



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr SR King MP—Chair  
Mr LL Millar MP  
Mr BW Head MP  
Ms PE Pease MP  
Mr LA Walker MP  
Mr TJ Watts MP

**Staff present:**

Dr J Rutherford—Committee Secretary  
Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC BRIEFING—INQUIRY INTO SCRAP METAL THEFT**

### **TRANSCRIPT OF PROCEEDINGS**

**Monday, 11 September 2023**

**Brisbane**

## MONDAY, 11 SEPTEMBER 2023

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### **The committee met at 9.36 am.**

**CHAIR:** Good morning. I declare this public briefing for the committee's inquiry into scrap metal theft open. My name is Shane King. I am the member for Kurwongbah and chair of the committee. I would like to start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respect to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share. With me here today are: Lachlan Millar MP, member for Gregory and our deputy chair; Bryson Head MP, member for Callide; Joan Pease MP, member for Lytton; Les Walker MP, member for Mundingburra; and Trevor Watts MP, member for Toowoomba North, who will be putting in an apology later as he will have to leave us.

On 24 August 2023 the Legislative Assembly agreed to a motion that the Transport and Resources Committee inquire into and report on scrap metal theft. The purpose of today's briefing is to assist our committee with its consideration of this inquiry.

The committee's proceedings are proceedings of the Queensland parliament and are subject of the standing rules and orders of the parliament. As parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of the committee.

The committee will not require evidence to be given under oath, but I do remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions for witnesses, so we will take those as having been read. The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note that it is possible you might be filmed or photographed during the proceedings by the media and images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode.

**BYRNES, Detective Chief Inspector Vince, Operations Manager, Cyber Crime Squad, Financial and Cyber Crime Group, Crime and Intelligence Command, Queensland Police Service**

**DORAN, Mr Vincent, General Manager, Statewide Network Operations, Department of Transport and Main Roads**

**DRAPER, Ms Sandi, Director, Strategy and Analytics, Sport and Recreation, Department of Tourism, Innovation and Sport**

**GIBSON, Mr Michael, Director, Field Services, Electrical Safety Office, Office of Industrial Relations, Department of Education**

**HAMILL, Mr Anthony, Manager, Government and Investor Strategy, Customer Division, Energy Queensland**

**INNES, Assistant Commissioner Katherine APM, Crime and Intelligence Command, Queensland Police Service**

**KIENZLE, Mr Rene, Manager, Regulatory Policy, Liquor, Gaming and Fair Trading, Department of Justice and Attorney-General**

**L'BARROW, Mr Steve, Director, Investigations and Enforcement, Office of Fair Trading, Department of Justice and Attorney-General**

**McGRATH, Detective Superintendent Craig, Commander, Financial and Cyber Crime Group, Crime and Intelligence Command, Queensland Police Service**

**MOOR, Mr Darren, Executive Director, Georesources Delivery, Department of Resources**

**STAFFORD, Ms Karen, Acting Executive General Manager, Corporate Services, Energy Queensland**

**THOMSON, Ms Victoria, Deputy Director-General, Liquor, Gaming and Fair Trading, Department of Justice and Attorney-General**

**CHAIR:** At the outset, I thank the representatives from DJAG for tying all of this together. It is much appreciated. I invite the representatives to provide a briefing that addresses how the inquiry's terms of reference are relevant to their respective agencies. After this, we will no doubt have some questions for you.

**Ms Thomson:** Thank you for the opportunity to brief the committee and to assist with your inquiry. My name is Victoria Thomson. I am the Deputy Director-General of Liquor, Gaming and Fair Trading with the Department of Justice and Attorney-General. Other Department of Justice and Attorney-General staff assisting me with the briefing today are sitting behind me. Mr Steve L'Barrow is the Director of Investigations and Enforcement with the Office of Fair Trading and Mr Rene Kienzle is the Manager of Regulatory Policy.

As noted at last month's estimates hearing by the Hon. Yvette D'Ath MP, Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence, a number of stakeholders have raised concerns about the frequency of theft of copper and other metals in Queensland. Thefts of this nature impact many—from big energy companies and communications networks to small businesses, local councils, schools and sporting clubs.

To assist with tackling metal theft in Queensland, last month the Attorney-General convened a round table with representatives from industry, essential service providers and Queensland government departments to inform the development of the terms of reference which are the subject of your inquiry. Attendees included representatives from the Moreton Bay City Council, Energy Queensland, Powerlink, Queensland Rail, the Motor Trades Association of Queensland, the Waste and Recycling Industry of Queensland, National Transport Insurance, Australian Petroleum Production & Exploration Association, the Civil Contractors Federation, the Housing Industry Association and InfraBuild, a national company that recycles, manufactures and distributes steel long products.

The stakeholders shared their experiences regarding the prevalence of the theft and the types of metal being stolen. It was explained to the round table that it is not just copper but other metals such as precious metals that are highly valued by the supply chain. The stakeholders outlined the financial and other impacts including: the potential electrical safety risks for the public; the subsequent cost and time to rebuild and to fix infrastructure such as streetlights, train stations and networks; and the opportunity lost due to the need to redirect their efforts to remediation works.

The Queensland government representatives here today appreciate the opportunity to assist the committee and, with the committee's approval, I will direct the traffic. Each representative will introduce themselves and make a brief statement. We will do that in order. We will bring people up to the table as we have coordinated. Once we have finished with those statements, Chair, we will be more than happy to take any of the committee's questions.

As far as the Department of Justice and Attorney-General goes, relevant to item 6 of your terms in reference, in Queensland the sale of second-hand property is regulated under the Second-hand Dealers and Pawnbrokers Act 2003. It is important to note that this act is jointly administered by the Office of Fair Trading and the Queensland Police Service. The main objectives of the act are: to regulate the activities of second-hand dealers and pawnbrokers; to deter crime in the second-hand property market; and to protect consumers from purchasing stolen property. The act does not have scrap metal specific objectives or provisions. The act does not prohibit the use of cash or cash equivalent from any second-hand property, which is broad in its definition and includes scrap metal.

The licensing framework under which the act operates includes suitability checking of applicants which includes a criminal history check conducted by the Queensland police. Among other things, an applicant who has been convicted of a disqualifying offence such as stealing or receiving

stolen property within the last five years, is not a suitable person to hold a licence. There are 1,163 licensees under the act. The Office of Fair Trading has identified about 30 licensed second-hand dealers who may specialise in scrap metal trading. That is because it is a broad act, so there are no specific endorsements. We have gone through and identified where people had the words 'scrap metal' in their business name and took that as quite a good clue.

The Office of Fair Trading conducts compliance activity such as spot checks of all licensees under the act, not just those dealing with scrap metal. Generally, the office will check to ensure that somebody is suitably licensed and complying with the act's requirements. This would include, for example, maintaining a transaction register and obtaining particular information before acquiring the property. The Office of Fair Trading also participates in operations led by other agencies such as the Department of Environment and Science and the QPS. In the 2022-23 financial year, Fair Trading was involved in three operations targeting second-hand dealers and conducted 88 spot checks. This resulted in the OFT issuing four infringement notices and 28 warnings.

With respect to item 7 of your inquiry's terms of reference, the New South Wales Scrap Metal Industry Act 2016 is administered by the New South Wales police force. Its specific aim is to regulate scrap metal dealers, the trade of scrap metal and scrap metal yards. The New South Wales act prohibits buying scrap metal for cash or cheques made payable to cash. At the round table, one of the members noted that they were detecting that people were now using cryptocurrency or using mobile-to-mobile apps such as Koala Pay as a way of trying to circumvent the cash restrictions in the New South Wales legislation. The New South Wales act has strict record-keeping and photo ID requirements which are over and above the Queensland requirements and confers additional police powers specific to the industry.

