

23 July 2023



Submission to Department of Climate Change, Energy, the  
Environment and Water

# Wired for change: Regulation for small electrical products and solar photovoltaic system waste.

Product Stewardship Regulatory Schemes and Reform Section  
Department of Climate Change, Energy, the Environment and Water

Via email: [estewardship@dcceew.gov.au](mailto:estewardship@dcceew.gov.au)

23 July 2023

Dear Sir/Madam

The Australian Mobile Telecommunications Association (AMTA) welcomes the opportunity to provide this submission in response to the consultation paper, *'Wired for Change: Regulation for small electrical product and solar photovoltaic system waste'*.

AMTA has also provided a separate response to the 44 questions posed by the Department. This submission seeks to outline the success of the MobileMuster program and advocates for a voluntary industry-led approach to product stewardship.

We would like to acknowledge the Department's ongoing willingness to engage with industry and look forward to continued engagement with the Department as the consultation process continues.

If you have any queries or comments in relation to the content of our submission, please contact Louise Hyland on 0488 171 066 or by email [louise.hyland@amta.org.au](mailto:louise.hyland@amta.org.au)

### About AMTA

The AMTA is the peak industry body of Australia's mobile telecommunications industry. Our purpose is to be the trusted voice of industry, promoting the adoption, monetisation and sustainability of mobile telecommunications technology for the benefit of all Australians.

AMTA members include the mobile network service providers, handset manufacturers, network equipment suppliers, retail outlets and other suppliers to the industry.

### About MobileMuster

MobileMuster is a federal government accredited voluntary product stewardship program of Australia's mobile telecommunications industry. Since 1998, millions of Australians have recycled their mobile phones through the program. In FY 2022, 109 tonnes of mobile phones and accessories were collected, surpassing the KPI of 76 tonnes.

The carbon neutral program is managed by AMTA and is funded by mobile and home device<sup>1</sup> manufacturers and network carriers to provide a free product recycling program to the highest environmental standard. While the program initially included mobile phones and accessories, more recently it expanded to include modems and routers, smart home technology and wearables and peripherals<sup>2</sup>.

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<sup>1</sup> Home devices include landline phones, TV streaming devices, smart speakers, smart digital hubs.

<sup>2</sup> Wearables and peripherals include smartwatches, smart pens, tracking tags and VR headsets.

MobileMuster has been extremely successful operating on a voluntary basis. This has enabled the program to improve and innovate in a timely manner, which is why it was expanded to include additional product categories, with the approval of participating members.

Nearly 97% of mobile phone manufacturers and 90% of mobile phone carriers participate in MobileMuster, including Apple, Arcadyan, Belong, Force Technology, Google, hmd Global, HTC, Huawei, Motorola, Nokia Oceania, Oppo, Optus, Samsung, TCL Mobile, Telstra, TPG Telecom, TP-Link, Vantiva, Vigo Mobile Australia and ZTE.

In 2023, the MobileMuster program will celebrate 25 years as a successful voluntary product stewardship scheme.

## Introduction

The Commonwealth Government has announced its intention to develop a regulatory product stewardship scheme for small electrical and electronic equipment (SEEE).

MobileMuster supports the Government's intention to improve industry-led product stewardship schemes that may not be achieving the highest environmental outcomes and acknowledges that regulation may be required in these instances, as well as where there may be no available pathways to collect and recycle end-of-life products, such as a broader range of household electronic and electrical goods.

We acknowledge that there have been issues in certain recycling sectors, including soft plastics and solar panels. If Australia is to play its proper role in the circular economy as a responsible global citizen, consideration of Australia's capability to recycle, reuse and refurbish is critical. An end-to-end solution must be implemented to support success. If recycling collections increase, this may result in a more visible issue of stockpiling of goods awaiting recycling due to existing exporting bans and inability to execute the circular economy in Australia.

Following the extended exemption to the ban on exporting plastic waste, we encourage the Government to continue engaging with industry on potential regulation and ensure any product stewardship scheme seeks to accommodate existing capacity to recycle in Australia.

