*97%*	*97%*	*97% ✓*	*100% ✓*	*> 95% ✓*	*> 95%# ✓*	*> 95%*	*> 95%*

Figures currently being audited by PwC . * As at 31 May 2011, *** 12 months from 1 July 2010 to 30 June 2011, ✓ Externally assured, **The formula to calculate the annual collection rate of discarded phones was modified in 2009/10. The formula no longer includes an estimate of mobile phones discarded from storage due to the uncertainty in estimating this figure. The revised formula is described in the definitions section of the MobileMuster Annual Report 2010-11 at http://www.mobilemuster.com.au/annual_collection_figures. The updated formula has also been applied to the two previous year's results and the outcomes are shown in brackets below the original figure. All data has been rounded to the nearest whole number. The referenced data above has been independently assured since the 2007-08 period by:

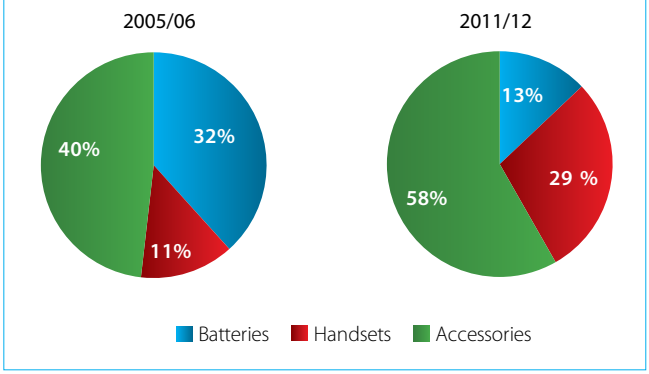
Indicates KPMG has provided limited assurance on the figures, go to MobileMuster Annual Report 2007-08 including KPMG Assurance Report at http://www.mobilemuster.com.au/annual_collection_figures

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

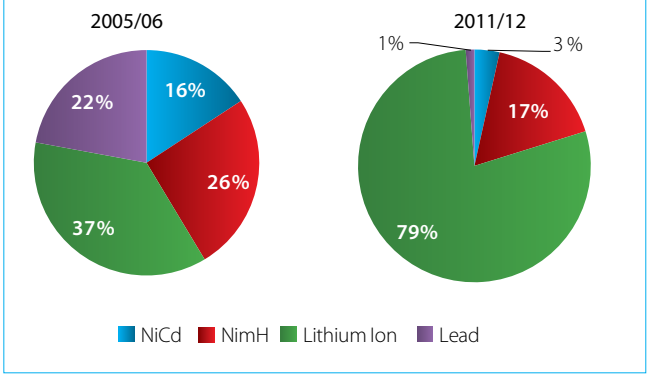
Indicates PwC has provided limited assurance on the figures, go to MobileMuster Annual Report 2009-10 including PwC Assurance Report and 2009-10 definitions http://www.mobilemuster.com.au/annual_collection_figures

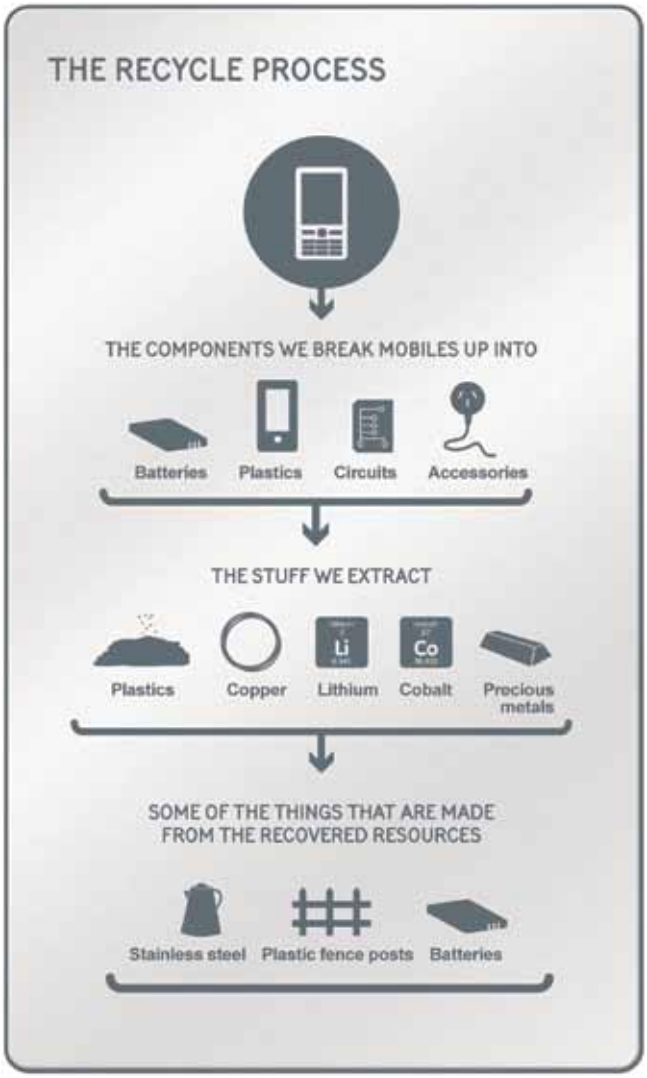
Indicates PwC has provided limited assurance on the figures, go to MobileMuster Annual Report 2009-10 including PwC Assurance Report and 2009-10 definitions http://www.mobilemuster.com.au/annual_collection_figures