Our understanding is that New South Wales has recently reviewed its act and found that, although the policy objectives are sound, it required some amendments. Those amendments have been passed but it does not appear they have commenced as yet. They include clarifying that carrying on a business includes from a location other than a scrap metal yard—again, it seems people have been getting quite creative in terms of where they were conducting the transaction, including from a car—allowing police officers to stop and search a motor vehicle without a warrant for the purposes of determining compliance or contravention of the act, and the increasing of penalties for carrying on the business of dealing with scrap metal without being registered from 100 penalty units to 500 penalty units—and that would be for an individual, no doubt.

Victoria approached the problems around scrap metal theft through amendments in 2018 to its Second-Hand Dealers and Pawnbrokers Act 1989. The amendments expanded the specific purpose of that legislation to include the prevention and disruption of criminal activity in the dealing of scrap metal. The amendments also included banning cash sales for scrap metal to second-hand dealers, a requirement to keep a transaction register for the receiving and disposal of scrap metal transactions separate to the existing requirement for second-hand goods, and providing police officers with the power to enter the premises under the control of a second-hand dealer without a warrant when the business of dealing with a scrap metal is being carried out on the premises. It is worth noting that the Victorian act is administered and enforced by the Victorian police. On that note, I will now hand over to Assistant Commissioner Katherine Innes.

**Assistant Commissioner Innes:** Good morning. I am Assistant Commissioner Katherine Innes from the Crime and Intelligence Command of the Queensland Police Service. I appear before the committee today with Detective Superintendent Craig McGrath, Operations Commander of the Financial and Cyber Crime Group and Detective Chief Inspector Vince Byrnes, Operations Manager, Cyber Crime Squad. I acknowledge the Aboriginal peoples and the Torres Strait Islander peoples as the traditional owners and custodians of this country. I recognise their connection to land, sea and community. I pay my respects to them, their cultures and their elders past, present and emerging.

Metal theft is having a significant impact on Queensland communities. Thieves are targeting critical infrastructure, including communications, energy and transport, and various industries to steal metal to resell to dealers. From reports to police we know that metal theft is affecting government and private sector operations. It has previously disrupted electricity supply and transport operations. Alarming, the behaviour puts the offender, responders and the community at significant risk of injury or death. Although there is some monetary value for the seller, the harm to the community can greatly exceed the value of the stolen goods. This is because of the high cost of rectification works such as labour, buying new materials and any disruption to business operations. Many different types of metal are stolen. The QPS is aware of metals such as aluminium, batteries, brass, bronze, cables and wiring, catalytic converters and diesel particulate filters, copper and steel being targeted by thieves.

The QPS continues to take steps to prevent, disrupt and investigate metal theft within Queensland communities. We have stood up dedicated operations to target metal theft. For example, Operation Victor Surface in the north Brisbane and Moreton Bay areas responded to reports of copper theft from storage areas, processing plants and stockyards. Police executed warrants and located information that over 1.9 tonnes of allegedly stolen copper wire had been onsold to metal recyclers. It is alleged the thefts have caused significant damage and delays to infrastructure projects across Brisbane. This operation is ongoing. During 2022 Operation Cobre in the south-west district prevented and investigated metal theft offences against energy providers. Police worked with affected energy providers to share information and implement prevention strategies. Those included improved methods of identifying property, increasing private security and enhancing camera placement.

We also respond to reports of metal theft through business-as-usual investigations. Between May and June 2023 police discovered that copper cabling was stolen along the Gateway Motorway and Gympie Arterial Road from message boards and lighting along pathways next to the road. Offenders cut cables to the streetlights during the day while they were turned off and returned at night to remove the cables. This creates an unnecessary risk of electrocution to passers-by and to the offenders. Unlit pathways can facilitate additional crime. In May 2023 offenders entered a GrainCorp site at Nandi. The offenders rammed a vehicle into the switchboard to disable electricity supply. They then stripped copper across the site as well as caused approximately \$100,000 in damage. The site experienced a loss of production for at least four weeks.

We are also taking proactive steps to prevent metal theft. In late 2022 we launched a public awareness campaign to encourage people to report suspicious behaviour. Several articles have been published online highlighting the issues with metal theft with the tag line 'every scrap of information counts' to drive online reporting. Investigation of metal theft is challenging. Because of the properties and generic nature of metal, it is often difficult to identify its origin of ownership. Some forms of metal such as catalytic converters or diesel particulate filters do not have distinct markings or serial numbers. Where metal is marked for identification, these markings can usually be removed by burning or grinding.

Enforcement of the framework under the Second-Hand Dealers and Pawnbrokers Act is a joint responsibility between the Office of Fair Trading inspectors and police officers. Office of Fair Trading inspectors conduct spot checks and investigations throughout the year. Police officers collect information from second-hand dealers and pawnbrokers. For scrap metal dealers, this is usually in the form of hard-copy receipts. The act enables the creation of a requirement to give particulars from the transaction register in a way and within a period prescribed by regulation. However, no such regulation has ever been made. Instead, local police officers frequently attend second-hand dealers and pawnbrokers to collect copies of receipts. Some second-hand dealers and pawnbrokers elect to send data directly to the QPS either by mail or by post. There is no requirement to include information about the payment method for the transaction; nor are there any limits within the act on what payment methods are acceptable.

The QPS operates the Stolen Property Investigation and Recovery System, SPIRS, to store data related to the interaction of people, property and second-hand dealers and pawnbrokers. The system automatically matches its data with crime data in QPRIME to identify incidents that may be related. Property can be matched by serial number. QPRIME is our standing police database.

Members of the SPIRS team manually enter data from these hard-copy receipts or electronic documents into the register. Sometimes it is difficult for data to be entered because of illegible handwriting or missing information contained in the documents provided to police. The receipts we collect from second-hand dealers and pawnbrokers are voluminous. It can take quite some time for the data to be entered into the system. There is currently a backlog of approximately seven months. There is also an increasing impost on the QPS to enter the data. We currently have dedicated six full-time employees to the SPIRS team comprising one detective sergeant, one detective senior constable and four administration officers.

The usefulness of the data is also limited. Where the description of the property is poor—for example 'four kilograms of copper wires'—it is unlikely that this will be capable of being matched to any stolen property reports. The requirement in the act is also limited to verifying the seller's name and address. The act does not prescribe how this verification is to occur. There is a requirement to report suspicious property to police if a person gives a second-hand dealer or pawnbroker property that they have acquired that may be described as stolen or unlawfully obtained. The dealer or pawnbroker must advise a police officer about the property as soon as practicable. Thank you for the opportunity to provide this brief to the committee today.

**Mr Doran:** Good morning. My name is Vincent Doran. I am the General Manager for Statewide Network Operations within the Department of Transport and Main Roads. I would like to start today by acknowledging the traditional owners of the land on which we meet today and pay my respects to elders past, present and emerging. I would also like to thank the committee for the opportunity today to explain how the terms of reference can relate to the department. In relation to how we have approached this briefing today, we will provide a departmental response against each of the individual terms of reference.