The Government should also consider how to accommodate problematic materials that are hard to recycle and recover, whether that be through further exemptions to export bans, or through extended compliance timeframes. It is important that future resource recovery needs are planned for, including when recycling infrastructure will be required based on current and emerging waste policies and market challenges.

Government could play a role through:

- Further government support for new and upgraded recycling infrastructure. We welcome the recent announcement of the Plastics Technology stream under the Recycling Modernisation Fund (RMF).
- Establishing working groups with key industry members to facilitate development of standards, specifications, and strategic investment.
- Providing guidance for consumers and industry to better understand and use recycled materials.
- Improving strategic planning approaches to ensure appropriate location of resource recovery and reprocessing infrastructure to manage amenity, protect industry, and to realise economies of scale.

We believe that it is imperative that the Government channels its efforts towards problematic materials that have no pathways for reuse and recycling at end-of-life, rather than disrupting successful existing programs such as MobileMuster. To that end, products that are already captured in accredited, industry-led voluntary schemes such as MobileMuster should be excluded from regulation.

We welcome that the proposed Scheme Administrative Structure in the Wired for Change consultation paper accommodates accredited, voluntary product stewardship schemes but would like to ensure that MobileMuster can continue to operate without regulation. If MobileMuster were to be regulated it would, alongside creating transition issues and increasing compliance costs, stifle innovation by members of MobileMuster.

AMTA and its members have always supported and advocated for a voluntary approach to product stewardship, and MobileMuster is proof of what is possible when industry comes together voluntarily.

We look forward to continuing to work closely with the Government as it develops the Policy Impact Assessment and regulation ahead of the commencement of any regulatory product stewardship scheme for SEEE. We would also welcome the Government releasing the results of all independent cost benefit analyses in a timely fashion so that the industry can understand the impacts, implications, and opportunities arising out of any regulatory changes.

## **Overview of the MobileMuster scheme**

### **MobileMuster - product scope**

MobileMuster accepts all brands of mobile phones, their chargers and accessories.

As an industry-led, voluntary scheme MobileMuster can easily adapt and innovate, including the ability to expand the categories of products recycled under the Scheme. From 1 July 2022, MobileMuster was expanded to include:

- Modems, home landline phones and TV streaming devices
- Smart speakers and smart digital hubs
- Smartwatches, smart pens, tracking tags and VR headsets.

### **MobileMuster - access obligations**

Making recycling options easy and accessible has been key to the success of the MobileMuster program. MobileMuster has more than 3,000 drop-off points across Australia making it one of the most accessible product stewardship schemes in the country, with 96% of the Australian population living within 10 km of a drop-off site. MobileMuster also provides a free post back option through Australia Post. MobileMuster collection points include:

- Local councils: MobileMuster works with nearly 400 councils through local government partnerships, where councils provide community recycling centres and waste transfer stations.
- Mobile phone retailers, including Optus, Telstra and Vodafone stores.
- Mobile phone repair stores.
- Major retailers, including Woolworths and Officeworks.
- Workplaces.
- Schools.
- Zoos.

## MobileMuster - targets and obligations

As part of its accreditation for the recycling of mobile phones and accessories, MobileMuster is required to achieve and report on several targets under the *Recycling and Waste Reduction Act 2020*, which the scheme has consistently met. Our FY22 results can be found in our annual report<sup>3</sup> and include:

- Significant industry participation – 96.7% of mobile phone manufacturers and 90% mobile phone carriers against a target of >80%.
- 109t of mobile phones collected against a target of 76t.
- 99.3% recycling rate (material recovery) against a target of >90%.
- 96.2% diversion from landfill rate.
- 3% disposal rate to landfill.
- 96% of Australians within 10km accessibility against a target of >80%.

## MobileMuster - re-use obligations

To drive consumer consideration of other uses for products, MobileMuster runs campaigns throughout the year that encourage and promote reuse and partners with social enterprises to drive reuse.