Mobile Phone Components Collected



Battery Types Collected – % (by weight)





greater transparency throughout the recycling chain. As a result we can now more accurately measure the material recovery rate for all components.

The mix of mobile phone components received over the past seven years has changed with more handsets being collected now than previously. The amount of nickel cadmium batteries has also dropped substantially since 2005/06. Lithium Ion batteries are the primary battery collected now (over 70%).

By recycling 117 tonnes of mobile phone components, MobileMuster will have diverted more than 110 kgs of cadmium and 300kgs of lead from landfill, as well as recovered over 7.6 tonnes of plastic, 78 kgs of precious metals, 1.6 tonnes of aluminium, 24 tonnes of steel, 5.7 tonnes of copper and over 0.6 tonne of cobalt as raw materials to make new products, such as aluminium cans, batteries or plastic fence posts.

By recovering and reusing these resources:

- around 1.1 million less tonnes of precious metal ores (gold, silver copper) will need to be mined
- over 935 tonnes of CO2 equivalents in green house gases will be avoided, which is the same as taking more than 262 cars permanently off the road or planting 5,680 trees.

Educating Youth

MobileMuster continued to engage and educate Australia's youth through its National Schools Recycling Challenge. The Challenge gives teachers the opportunity to bring environmental and sustainability education programs to life for their students, teaching them about the importance of recycling e-waste.

In the 2011 National Schools Recycling Challenge 570 schools participated, involving around 270,000 students nationwide. Together they collected more than 1,520 kg of mobile phone components, which included more than 5,500 mobile phone handsets, 7,600 batteries and 770 kg of accessories.

Top honours nationally went to Fulham North Primary School, Henley Beach, South Australia, for the highest weight (kilograms) of mobiles collected in 2011. Mountain Preschool, Lowanna, New South Wales, collected the highest average weight (kilograms) of mobiles per student. Kiara Dawson, Yarrilee State School, Hervey Bay, Queensland, was awarded Overall National Student Champion for collecting the most number of mobile phone units by a student throughout the challenge

A key feature of the 2012 challenge is the updated and expanded educational material available free to schools. Teachers and students can access online 10 learning modules plus an interactive resource recovery calculator and poster builder.

The lesson plans include a number of practical activities for students such as:

- Calculating the type and amount of materials that can be recovered using the resource recovery calculator
- Investigating where the raw materials come from to make a mobile phone
- Teaching other students about product stewardship and the benefits of recycling
- Working out how many unused and old mobile phones are sitting in drawers at home that could be recycled
- Promoting mobile phone recycling to your school community by creating posters, newsletters and signs
- Exploring the differences between reusing and recycling old mobiles.

So far over 280 schools have registered and are participating in the challenge. Results will be announced in early December.

Working with Local Councils

Local government plays a key role in MobileMuster with more than 330 councils across Australia hosting collection points and promoting mobile phone recycling in their communities.

To support Councils in this role, MobileMuster provides free collection units, promotional material and grants to promote local recycling.

MobileMuster also pays Councils or their recycling contractor $2.20 per kilogram of mobile phone components collected through council e-waste collection services, as well as pick-up and recycling of all mobile phone components are free.

In recognition of the ongoing efforts of local Councils across Australia in tackling mobile phone e-waste MobileMuster presented five awards at the Australian Local Government Associations National General Assembly in June this year. The award winners were:

- Top Collector Overall: Brisbane City Council (QLD)
- Top Collector Per Capita: District Council of Kimbra (SA)
- Best Promoter: City of Whitehorse (VIC)
- Working with Schools: Eastern Metropolitan Regional Councils (WA)
- National Excellence: Darebin City Council (VIC)

Industry Involvement[1]

The majority of 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.