In terms of the first item of the terms of reference—the types of metal at risk of being stolen and resold as scrap, taking into consideration copper, precious and other metals and vehicle parts—I can advise the committee that over the past two years there has been a notable increase in vandalism and thefts affecting Department of Transport and Main Roads assets, in particular our intelligent roadside systems and our road-lighting assets. The most significant area in which theft has increased in recent years has been electrical copper cabling. Electrical copper cabling is used to power the department's road lighting and CCTV cameras. In most cases these assets are in operational service and electrically energised, or live, when perpetrators illegally access electrical cabling in closure pits to remove the cables. In addition to the rise in copper cable theft, the department has also seen an increase in the number of lithium batteries and solar panels that have been stolen. This practice is impacting vital road safety assets such as illuminated warning signs and road lighting.

In relation to the terms of reference related to how the scrap metal market operates including the supply chain, I respectfully advise the committee that this is not a matter which TMR has insights or intelligence on which would aid the inquiry at this time. However, in relation to the third item of these terms of reference, being the prevalence of scrap metal theft in Queensland, it is the department's view that, whilst we have implemented a range of physical and visual deterrents across the network, there are still significant instances of theft occurring on a regular basis across the state controlled road network. From the data we have there would appear to be pockets across the state where cable theft in particular is more prevalent. The department is also aware that the theft of copper cable is occurring on not only departmental assets but also construction projects being delivered on behalf of the department.

In response to the direct and indirect impacts of scrap metal theft on Queenslanders such as costs, disruption and essential service delivery, as I previously noted, the most prevalent theft occurring on Queensland's state controlled network is the removal of copper cabling which provides power to this state's road-lighting networks. Obviously, road lighting provides an essential safety function in enabling road users to see hazards and negotiate the road ahead. It also provides pedestrians with increased safety and awareness of their surroundings and enables greater levels of passive surveillance. In addition, the theft of solar panels and batteries, which power assets such as illuminated warning signs, also creates a direct threat to the safety of road users. Not only are these threats creating direct risks to human life but the theft of assets which impact devices such as CCTV cameras and vehicle detection equipment also reduces the department's ability to safely and effectively manage road congestion and incidents on our network.

The direct cost of reinstatement of operational electrical assets affected by theft and vandalism is, not surprisingly, significant and these unprogrammed costs then impact the department's budgets and our ability to provide optimised outcomes for Queensland road users. TMR has a large quantity of cable pits across the road network, making it financially impossible to implement deterrent solutions at all locations. Additionally, installing some of the deterrents can have a negative impact to the efficiency of the department's own maintenance activities and increase subsequent costs to the department. It is also the case that many of the implemented measures have not stopped determined people thus far.

In relation to the terms of reference relating to the direct and indirect risks to worker and community safety as well as other risks such as environmental harm, as I have previously mentioned, in most cases the theft of electrical assets is occurring on assets which are electrically energised or live. This not only creates a risk to the perpetrators but also creates a residual risk to staff working to reinstate cabling. In many cases, cable pits are left open and live wiring exposed. This presents a significant electrical safety risk to the general public, and in some cases exposed wiring could lead to a higher potential for a localised fire which could then spread.

In relation to the effectiveness of the existing Queensland laws and approach in preventing, investigating and prosecuting scrap metal theft across Queensland, I can advise the committee that many of the department's older cabling enclosure pits are typically more vulnerable to deliberate illegal access as they do not have modern lockable pit lid covers. The department is trialling a number

of solutions to deter perpetrators such as more secure cable pit lids, surveillance cameras and patrols, batteries which can be directly buried into the ground without the need for an access pit, covering access pits with sand and asphalt, as well as a number of anti-theft and antivandalism innovations. The department has also been in discussions with the Queensland Police Service to raise awareness of these thefts for police personnel travelling throughout our network.

In relation to a recommended contemporary legislative, regulatory and enforcement framework for deterring, detecting and disrupting scrap metal theft which is informed by national and international approaches, I would respectfully advise the committee that the department will be grateful for the opportunity to review and provide input into any future recommendations in these areas but consider that these are matters best responded to by other agencies.

Finally, in relation to the term of reference about other non-regulatory measures such as information sharing, education and public awareness raising and technology solutions which may assist in reducing the prevalence and impact of scrap metal theft in Queensland, I would reference the fact that cable theft often creates a direct public risk, in particular where the electrically energised wiring and cabling has been left exposed. Education to increase the public's awareness of these dangers could be beneficial. The Department of Transport and Main Roads has and will continue to investigate and deliver innovative technologies and innovative infrastructure solutions to ensure our network is as resilient as possible. Technology solutions such as microdot technologies have been implemented overseas to uniquely identify cable ownership. These have been successful in reducing cable theft when accompanied by supporting legislation. However, whilst these innovations provide a level of deterrence, they are expensive and they are still not fully effective in deterring the most determined of perpetrators. That concludes the Department of Transport and Main Roads response.

**Mr Moor:** I would like to start by acknowledging the traditional owners of the land on which we gather today and pay my due respects to elders past, present and emerging. I would also like to thank the committee for the opportunity to appear today in response to the terms of reference to the inquiry into scrap metal theft. The Department of Resources notes the terms of reference and is happy to assist the committee by providing context and information about how the theft of scrap metal affects the resources sector. I will provide some information about how those effects directly flow through to impact directly and indirectly on all of us Queenslanders. The Department of Resources does not have a direct regulatory role, so I will leave that for my colleagues to provide the committee with further advice around the broader context and impacts of scrap metal theft, along with any proposed regulatory responses.

The Department of Resources is a major contributor to the outcomes for Queensland communities that we work and live in. Within the department my function as Georesources Delivery is responsible for overseeing the regulation and management of Queensland's mineral, coal and petroleum resources. Queensland's resource industry has long been one of the cornerstones of our economy, generating jobs, prosperity and economic growth for the state. Part of the role of the Department of Resources is ensuring that industry conducts itself in a way that is safe and welcomed by the local communities that host resource projects, and I know that the industry takes that obligation very seriously.

My team engages regularly with the resource industry across Queensland and has recently engaged on this topic of scrap metal theft to inform our evidence to the committee. I have been advised that the theft of copper, industrial materials and other scrap metals is a significant issue for the resources industry broadly and over the past two years has been a particular problem for the petroleum and gas sector. We believe that this is because of the isolated and high-value nature of the infrastructure necessary to operate petroleum wells as well as the perception that they are located away from areas with significant police presence. We have been advised that since 2022 a number of gas producers have been targeted for repeated theft of materials. The target of this theft includes copper cabling from live high-voltage circuitry, solar panels, batteries, fuel and other equipment.

To help the committee understand the scope of how much theft I am talking about, I can advise that companies have identified theft at over 500 well sites over the last year alone, and at its peak it was more than 20 sites being impacted per day. I am further advised that the estimated cost of this theft in terms of damage, lost time and lost production exceeds \$50 million. I understand that this impact is spread across the industry, but, as you might expect, some companies have been more greatly affected than others. That is an obvious significant financial cost, but my greatest concern is for human safety, and I know that the industry shares my concerns. The theft of copper cable from live high-voltage circuits poses an incredible risk to the thieves and to the staff and contractors of companies that are required to attend site and repair the damage caused by this theft.

Having spoken about the direct impacts, I will now turn to the elements of the committee's terms of reference that deal with those flow-on, indirect impacts to the community. In the case of the resources sector, one of the indirect impacts of scrap metal theft includes the creation of some negative community sentiment about the industry which in turn damages the industry's social licence to operate. I have been advised that the reason for this negative sentiment is that there is a fear in some communities that criminals are attracted by the gas infrastructure and, after having targeted the gas sites, are then expanding their activities to theft in the general area. To put these negative impacts in context, public available pricing suggests that scrap copper is sold at between \$7 and \$10 a kilo, depending on the quality and type of copper scrap. I do not want the committee to take my remarks as talking down the value of properly recovered scrap metal. It has been reported that in 2020 Queensland's waste operators recovered nearly 750,000 tonnes of ferrous metal and a further 100,000 tonnes of non-ferrous metals. As we continue to integrate concepts from the circular economy, the role of recycling and repurposing scrap and other metals will only grow, but I am not talking about the legitimate scrap metal industry.