For example, during December 2022 MobileMuster ran a ‘Do Good’ campaign to encourage Australians to donate their unused working mobile phones to one of two social charity partners; DV Safe Phone and The Reconnect Project. These two organisations provide donated phones to domestic violence victims, refugees and asylum seekers, and people living in transitional housing.

## MobileMuster - industry participation

MobileMuster has very high industry participation, covering 96% of mobile handset manufacturers (Alcatel, Apple, HMD Global, HTC, Huawei, Google, Motorola, Oppo, Samsung, Vigo Mobile Australia, ZTE) and accessory manufacturers and distributors (Force Technology).

MobileMuster also includes other entities associated with the product, such as the network carriers (Optus, Telstra, TPG Telecom) and network connectivity manufacturers (Nokia Oceania, TP-Link, Vantiva, Arcadyan). The members pay membership fees to AMTA for the collection, sorting, and recycling of products.

## MobileMuster – education and awareness

Consumer education and awareness is very important to a successful product stewardship scheme.

In 2021, MobileMuster was acknowledged for its significant commitment to consumer education and business engagement in keeping mobile phones out of landfill, taking home the award for Best Stewardship Outcomes (Scheme or Industry Collective) at the inaugural Product Stewardship Centre of Excellence Awards.

In FY 2022, MobileMuster ran several campaigns to create awareness of the how, where, and why of recycling, with the aim to build trust in the program including the Go for Zero campaign, which encourages Australians to recycle their old mobile phones. In April 2023, 71% of the population was aware of a recycling program, with more than 8 million Australians recycling their mobile phones during this period.

MobileMuster also provides practical curriculum material and engaging supporting resources for the classroom. Our education program allows students to look at the impact of mobile technology and encourages them to take action for a sustainable future.

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<sup>3</sup> <https://www.mobilemuster.com.au/annual-report-2022/>

# Response to ‘Wired for Change: Regulation for small electrical products and solar photovoltaic system waste’

## Consultation scope

### **Low recovery rates**

The scope of the consultation states it is designed to, “cover products with low recovery rates and/or limited disposal pathways”.

As previously outlined, we would like to see the Government focus on problematic materials that have no pathways for reuse and recycling at end-of-life, rather than disrupting successful existing programs such as MobileMuster.

We do not want a scenario where it is more costly, more complex, and less impactful for liable parties in the proposed regulatory regime to join a voluntary accredited scheme, over the appointed Scheme Administrator.

### **Recycling capacity in Australia**

The proposed regulation is focused on “front-end recycling” – that is, keeping the liable parties responsible for funding and increasing collections. The proposal mentions, but does not go into detail about, the “back-end” – that is, Australia’s capability to recycle and to execute the circular economy.

The proposal seems to assume that the recycling capability exists or will exist in Australia. If Australia is to play its proper role in the circular economy as a responsible global citizen, an end-to-end solution must be implemented to support success. If the proposed scheme is effective at increasing recycling collections, this may result in a more visible issue of stockpiling of goods “awaiting recycling” due to existing exporting bans and an inability to execute the circular economy in Australia.

In our view, the scope for any regulation should include end-to-end recycling, not just “front-end”, or it could cause implementation issues and impede success.

Additionally, the proposal mentions that States and Territories are responsible for managing their environments including banning disposal of e-waste landfill, each having their own rules. The proposal should also include details of how States and Territories will support the successful execution of the proposed regulation. This is an opportunity for the Commonwealth to harmonise regulation across all States and Territories.

## Product scope

The proposed scope for SEEE covers most of the small electronic and electrical equipment found in homes and small businesses, weighing up to 20 kg. It also includes all products currently covered by the National Television and Computer Recycling Scheme (NCRS).

In our view, Government regulation should be focussed on problematic products – those being products that do not have an end of use/life pathway, rather than disrupting existing programs like MobileMuster.

Products recycled through the MobileMuster program should be excluded from the proposed Scheme, given they are already being processed through an existing government accredited scheme.

These products are:

- All brands of mobile phones, their chargers and accessories.
- Modems, home landline phones and TV streaming devices.

- Smart speakers and smart digital hubs.
- Smartwatches, smart pens, tracking tags and VR headsets.