Handset manufacturers that participated in the program in 2001-12 are: Nokia, Samsung, LG Electronics, Sony Ericsson, Motorola, HTC, Huawei and ZTE. Each of these manufacturers voluntarily pays an advance recycling levy of $0.30 per new handset shipped into Australia to fund MobileMuster.

1 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.

Together they represented 61% of the mobile phone handset market in Australia, down from 64% in the previous year. This drop in market share can be attributed to the ongoing growth in non-participating manufacturers.

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

Each of the carriers pays $0.12 per handset of their share of new handsets shipped into the country to fund MobileMuster. After market battery importer Force Technology also contribute $0.10 per new mobile phone battery imported into Australia.

Greens Leader Senator Christine Milne presents the MobileMuster National Excellence Award to Mayor Steven Tsitas, Darebin City Council, Victoria, at the Local Government National Assembly in Canberra in June 2012.

Students at Meadowbank Primary School in Melbourne learn about the importance of recycling mobiles from Theo Kontogiogakis, General Manager Handsets, Telstra, and Rose Read, Manager Recycling AMTA. The school is participating in MobileMuster's Schools Recycling Challenge.

Health and Safety

AMTA's Health and Safety Committee during 2012 highlighted the importance of reliance on the weight of scientific evidence from independent experts in assessing health and safety claims about mobile phone use.

The Committee supported ongoing well-conducted, independent research which helps clarify any uncertainty about health and safety issues related to mobile phone use and the placement of base stations in the community.

The Health and Safety Committee acknowledged the concerns of some in the community about the safety of mobile telecommunications devices. It was encouraged by an international survey that found a relatively high level of knowledge in Australia of things mobile phone users can do to reduce their exposure to radio frequency electromagnetic emissions (EME) if they have health concerns.

EME Standards

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) announced that it would undertake a scheduled review this year of the safety standard for EME exposure from mobile technologies. Such reviews are undertaken every 10 years or as key scientific developments occur.

The review announcement came as some community activists and some politicians from minor parties called for Australia to adopt lower EME levels that had been adopted in some European countries.

AMTA pointed out that none of the countries in the European Union had introduced lower EME levels on the basis of scientific evidence. The lower limits had been introduced following public concerns about the safety of base stations and were "as low as technically achievable" rather than based on known health effects.

The Health and Safety Committee strongly believes that EME standards should be based on a strict scientific basis because setting arbitrary exposure limits provides no additional health protection for the community and forces mobile operators to reduce the power output of their networks. Such arbitrary limits can affect the provision of reliable mobile telecommunications services.

Community Debate

The Health and Safety Committee responded publicly this year when high-profile brain surgeon, Charlie Teo, claimed there had been a "disturbing" rise in the incidence of brain cancer and accused the mobile telecommunications industry

(L-R) Dr Ken Joyner (Samsung) and Kelly Parkinson (kppr) at the AMTA/MCF stand at the Bioelectromagnetics Society (BEMS) conference, which was held in Australia for the first time in Brisbane in June.

(L-R) Chris Althaus, AMTA CEO, Brent Gerstle, Optus, and Michael Milligan, Secretary General, Mobile Manufacturers Forum, at the Bioelectromagnetics Society (BEMS) conference.

AMTA produced a fact sheet to assist drivers comply with the road rules using best practice hands-free mobile phone usage. The fact sheet, "Keep your eyes on the road", aims to increase support, awareness and adoption of new national road rules for mobile phone use in vehicles.

of manipulating scientific research, withholding mobile phone records from researchers and failing to support independent scientific research into potential health effects of mobile telecommunications.

AMTA's Health and Safety Committee responded in the media saying although Dr Teo was a respected brain surgeon and entitled to his strong personal views, they were at odds with the World Health Organization (WHO) assessment that there was no substantiated evidence of a link between mobile telecommunications and adverse health effects.

The WHO has found no convincing evidence that exposure to mobiles within internationally accepted limits causes adverse health impacts and AMTA called on Dr Teo to provide proof of his claims of industry interference and manipulation of research studies.

AMTA also pointed out that industry had co-operated with major studies and had made mobile usage data available to independent researchers and provided about $1 million a year for research through mobile phone industry licence fees, which the National Health and Medical Research Council (NHMRC) administers at arms-length from industry.