The theft of copper and other materials has life-threatening risks to the people doing it and for those who have to come out and deal with the repairs. It is having a negative impact on the productivity of the sector and is driving negative community sentiment. I am advised that companies have taken on the challenge of dealing with this issue and have taken a number of steps to combat scrap metal theft to deter criminals, including the installation of lights, alarms and CCTV on site. I also understand that companies are actively involved with the Queensland Police Service, and this has been a successful collaboration that has led to the eventual reduction since the incidents at their peak. However, I note that there is only a limited role for the Department of Resources to take in addressing what I am advised is a prevalent issue in many industries in regional and metropolitan Queensland. We will continue to encourage the industry to take reasonable precautions to secure work sites and we will continue to engage with the industry to facilitate their submissions to government on how to facilitate this issue.

**Ms Draper:** I would like to acknowledge the traditional owners of the land on which we gather together today and pay my respects to elders past, present and emerging. I thank the committee for giving the department the opportunity to speak at the inquiry today. I acknowledge and appreciate the importance of the committee's work on this issue and recognise the impact that scrap metal theft is having on the community, particularly in relation to construction costs.

I can advise that within the Department of Tourism, Innovation and Sport, including the venues owned by the Sport and Recreation division and for Stadiums Queensland, scrap metal theft is not an identified issue. However, it is on occasion brought to the attention of the Sport and Recreation division when community sport and recreation clubs or organisations have experienced scrap metal theft. The typical items stolen from sport and recreation facilities are air-conditioning compressor lines, copper wire lines, even galvanized steel waterlines and aluminium treads. Individual incidents are not recorded; however, it is estimated that over the last five years unofficial reports of theft have affected in excess of 100 sport and recreation clubs across Queensland and there are times, such as following a disaster, when theft may be more common. When incidents are advised, clubs and organisations are advised to contact the Queensland Police Service. The Department of Tourism, Innovation and Sport does not have any involvement in specific incidents.

Activate! Queensland 2019-2029 was launched by the Queensland government in 2019 and seeks to deliver better health and wellbeing outcomes by supporting more Queenslanders to be active more often. Under Activate! Queensland, the Department of Tourism, Innovation and Sport provides infrastructure grants aimed at enhancing community sport and active recreation participation by enabling quality, accessible, inclusive, safe and more efficient spaces and recovery grants to support clean-up and repair following extreme natural events. To assist in mitigating scrap metal theft, the Sport and Recreation division provides advice to sport and recreation clubs and organisations in relation to design principles such as concealing pipework installations within walls, ceilings and underground, where possible. Where this is not possible, we suggest that top hat sections or other coverings are used. We also recommend the use of anti-tamper screws, closed-circuit TV to deter theft and lockable underground pits. We note that there could be an increased cost for construction of sport and recreation infrastructure because of the building design requirements to mitigate scrap metal theft. This increased cost could be in the vicinity of 10 per cent.

The impact on community clubs when theft occurs varies. Repairs can be difficult for local not-for-profit clubs to fund and, depending on the damage, this can cause an interruption to sport participation. If copper from lighting is stolen, for example, this can mean no night games for a club until repairs can be arranged. In closing, thank you again for the opportunity to participate in the



inquiry today. We look forward to hearing more about the committee's findings and how the Department of Tourism, Innovation and Sport can continue to support the sport and active recreation sector to combat scrap metal theft.

**Ms Stafford:** Good morning. I am joined by my colleague Anthony Hamill, the Manager of Government and Investor Strategy at Energy Queensland. I would like to start by acknowledging the traditional custodians of the land upon which we meet and pay my respects to elders past and present. I would also like to thank you for the opportunity to address the committee today.

Energy Queensland's electricity network businesses, Energex and Ergon Energy Network, own, operate and maintain the entire electricity distribution network in the state of Queensland, from the Tweed to the Torres Strait and from the coast out to Mount Isa and Birdsville. Our electricity assets and infrastructure are not only essential to the social wellbeing and economic growth of Queensland; they are also assets that are critical to Australia's national security. For Energy Queensland, theft of copper is a widespread problem across the entire state and it poses significant impacts in the areas of public and employee safety and financial costs to repair the stolen and damaged assets. It also has an operational impact in terms of our field crews in terms of time needed to repair damaged infrastructure, often over and over again when the same assets are targeted.

The theft of copper from our network jeopardises the safety of both the public and our workers. Exposed and damaged wires—and we have some examples with us here—pose a very real safety risk, with potentially fatal consequences. This illegal activity is putting the safety of our communities and our workers at risk, hence our support of this inquiry. The theft of copper from our networks has reached alarming levels in recent years. This dangerous and, frankly, stupid activity not only impacts the safe supply of electricity to homes, businesses and critical facilities like hospitals and aged-care facilities but also places, as I mentioned earlier, an unnecessary burden on our field crews. Our annual repair costs for copper theft are soaring into the millions, and that is ultimately passed on to consumers through their electricity bills—mums and dads, small businesses, all of us across the state. The electricity supply interruptions affect us all, both from a supply perspective and from a financial perspective in our hip pocket when we pay our bills.

Since 2017-18 there have been over 500 incidents of copper theft from our networks across the state of Queensland. Across the state, the number of incidents has increased from an average of 80 incidents per year in 2017-18 to 170 incidents last year, in 2022-23. That is an increase of over 112 per cent. We have some stats here for the different regions across the state, and some of them are just alarming. Brisbane north has increased 12-fold, for example, from 2017-18 to now. Boiling all that down, that means there is an incident of copper theft on our networks on average once every two days. A conservative estimate is that that costs us \$4½ million per year. That is direct costs. That is the immediate repair cost. That does not include the cost to business customers who often have to close down their business when they are without supply and potentially send their workers home, delays to our program of work and delays to new customer connections. It also does not include, of course, the inconvenience to residential customers who are interrupted by the supply. It also does not include the costs incurred by customers we put behind the meter, so sporting clubs, construction sites, subdivisions and gated communities that are the frequent victims of copper theft.

Rather than dealing with copper theft and replacing these assets, the people of Queensland would be far better served by our crews spending their time to deliver new customer connections and to complete important network maintenance safety works to keep our electricity network safe. We have a Queensland Energy and Jobs Plan to deliver. We have a lot of work to do. We acknowledge that copper theft has a wider impact than just to our business and we are committed to continue to work with industry partners, safety regulators and the Queensland Police Service to combat this issue.

In particular, Energy Queensland would like to see stricter penalties for copper and other scrap metal offences where there is evidence that this material has been stolen from critical infrastructure. We consider that to be a circumstance of aggravation. We would like to see closer relationships with the scrap metal industry to establish procedures for verifying the source of the scrap metal, particularly copper. We would like you to consider amendments to the Second-hand Dealers and Pawnbrokers Act and any other relevant legislation, including to remove the option for cash or cryptocurrency transactions; ensure dealer transaction records for scrap metal purchases are suitable for audit and require sellers to prove their identities on the 100-points system before they can trade or in circumstances where they are the intermediary delivering metal to the dealer on behalf of another person or business and for these details to be recorded in auditable transaction records; and, as has been mentioned earlier, to define scrap metal dealers and specifically include these within the definition of the second-hand dealers licensing requirements.