## Structure of proposed scheme

### ***Accredited voluntary product stewardship schemes***

We welcome the Government's inclusion of voluntary accredited product stewardship schemes in the proposed model. However, we would like to ensure that these schemes, including MobileMuster, are not required to significantly alter operations to comply with any potential stewardship regulation.

Accredited voluntary product stewardship schemes under any future stewardship scheme should be able to continue to set their own fees.

The proposed model allows liable parties to join an accredited voluntary scheme to reduce their liability, which we welcome. However, it appears that if a liable party were to join a voluntary scheme they would also be required to join and pay fees to the scheme administrator.

The consultation paper states that *'the administrator may still charge reasonable fees for non-recycling obligations of the scheme, such as reporting, compliance, and education and awareness. However, these fees would be required to reflect the proportion of costs attributable to non-recycling scheme activities'*.

MobileMuster already undertakes reporting, compliance, and education and awareness activities. In our view, a liable party that is in an arrangement with MobileMuster to acquit their liability, should not also be required to pay the scheme administrator additional fees for these same activities.

### ***Scheme Administrator***

The proposed model is one Scheme Administrator for SEEE and PV, to be appointed by Government, with multiple network operators.

In our view, there should be different Scheme Administrators for SEEE and PV, given the two categories are sufficiently different. SEEE is largely small items which can be managed by consumers, but Large PV requires qualified personnel and cannot be managed by consumers. The forward and reverse supply chains differ significantly.

Although the proposed regulatory scheme is "designed to promote competition", the appointment of a single Scheme Administrator could create a monopoly for all SEEE and PV recycling, with no competition. Allowing a single entity to set the fees, targets, manage administration and conduct education and awareness is a significant span of responsibilities with extensive powers.

More detail on the Scheme Administrator and how it is expected to operate would be useful.

For example:

- Will the Scheme Administrator be a government agency (such as a statutory office) or a commercial entity? If it is the latter, will it be appointed through an open, competitive tender?
- Will the Scheme Administrator be required to have prior experience in managing recycling for both SEEE and PV?
- Will it operate on a commercial basis (for profit) or on a cost recovery basis?
- How will the Scheme Administrator set fees and what power does the Government have to intervene in this process?

The Government should have oversight of the Scheme Administrator and the ability to intervene if needed, including on the setting of fees. The question about the setting of fees depends on whether the Scheme Administrator is operating on a cost recovery basis, or on a for profit basis, and we

suggest this is clarified in the consultation process as it may have a significant impact. If the Scheme Administrator is for-profit, it may increase the risk of perverse outcomes.

### ***Fees***

Under the proposed model, liable parties joining a voluntary accredited scheme would still be required to pay additional fees to the Scheme Administrator. These additional fees would cover the non-recycling obligations, such as reporting, compliance, and education and awareness.

MobileMuster spends a significant proportion of annual expenditures on awareness, marketing, promotion and education of the program. If a liable party has joined an accredited voluntary scheme and is already paying fees to that accredited voluntary scheme to undertake reporting, compliance and education and awareness activities, it is a duplication to require that liable party to pay a second set of fees to the Scheme Administrator to undertake the same activities.

We request that consideration be given to removing this additional impost for a program such as MobileMuster which has a track record of substantial investment in successful education and awareness over many years. This is a double application of fees for liable parties that choose to join accredited voluntary schemes and will have the effect of making it more expensive for liable parties to participate in accredited voluntary schemes which is an undesirable outcome.

We understand that the Department is considering incorporating eco-modulated fees into the proposed scheme, which would mean that products which meet eco-design criteria would attract a lower liability. This might mean that products which are easier to disassemble or recycle might attract smaller fees. We support eco-modulated fees being incorporated into the scheme as a way to encourage vendors to consider how product can best be designed to ensure ease of repair, re-use and recyclability.

### ***Liable parties***

Corporations that import or manufacture PV systems and/or SEEE above a set threshold would be considered liable parties under the proposed model. A liable party must register with the scheme administrator and pay scheme administration fees. We agree it is appropriate that importers and manufacturers are the liable parties under any Scheme.