AMTA said it was regrettable that Dr Teo's comments had sparked widespread community concern about mobile phone safety and the NSW Cancer Council had to issue a statement telling people not to panic about Dr Teo's warnings of potential health effects because evidence was weak of any link between mobiles and cancer and showed no risk when critically evaluated.

AMTA said it was unfortunate that the public had been unduly concerned by Dr Teo's comments and those in a position of trust in the community had a responsibility to be careful when stating their personal views which were not supported by scientific facts.

Research

The Health and Safety Committee worked with the Federal Government and the NHMRC to reinstate the EME research program, which is funded by a levy on industry spectrum licences. It raises about $1 million a year for research into any potential health impacts of mobile communications.

The research funding allocation lapsed for several years as the result of administrative issues and AMTA worked with the

Federal Government and the NHMRC for the continuation of the program because of industry support for well-conducted and independent research to clarify any uncertainty about health and safety issues related to mobile phone use.

AMTA estimates that more than $12 million has been committed from the industry levy towards the EME research program and ongoing public education since the levy arrangements started 12 years ago.

AMTA participated in a joint study across nine countries sponsored by the GSM Association, Mobile Manufacturers Forum and the German Information Centre for Mobile Communication. It found that when it came to handset purchasing decisions that the Specific Absorption Rate (SAR) was the lowest of 21 factors with network quality, phone experience and cost rated higher.

The study found that Australians (35 per cent) were above average in their knowledge of how they could reduce their exposure to mobile signals if they were concerned by using a hands-free device or favouring texting. AMTA makes available on its website and in other communications the WHO's advice on what people can do if they have concerns about mobile phone health and safety issues.

International

AMTA sponsored and attended the annual Bioelectromagnetics Society (BEMS) conference, which was held in Australia for the first time in Brisbane in June. BEMS advances the science of natural and applied electromagnetic fields in biology and medicine.

Some of the world's leading researches attended the conference, including Dr Michael Repacholi, the former director of the EMF program at the WHO. Four AMTA Health and Safety Committee members, Mike Wood (Telstra), Dr Ken Joyner (Samsung), Ros Young (VHA) and Ray McKenzie (MCF), presented papers at the conference.

EMF Explained www.emfexplained.info

The EMF Explained Series is an online information resource referencing national and international health agencies developed by the AMTA in conjunction with the GSM Association (GSMA) and Mobile Manufacturers Forum (MMF).

The EMF Explained Series aims to offer clear explanations of mobile telecommunication and health covering an overview of electromagnetic fields (EMF), wireless technologies including 4G and LTE, the latest on EMF research and safety standards and information on myths often associated with mobile phones and EMF.

The information in each topic is structured into layers with basic information in Layer-L1, detailed information in layer-L2 and additional resources in layer-L3. This is an ideal information resource for all people interested in EMF and includes many graphical illustrations.

The EMF Explained front page includes a latest news section and live feed from EMF Explained on Twitter. You can follow us @EMFExplained

Shielding devices

The Health and Safety Committee was concerned this year about claims made by companies selling so-called shielding devices that purport to reduce exposure to EME from mobile phones.

AMTA relies on advice from national and international health authorities and regulators who have found that devices designed to "shield" mobile phone users are unnecessary and their effectiveness in reducing exposure in everyday use is unproven.

The Health and Safety Committee has produced a new fact sheet on this issue to assist consumers make informed choices by relying on the assessment of independent experts.

Driving

AMTA appeared in late August before the New South Wales Parliamentary Joint Standing Committee on Road Safety, which held an inquiry into Driver and Road User Distraction.