I have many examples and photos which I am happy to give you now or later, but in closing we strongly support the review of this legislation to disrupt this criminal enterprise and enhance detection and deterrence, ultimately reducing the incidence of copper theft from our critical electricity infrastructure and from our communities.

**CHAIR:** Thank you. I see the examples you have there. For the sake of tabling, I wonder whether it would be possible for a photograph and a description of them to be sent through to the committee at a later stage.

**Ms Stafford:** I absolutely will.

**CHAIR:** Coming from the industry, I recognise that stuff. We will now go to the Electrical Safety Office within the Department of Education.

**Mr Gibson:** Good morning. I begin by acknowledging the traditional owners of the land on which we meet today. I would also like to pay my respects to elders past and present. First, obviously OIR supports the work of the Transport and Resources Committee inquiry into scrap metal theft in addressing the issues and reducing the prevalence of the impact of scrap metal theft in Queensland. OIR is incorporated in that we include Workplace Health and Safety and the Electrical Safety Office. We are both safety regulators and both of us apply safety legislation—that is, the Electrical Safety Office applies the Electrical Safety Act and Workplace Health and Safety administers the Work Health and Safety Act.

The two main areas of concern in our area are direct and indirect risks to workers and community safety. One area within the work health and safety banner would certainly be the uncontrolled exposure of non-friable and friable asbestos-containing material. The other side with regard to electrical safety is the risk to people arising from the theft of copper, particularly in the infrastructure network and also in electrical installations. They are the two key areas.

With regard to asbestos material, we know that uncontrolled demolition and stripping of non-friable asbestos-containing material poses a significant risk because those particles become airborne. You have two key areas there. Once they become airborne, we are going to have contamination of the scene where the copper theft or the cable theft occurred, and that is an ongoing contamination risk. Once that activity is completed, that contamination can remain for many days until it is identified and rectification work is undertaken. The other area is the contamination of the workers and the equipment by those who have undertaken—I will call them ‘workers’ but the perpetrators—those tasks. Once they start contaminating their clothing and their vehicles and they take that off site to other retailers such as the copper sellers and particularly home to their domestic properties, there is an ongoing risk that that friable contamination is going to keep transferring off scene into other locations. That is a constant issue that we certainly would like to highlight.

Obviously, the other area is in relation to electrical safety. In our area, exposure or working on energised equipment is the most significant issue for our electrical industry. If we are starting to get non-electrical licensed people working in these areas then you can understand our increased risk and our increased level of nervousness with that activity. The biggest risk we face is shock and exposure to an arc flash. If I am accessing equipment with a high source of energy, I am exposing myself to incredible energy release if an arc flash is started. You can get significant burns with that type of thing or that shock. They are our two key areas. We spent a lot of time in the electrical industry trying to address that risk, so it is a significant concern outside of that area.

When we start compromising electrical installations, we start to affect the integrity and the safety of that installation. If I am affecting the integrity and safety, I am going to compromise the protection systems that will operate to protect people further down the line. Often in these types of situations you do not know the full extent of the damage that may have occurred in the theft of copper or a bit of equipment until after the fact, so you could be two or three days down the track when an unterminated cable is identified by a member of the public and that type of thing. The ongoing risk after the activity is where we have some concerns.

With regard to infrastructure—and we have spoken about it in our previous discussions—where we have infrastructure in the public domain, like our rail systems and our energy networks, and we are starting to have issues with compromising of the earthing system and that type of thing, once again you are getting protection system failures with that type of high-risk activity that can expose members of the public to increased risk. If that is an ongoing area that we need to focus on, some of our engagement activities can start working towards raising those issues. We have many campaigns, which is at the bottom end, about not doing your own electrical work or DIY. This is bottom entry level. This is intentional. This is wilful. People choose to place themselves at risk when they are starting to do those activities when they are not competent. From an enforcement strategy, it is an area that we need to look at.

In terms of the cost in rectification of the damage to electrical infrastructure, obviously the entities and QR can understand where they are from that point. We also have issues with regard to the issue this places on the public and the community. The loss of your own infrastructure—your house—comes at a considerable cost. You have to engage electricians to come back and undertake those repairs, so the cost is ongoing. After that there is also that risk, like I said before, of unterminated live cables being left in areas which are accessed by the public. As I have said, we certainly support the work of this committee and we look forward to the outcome of this committee. Thank you.

**CHAIR:** Thank you. That is much appreciated. Is there anyone else to give an introduction?

**Ms Thomson:** No, Chair. That, you will be pleased to hear, is the end of the departmental briefings and now we are happy to take the committee's questions.

**CHAIR:** Thank you. That was very comprehensive but also informative. We did need to hear that.

**Ms PEASE:** Thank you so much for your really comprehensive briefing on this issue that is impacting everyone in Queensland and indeed around Australia. I really appreciate you taking so much time and all coming together. It is great to see the passion as it is a huge concern. One of the things that has been highlighted is that it is a premeditated matter, in most instances, and it is also impacting on our critical infrastructure. What do you believe we should look at and do with regard to penalties for these people who are either organising the events or perpetrating the theft? I am happy to hear from anyone with regard to that.

**CHAIR:** We are not seeking an opinion. We want to know.

**Ms PEASE:** Yes, it is an inquiry.

**CHAIR:** I will just add to that after what Mr Gibson said. Having worked in substations, where earth grids are stolen, compromising the protection and the integrity of the state's electricity network can result in catastrophic failure and the charges that can be applied need to be appropriate, and I am not a lawyer or a police officer. That was a great question.

**Ms PEASE:** Yes, the penalty should fit the crime given the incredible impact that this is having on our state in terms of our economy and our people, and potentially into the future it is a huge cost to us and it is just growing.

**CHAIR:** And lives.

**Ms PEASE:** Yes, and lives, our businesses, our economy every day.

**Ms Thomson:** I will start and then some of my colleagues may wish to add something. Deterrence was something that was talked about at the round table the Attorney-General facilitated before forwarding the terms of this inquiry. What came out for me in that conversation was looking at penalties across the entire—I will call it—supply chain of the theft. One of the things I did note in my opening remarks was that with the New South Wales legislation they have looked at increasing their penalties in terms of the people at the end who are taking the stolen product—in other words, they are facilitating the market, if you like—from 100 penalty units to 500 penalty units. I am assuming that is for an individual. That is obviously the way it works here in Queensland so I would have to double-check that, but that is a significant increase.

The feedback from some people at that round table, from my memory, was that the deterrent penalty units, as you are intimating, need to be commensurate with the level of harm that is being thrust upon the community but also to deter what is a high-value transaction. Looking at the amendments that New South Wales is making, that to me signifies that the penalty was not sufficient. They are cranking it up five times what it was, but I think we need to look at penalties, hence why the terms of reference talk about disrupting. We actually have to disrupt the demand side as well as the supply side. They are some general comments from me. I will see if Assistant Commissioner Innes has anything to add.

**Assistant Commissioner Innes:** I take on board what was said in relation to penalty. Obviously that is a matter of policy for government. In relation to a lot of other crimes, we always have circumstances of aggravation where you can add on the particular instances of what is the harm that is caused or the potential harm that is caused from an action. As an example, we had brass fittings stolen from a hospital. That does not sound a lot, but if there was a fire at that hospital there was no ability to fight that fire. I suppose it is looking at that ability to scale as to what the consequences of particular actions may be.