Liable parties should be able to access materials recovered from the Scheme for end use aligned to the proposed definition of recovery as stated in the consultation paper. This will encourage use of recycled materials and create market demand for the recycled and recovered materials collected from the scheme.

In addition, liable parties' reuse programs (such as repair, refurbish and trade-in programs) should be included and allowable for a liable party to acquit its liable weight. For example, if a liable party has a liable weight of 100 tonnes, and 40 tonnes is reused (repaired or refurbished) this should reduce the liable volume to 60 tonnes.

### ***Recyclers***

Recyclers would be able to opt in to being an approved recycler under the proposed scheme, and the Scheme Administrator would approve and maintain a register of approved recyclers. It isn't clear from the consultation if the Scheme Administrator would also approve recyclers operating under an accredited voluntary product stewardship scheme, or if this approval would be provided by the voluntary scheme. Our preference is the latter. We agree it is appropriate for the Scheme Administrator to approve and audit recyclers.

The rebates received from recyclers for valuable commodities recovered through recycling are not covered in this proposal. There seems to be one source of funds from liable parties and everything else is a cost. More information on how these rebates will be managed, including who will set rates and who will receive them would be useful. Rebates could also be published to enable transparency.



This is because the level and number of rebates is an important commercial consideration to the viability of a successful Scheme.

## Targets and obligations

### *Re-use obligations*

The consultation paper proposes an obligation to promote re-use, rather than a re-use target, which we welcome. MobileMuster successfully operates a take-back service and plays an active role in educating consumers on re-use options along with recycling. Individual members of MobileMuster may also have re-use obligations.

We would like more clarity on what constitutes 're-use', as 're-use' can occur at different stages of the Scheme:

- Before collected products enter the scheme collection channel. For example, a device may be collected via a liable party's take back program for repairs, refurbishment, trade-in or donated.
- When the product enters the Scheme's collection channel and is separated from end-of-life devices for reuse.
- At end of life. This includes re-use of material obtained from dismantled products and provided as an input to new products.

We note the consultation paper (page 39) states that, "SEEE products repaired and resold by liable parties could not be used to meet the scheme administrators re-use obligation". We would like to understand why SEEE products cannot be repaired and resold to reduce liability, and why the same restriction does not apply to photovoltaic products in the proposed scheme.

The discussion paper proposes that the re-use obligations would require the Scheme Administrator to facilitate specific collection mechanisms for re-use and repair at scheme collection sites, when requested by a repair and re-use organisation. This requirement may be difficult to implement and could create complexity.

Finally, we also note that the Government intends to require the Scheme Administrator to facilitate specific collection mechanisms to re-use and repair at scheme collection sites, and that organisations would need to demonstrate that such products are actually being repaired and re-used.

### *Education and awareness*

Education and awareness have been a significant investment for MobileMuster and a key factor in the success of the program to date. We consider that a liable party should not be required to pay a separate education and awareness fee to the Scheme Administrator, if it is already paying for this through an accredited voluntary scheme. It would be undesirable to have the education and awareness efforts of voluntary accredited schemes diluted by the larger marketing and awareness efforts of the Scheme Administrator. It is unnecessary duplication.

The education and awareness undertaken by MobileMuster has the advantage being targeted and specific to the products being recycled under the Scheme, which simplifies the messaging for consumers. With one Scheme Administrator for multiple products across different industries, there is a risk that the education and awareness will be confused with multiple messages for different products (for example, the recycling requirements for a solar panel are different to those for a mobile phone). In our view, voluntary accredited schemes should be responsible for their own public awareness and education plan and activities, and report to the Scheme Administrator.

***Access obligations***

The consultation paper proposes to impose access obligations on the scheme administrator, which would be fulfilled by the network operators. The consultation paper also proposes that the scheme administrator would be responsible for public awareness of collection and drop off opportunities, through education campaigns focused on where and how in-scope products could be dropped off. Voluntary schemes should be responsible for public awareness for collection opportunities for products in their schemes.