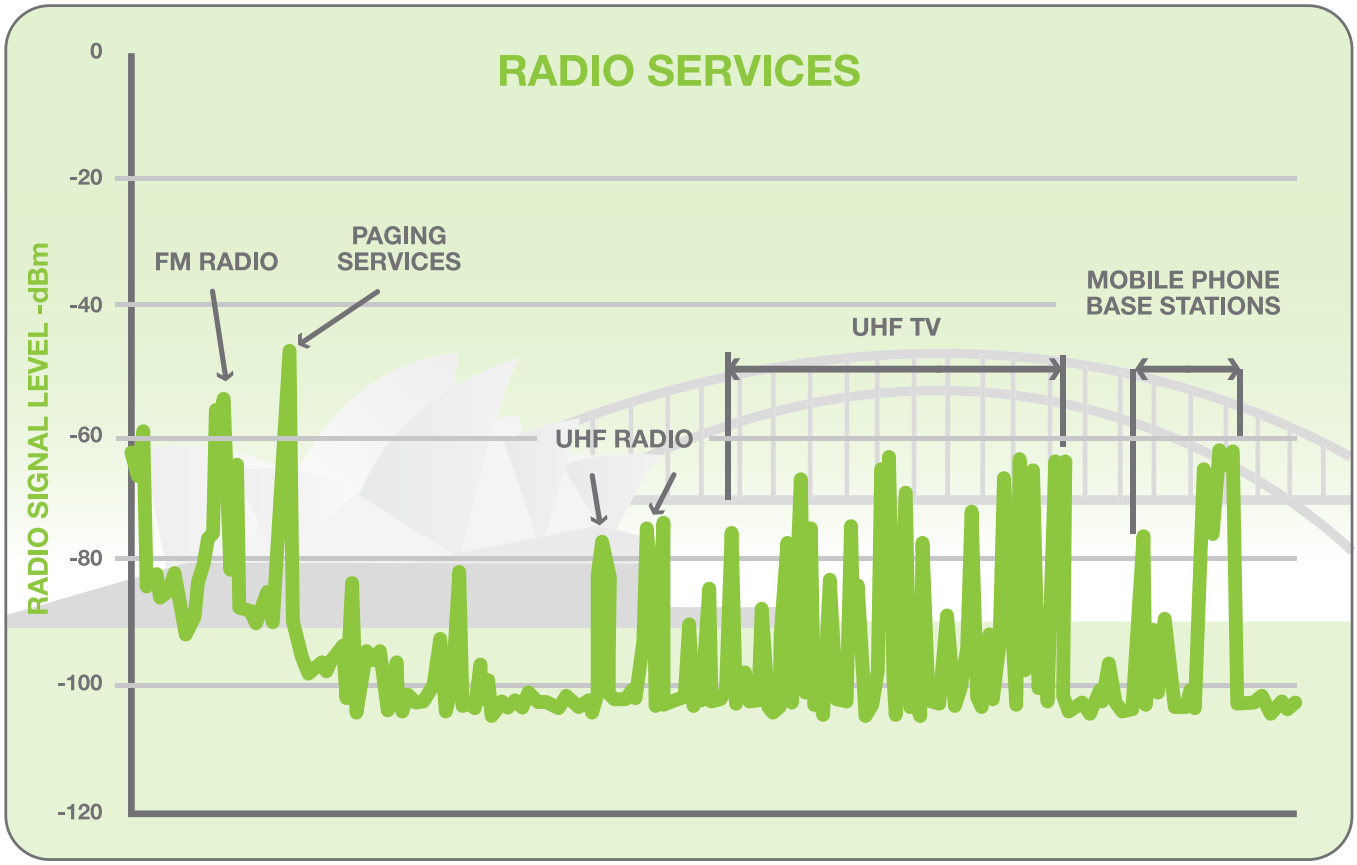
The Committee considered "would more laws and personal restrictions be an overreaction or sensible and necessary" to combat driver distractions, including mobile phones. AMTA called for targeting of the clearly dangerous, illegal and unacceptable practice of text messaging and driving.

The Health and Safety Committee also recommended increased support, awareness and adoption of new national road rules that require drivers to use their mobiles in approved cradles to help reduce risks of reaching for objects in cars.

AMTA produced a new driving brochure, "Keep your eyes on the road", which is designed to inform drivers how they can use their mobiles safely by sticking to the road rules and using best-practice smartphone technology to keep their eyes on the road. The NRMA has distributed this brochure to its members.

Brent Gerstle

The Health and Safety Committee farewelled long-term member, Brent Gerstle (Optus), who retired and stepped down from the Committee. Brent was Committee Chair for several years and AMTA appreciates his expertise and efforts over 13 years' service to the industry.



Spectrum plot showing typical radio communications signals in a community

Lost and Stolen

AMTA's Lost and Stolen program, which blocks mobiles across all networks, was adopted in the United States earlier this year after American authorities inquired into the operation of the program in Australia and its deterrence to thieves.

There was a small rise in IMEI blocking in the year to June 30, 2012, however, this was relatively small against the backdrop of mass smartphone adoption in Australia and the potential to attract thieves with high-profile handsets costing $1000 or more.

AMTA, on behalf of the industry, runs a world-leading program that protects mobile phone users by blocking their handsets across all Australian networks if they are reported lost and stolen. When blocked a handset is inoperable, preventing its misuse and minimising call costs to the owners.