**Ms Thomson:** For the sake of adding more information to my previous answer, currently within the Second-hand Dealers and Pawnbrokers Act things like, for example, keeping a transaction record—we have heard about some of the limitations around that today, but nevertheless—plus

things like doing the verification and also, if my memory serves me right, things around payments: it is 200 penalty units for an individual and it would be five times for a corporation. That is the current state of play within the legislation and then obviously that would be open to executive government to determine whether that was a significant enough deterrent.

**CHAIR:** Since this was announced we have heard from some of my former colleagues about live tails left out from stolen streetlighting where schoolkids are walking to school. That is unacceptable. Copper seems to be the most prevalent material stolen. Obviously there is a lot more. We were talking to Moreton city council about some sporting clubs that have been affected in the area I represent in Moreton Bay. They are saying they are going to an aluminium conductor now, but the bend radiuses are far greater. You cannot just put in an aluminium conductor; the conduits are too small, so that is a whole upgrade and the cost is phenomenal. My question is about the prevalence of other metals, or is it largely copper? Obviously we want to stop it all. Brass was just referred to.

**Ms Thomson:** I think it depends on the nature of the stakeholder's business. Obviously copper forms a very big part of our electricity network due to its fantastic properties. One of the attendees at the round table was from National Transport Insurance. He was the national manager of their repair quality and incident response. Whilst he acknowledged the copper theft, he particularly called out the other precious metals. It was advised to that round table metals such as rhodium and platinum, particularly from vehicles and trucks, which obviously has a huge impact in terms of road freight, particularly for regional Queensland, I would imagine. I think it really depends on the nature of the stakeholder's business. It is not just copper; there are other precious metals. We have heard today about brass and aluminium, and I am sure the transport industry also would make a submission to the inquiry in terms of the metals they are seeing stolen from their infrastructure.

**CHAIR:** I have one more question for Energy Queensland. We heard anecdotally that a lot of rural properties have the single-wire earth return and we have heard that the farmer wonders why his power is out and he finds a lot of it missing. That happens?

**Ms Thomson:** Yes.

**Mr MILLAR:** I missed your opening statements. We are looking at the theft of scrap metal. Is it organised crime or cartels? They would have to be pretty sophisticated, I would think, to identify where that copper is. It is hard to extract. Who is doing it and what do you know about their operations in relation to the stealing, transporting and then selling to the market?

**Assistant Commissioner Innes:** We have specifically had conversations about this recently as to whether these are serious organised crime or national organised crime syndicates that are leading this activity. The information and intelligence that we have is that it is not necessarily linked to serious and organised crime entities in a coordinated fashion, but that does not mean that there are not individuals who are learning from others and then undertaking the activities. There is a lot of work, as we said, in Brisbane, but we see it a lot in the country, where there is not a lot of security and it is quite available to be located. They are individuals or groups of individuals that are undertaking this as sometimes an opportunistic activity, which obviously causes a lot of issues, but also there are some planned actions going around and actually targeting places because this is an easy way to get money and cash.

**Mr MILLAR:** I was reading in an ABC report that someone stole 300 metres of copper and is selling it at \$7 a metre on the market. It is lucrative for those people who are stealing it. What do you think is needed right now to try to stop this?

**Assistant Commissioner Innes:** Obviously the deterrence factor is multilayered. It is about security and education. It is also the deterrent factor of whatever the legislation and policy is. It is about modernisation of our systems so that we can identify and track people and assets really quickly. I suppose it is a modernisation of the whole process that we are currently dealing with, coupled with a lot of education and obviously talking with our community to make sure they are aware of the implications of it.

**Mr MILLAR:** Has this recently happened? Did this happen back in the eighties or the nineties? Is it a new crime?

**Assistant Commissioner Innes:** I have looked back to 2016. It is a progressively increasing crime. I could not talk about the eighties, but I can say that over the last number of years it is progressively going up significantly.

**Ms Thomson:** Can I add a couple of further points for the information of the committee. Powerlink are not represented here today, but I will note that at the round table they particularly called out three substations per month being broken into. They did say that the regional substations are

particularly vulnerable—again, no doubt due to the remoteness that we have heard from Energy Queensland. I think it is a really good point that you make in terms of the market. From an Office of Fair Trading point of view, one of the things we are constantly trying to work towards is how we identify and target the online markets. Whilst you have your bricks-and-mortar type of dealers—they are tangible; you can go in—one of the things we always have to think about in terms of how we regulate an entity is how we get the balance right between those businesses and the ones that are online and then pushing people out of the regulated community into a dark market, if you like. That is, I think, an ongoing challenge about getting the regulatory balance right. You want people to stay within the regulated community, noting that our current legislation, as I pointed out, is all second-hand dealers. Without any carve-outs in the legislation, if there were amendments to be made they would apply across the board to large, small, rural, regional dealers who are dealing in scrap metal but also other second-hand goods more broadly. I think that is worthwhile putting out.

**Mr MILLAR:** Once they have stolen the copper or the product and it goes to the recycled market, what checks and balances are there—for example, 'Where did this come from?', 'Has it been stolen?' Are there any checks and balances?

**Ms Thomson:** In the Second-hand Dealers and Pawnbrokers Act 2003, part 4 is the conduct of business. It outlines some of the requirements that the second-hand dealer must do before they take carriage of that second-hand property. Section 47 of that legislation talks about obtaining certain details from the person—their name and address, verification of the name and address, whether or not the person is the owner of the property and, if they are not the owner, the name and address of the owner and how they acquired it. You may not have been at the table, member, when I talked about the New South Wales legislation, which has more rigorous requirements around verifying through photo ID. That is not currently within the Queensland legislation. There are a whole bunch of other things about not taking from someone who is under 17 and not taking from someone who is under the influence of alcohol and drugs. Part 4 is the piece of legislation that the committee would probably have a look at in terms of how the second-hand dealer must conduct themselves and be satisfied about the bona fides of the person who is bringing the scrap metal for sale.

**Mr MILLAR:** Without being repetitive, you have the requirements there—or there are requirements which need refining—but it is still slipping through. Why is it still slipping through? What can you put that down to?

**Ms Thomson:** Criminals not actually disclosing their identity.

**CHAIR:** I think Energy Queensland did want to add to that.

**Mr Hamill:** In terms of the sophistication, Mr Millar, it varies. This is a neutral earthing wire on the side of a power pole. We have seen an entire street be hit. The offenders will just hit it with an axe or a hatchet and just chop it top and bottom and take it with them. We will table some photos of power poles that have been targeted in that way. As the ESO mentioned, that results in serious downstream safety risks for residents connected to that. This is a sample of copper conductor. We have had offenders break into our depots and take it from the drum directly or go through our scrap bins. They do not necessarily have to take that from the live network, but they can if they want. This last one here is an 11,000-volt underground cable. We had offenders attack the network in Virginia back in March. They cut through a former redundant cable and took that and then they started proceeding to try to cut through this. They got a nasty shock. Fortunately no-one was injured, but unfortunately the Arnott's biscuit factory at Virginia was without supply for 36 hours as a result, meaning those workers were sent home for that period of time and it meant that, again, as Karen mentioned, our crews had to waste time, money and effort to replace that damaged asset.

**CHAIR:** The Department of Transport and Main Roads mentioned briefly about deterrence and what was working and what was not working. We have heard that they are filling pits with sand to deter offenders and people are just digging that out.

**Mr Doran:** We have heard a little bit about the engineering outside of enforcement and education. I think engineering also plays a part. A tried solution has been concealing some of the pits by burying them, that being either with asphalt or with sand. This has been somewhat effective. However, as I mentioned earlier, determined perpetrators still continue to remove that material. I also mentioned earlier about new, more secure pit lids, which we have installed across a number of sites, but these are quite costly, particularly for some of our older infrastructure. These have been installed at a number of locations, but it is probably too early to determine their long-term effectiveness.

From what we have seen, the deployment of CCTV has proven to be largely ineffective in capturing or deterring theft. There are a number of other approaches. We talked about aluminium. We are looking at the use of aluminium cables and also directly burying cables. We are looking at these things. However, we are also aware that some of these approaches may result in higher maintenance costs and also reduced reliability of our road safety services.

One of the things we have been employing is a new battery called Wom-Batt. They are an underground lithium powered pod. We are trialling them at wireless traffic detector sites in conjunction with fortified cables. Both products are specifically designed to eliminate theft. They have been successfully implemented to date but, again, at a higher cost and maintenance becomes more challenging.

For the committee's interest, the department is working with the University of Queensland to conduct a comprehensive review of anti-theft solutions. They are looking at effectiveness and what some of the costs may be. To assist with this research, TMR's Statewide Network Operations is collating an internal report of all litigation strategies that have been trialled and discussed to date. We are looking across the board at all of the various things that can be done, in conjunction with a look at the legislation.

**Mr HEAD:** While we have the department of transport here, I am curious. You said CCTV has been largely ineffective in the prevention of these thefts. I do a fair bit of travelling and I have seen in recent times a lot of RoadTek and department of transport contractors with fences and security systems set up on that machinery. Is that to prevent vandalism or machinery theft as a whole or is that to help prevent scrap metal theft?

**Mr Doran:** To the best of my knowledge, CCTV cameras have been set up at sites where there have been higher levels of theft. I am pretty certain from what I have been advised that we have seen theft occurring where the perpetrators were aware they were on CCTV at the time. We then provide any information we have to QPS at the earliest opportunity.

**Mr HEAD:** Have you ever had the copper or other metals as part of your CCTV system stolen?

**Mr Doran:** The copper for CCTV cameras has been stolen. As was mentioned earlier, a lot of the CCTV cameras across the network are what enable us to actually operate the network and respond to incidents. Yes, CCTV cabling has been stolen.

**Mr WALKER:** Assistant Commissioner, has there been a national approach looked at in relation to how to manage stolen metals?

**Assistant Commissioner Innes:** There has not been, to my knowledge, a national forum to look at the way this is undertaken across the nation. Each state has looked at it individually and has differing policy and legislative requirements.

**Mr WALKER:** The reason I asked is that there is the issue with illegal dumping and transferring rubbish interstate to pay lesser fees. There is the thought, 'If it is difficult in New South Wales to off-load, let's find an easier state. Let's go to Queensland or Victoria.' Are you finding that?

**Assistant Commissioner Innes:** I do not have any information to confirm that, but it is logical that that would be happening. Generally with crime you will see people go into the state that has the easiest way to make money or get rid of the products, so that is a logical assumption.

**Mr WALKER:** Have you noticed that rolls of cable or cable that has been removed and rewound onto rolls have been sold back to industry, such as to another contractor or industry sources—repurposing the product rather than going into the scrap metal market?

**Assistant Commissioner Innes:** I do not know whether I am the best person to answer that. I would say yes, it has, but the problem is that it is really hard to identify. It is hard to track it from A to B to C as it is not identifiable.

**Mr WALKER:** The reason I raise that is: why go to the scrap metal yard when you can sell it down the road for a third of the price and get better money for the per kilogram rate? They save money as well.

**Assistant Commissioner Innes:** I think there is a huge level of under-reporting of the theft. Western Australia have indicated that there is a 73 per cent under-reporting of metal theft and the people who did report only did so because of insurance.

**Mr WALKER:** Mr Gibson, you mentioned asbestos. When we see these things cut open onsite—you talk about the risk. Has there been any reporting, records or findings in relation to asbestos found at the sites, say in a substation or outside, where there is loose fibre that is potentially a risk to everybody, not just to those who are cutting it or the staff coming in to repair it? Has there been that drifting of asbestos in the area?

**Mr Gibson:** In terms of the period prior to the activity of the theft, I will leave it with the entities to discuss if there is any fibrous asbestos still in the substation and where it would be located. Our major concern is the age of the installations where we do have old infrastructure in terms of the pipes, the pits and that type of the thing, as well as the use of the fire retardant around old switchboards where it gets exposed and disturbed. That then turns into that friable material that becomes airborne. That is where we have seen most of that activity.

**Mr WALKER:** In terms of penalties—and industry has penalties for the trades in relation to unprofessional performance and leaving the location in an unsafe condition—is it fair to say that if someone cut a cable and left it live it could potentially kill someone? We know that could potentially kill someone. Is it fair to say that would be murder or manslaughter? Is that the reach this could potentially have?

**Assistant Commissioner Innes:** It could be negligent acts causing death, so there is legislation there. It would have to be proved, obviously, through the courts with the evidence available. Negligence would be the activity we would be looking at in the first instance.

**Mr HEAD:** Assistant Commissioner Innes, would you be able to provide the statistics on the number and rate of metal theft crimes by police region and year, even the last couple of years?

**Assistant Commissioner Innes:** We are currently putting together an extract of statistics from QPRIME to show the prevalence of metal theft across Queensland. We expect that the statistics will be included in the whole-of-government submission to the committee.

**CHAIR:** We will get that.

**Mr HEAD:** Energy Queensland were talking about a couple of incidents in different areas. Without having those figures, are there police regions you are aware of anecdotally that are hotspots currently?

**Assistant Commissioner Innes:** Yes, there are. North Brisbane and Logan are two of the areas that to my knowledge jump out at the moment.

**Ms Stafford:** As the member quite rightly pointed out, it is happening everywhere; however, hotspots of Caboolture, Townsville, Logan, South Brisbane and Gold Coast were identified at the round table.

**Mr HEAD:** In relation to those statistics, I would be curious if it was considered in the broader submission in relation to statistics on a per capita basis or to break it down. Say in Western Queensland, numbers-wise there might be a lot fewer, but it would be very beneficial for the committee to get a picture as part of that. Can I flag that, Chair?

**Assistant Commissioner Innes:** We can do that.

**CHAIR:** I am sure we will get submissions from Western Queensland to highlight. We have heard through Energy Queensland particularly that the SWER lines I mentioned before and even farmers' pumps are being pulled up to steal the cables.

**Ms PEASE:** You have all mentioned other areas around identifying the property and who owns it, where it comes from and the costs associated with identifying the product because if it is metal it just gets burnt off or ground off. Someone mentioned microdots earlier. Is that an expensive process?

**Mr Doran:** I could not comment on the cost. It is something the department is looking at. I do not have the details in front of me, but, again, we could make sure—

**Ms PEASE:** I would imagine identifying the product would be a huge deterrent, unless they can be burnt off too. Possibly they could. It was just of interest to me and someone mentioned it.

**CHAIR:** Does Energy Queensland want to add to that?

**Ms Stafford:** We have done substantial work in trying to mark some of our assets with microdots or even just tracking devices. That works well. I am not sure of the cost. I can find out. It works well on a static asset, so on the cable that is sitting in the stores or in the yard potentially. We have been working with suppliers on trying to manufacture cable with some inbuilt marking. That has a long lead time and there are thousands and thousands of kilometres of network already out there, so I would say that it would be impossible to go back and mark all of that. It is about the new product coming in. We have had some success and done some great work with Queensland police to recover some of our property due to our tracking. As I said, that is the new products, though—not the thousands and thousands—

**Ms PEASE:** It is already laid, thank you. Further to that, one of things we have been talking about is enforcement and penalties. Both the Office of Liquor and Gaming Regulation and the QPS have talked about it and both of you have enforcement of it. What is the information sharing? Do you

work independently of each other or do you work together? Given the increased amount of this theft, with QPS resources and also OLGR, do you need to look at increasing the size of the team and the sharing of resources et cetera?