The industry's anti-theft technology works by detecting a mobile phone's electronic serial number, known as the International Mobile Equipment Identity (IMEI) number, then sharing this information with carriers to block handsets across all networks. This safeguard service is free to consumers.

In the 12-month period from July 2011 to June 2012 there was a 5.9 per cent increase in IMEI blocking to 181,162 IMEI numbers blocked across all networks with 50,128 subsequently unblocked at the request of owners.

The net result of 131,034 was only 2.6 per cent higher than the previous year. Importantly, the net blocking figure in 2012 is nearly 24 per cent lower than in 2004 when the program started.

This is against a backdrop of a massive increase in the number of mobile services in operation during this period. In the eight-year period, mobile services have, on average increased by nearly two million a year, rising from 16.2 million services in operation in Australia in 2004 (mobile penetration rate of 81 per cent) to 30 million in 2012 (mobile penetration rate of 130 per cent).

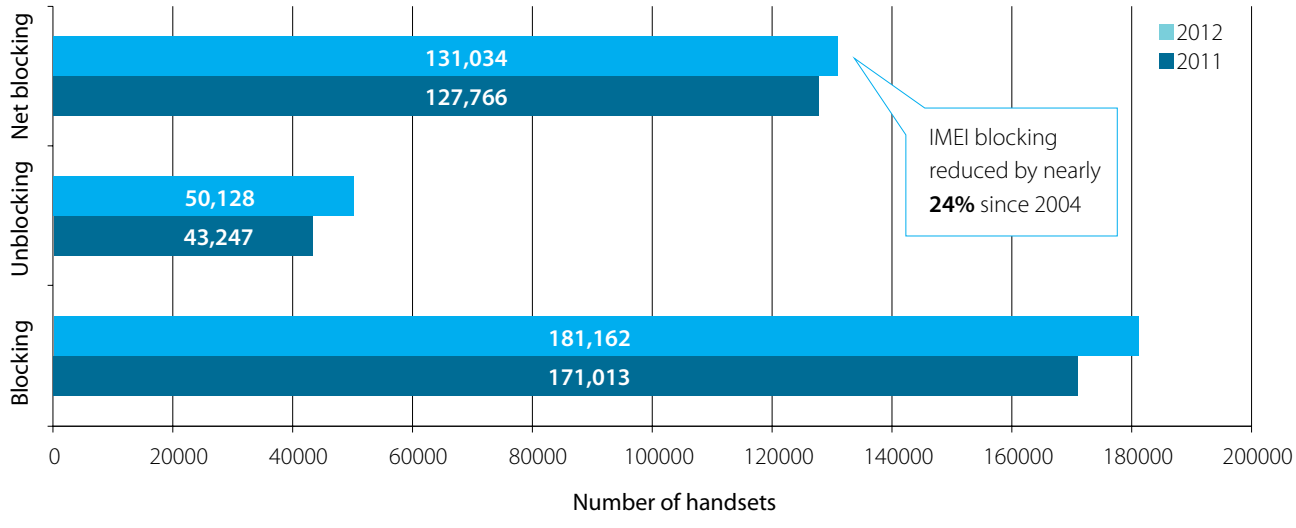
The very strong rise in mobile phone use during this period makes the 24 per cent reduction in net blocking all the more remarkable.

AMTA supplied information and held discussions with the US communications regulator, the Federal Communications Commission (FCC), on the operation of its IMEI Lost and Stolen program.

AMTA's program received extensive media coverage in the United States earlier this year, including interviews with AMTA CEO, Chris Althaus, on CBS television, and articles in the San Francisco Chronicle and Wall Street Journal.

AMTA congratulated the US mobile phone industry on its new initiative to implement a series of measures to help deter thieves of smartphones by using data bases to block stolen mobiles across networks.

Comparison IMEI Blocking Activity



Despite a small rise in IMEI blocking in 2012, the clear trend has been down with this year's figure nearly 24 per cent lower than 2004.

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Deputy Chair Josh Delgado - Samsung

Brendan Park – Alcatel-Lucent *(Resigned March 2012)*

Sean O'Halloran – Alcatel-Lucent *(Appointed March 2012)*

Sam Saba – Ericsson Australia *(Resigned March 2012)*

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Sean O'Halloran (Alcatel-Lucent)


Sarah Pike (Optus)

AMTA met with a visiting delegation from Vietnam in Canberra earlier this year to discuss regulatory and policy issues of interest in each country.