**Ms Thomson:** Again, bearing in mind OFT has coverage of the entire second-hand dealers market—so there are some things that we will do with people who are not involved in scrap metal—we do work cooperatively with the Queensland Police Service and also our friends at Environment and Science. We have been involved in three joint campaigns over the last financial year. Typically, our role is more an administrative side—the registers and the verification process—and then obviously the police will focus more on the criminal behaviour.

There are provisions within the legislation that do allow for information sharing across the agencies. As a regulator, I would always say it would be great if more information were shared across regulators. I think the point that was made at the round table was: if we are seeing, for example, noncompliance in the waste side and people disposing of waste, we are probably likely to see noncompliance in other parts of the business as well. Having an intelligent regulatory and police enforcement approach is something that we have been working on, particularly over the last 12 months, very closely with the Queensland police.

**Assistant Commissioner Innes:** From our perspective, it is not held as a central activity. It is not held by my command centrally. We are not the only people investigating these matters and attending second-hand dealers. Every district, every division, has police investigators who regularly go and undertake investigations at second-hand dealers and pawnbrokers. Obviously, if intelligence comes through or there is a complaint, that is investigated on the ground at the time. There are 17½ thousand people out there doing all types of work that includes this work.

One of the biggest issues for us, as I said, about the modernisation and data sharing is the point of sale being able to share with us more directly so that we do not have a seven-month lag, so we can be doing the work immediately. We would get the identification there and then and we would be able to stop that onselling—stop that criminal behaviour and disrupt that ongoing activity.

**Ms PEASE:** For clarity, the Office of Fair Trading does not undertake any enforcement of second-hand dealers?

**Ms Thomson:** Yes, we do. I am sorry if I complicated that. We do, but our focus has been working with the police and with Environment and Science over the last year. We do our own spot check of everybody who is governed by the second-hand dealers act, which would include people who are dealing in scrap metal.

**Ms PEASE:** Do all of the other departments here that have experienced theft report these to the police? They are reported as a theft? TMR?

**Mr Doran:** Yes.

**Ms PEASE:** Is it a process where the Electrical Safety Office would report anything it comes across?

**Mr Gibson:** Certainly we have not experienced any theft of our assets, but there would be matters that would be reportable to the Electrical Safety Office if they come under those definitions of 'dangerous events' or 'serious electrical incidents' as a result of a copper theft and that type of thing. We did look at a fatality in 2020 where a person in the process of stealing copper received a fatal electric shock. We would certainly get involved to that extent.

**Ms PEASE:** I know of a specific incident that happened in my own patch. The owners of the property were unaware that it had actually happened and it was only a power failure that made them aware. They had not reported it to police because they did not know. Where does the onus sit there, because these things need to be reported to make sure that we can actually investigate them? What would happen in that instance? If you came out as an officer, would you encourage people to report it or would you report it?

**Mr Gibson:** A little bit of both. Where the issue is in the network, the entities will report it to us if it meets that requirement.

**Ms PEASE:** So Energy Queensland would have reported it?

**Mr Gibson:** Yes. If it is a home owner it gets a little bit tricky in regard to reporting it.

**Ms PEASE:** I do not think a lot of people understand that this is actually theft, that a crime has been committed. Community clubs, as we heard earlier, would be in a similar position in that suddenly this has all gone and they think, 'Oh, I didn't know; we'll just get it fixed,' whereas it is actually a crime.



**Ms Stafford:** From Energy Queensland's perspective, we provide monthly reporting to the Queensland Police Service on what we have seen—our trends—as well as work with them really closely.

**Mr Doran:** I can also confirm that the Department of Transport and Main Roads reports any thefts to the police. If the perpetrators are caught, we also proceed to try to recover costs.

**CHAIR:** In terms of the Electrical Safety Office, if someone were stealing copper and working live, could they also potentially be charged with unlicensed electrical work?

**Mr Gibson:** I guess by default they are performing unlicensed, but the criminal activity would take priority over the unlicensed aspect. Our main priority would be also making sure there are steps in place by that asset owner to make sure it is regained and rectified, to make sure it is electrically safe. There are provisions in place to secure that. We would work closely with the police in an incident type situation, but it is more about seeing security and who is going to be responsible for the rectification work.

**CHAIR:** And making it safe, too.

**Mr Gibson:** Exactly.

**Mr MILLAR:** Assistant Commissioner, what is the penalty for stealing scrap metal?

**Assistant Commissioner Innes:** For stealing, penalties can be anything—10 years, three years and up. It depends on what it is. It depends on what the value is. It is anywhere from three years up. It depends on whether it is indictable and it has to go up to the higher court.

**CHAIR:** I can say from my past experience in Powerlink, we heard that the police had found stuff that had been stolen in sea containers, ready to go overseas. In terms of catching perpetrators, would that be a federal response or a state response? If you find stuff that is earmarked to go overseas, that indicates there is a network. That is bigger than someone just grabbing some copper off a pole or something.

**Assistant Commissioner Innes:** That is right. There are offences in relation to—obviously they are onselling it, so it is tainted property. It could be tied up with money laundering or theft activities. Obviously disposal is part of the process.

**Mr HEAD:** Have there been any rail network impacts due to scrap metal theft that you can talk about?

**Mr Doran:** Yes, there have. At the round table, Queensland Rail were present and we talked about some of the impacts that affected a number of stations. I cannot speak to the specifics. That would have to be directed to Queensland Rail—unless we have any notes from the round table so that we can provide that information.

**Mr HEAD:** If it is handy. I can move on if you need to find it.

**Assistant Commissioner Innes:** I will have a look through the notes and see if I can answer that question before we wrap up.

**Mr HEAD:** Someone mentioned GrainCorp and the \$100,000 in damage. That is one incident. Do now know of any other larger agricultural facilities that have been hit in recent times?

**CHAIR:** We are not allowed to talk about any ongoing investigations.

**Mr HEAD:** Yes.

**Assistant Commissioner Innes:** Specifically you were looking for—

**Mr HEAD:** You mentioned one GrainCorp incident. I am curious if you had on record a couple of others that could be mentioned.

**Assistant Commissioner Innes:** In 2020 a man attempted to steal wire from an electrical junction box at Acacia Ridge and died by electrocution. In 2021 there was an incident where a train driver reported a fire on top of the transformer in Capricornia district as a result of the cutting and removal of the earthing cable. In 2021 thieves stole 243 metres of electrical cable from underground conduits from a streetlighting project in Townsville, endangering the safety of motorists. In 2017 multiple batteries were stolen from temporary lights and signs at roadwork signs in the vicinity of the Gold Coast, causing traffic lights to malfunction, posing significant risk of vehicle collisions. I spoke about in 2020 the brass fire hose fittings that were stolen.

In 2021 a number of copper track wires were cut on the Aurizon coal network corridor in the central region, causing track faults and delayed trains and costing thousands of dollars. In 2021 thousands of South Australian residents experienced an eight-hour blackout on one of the coldest

days of the year due to copper-wiring theft from a substation. SA Power Networks offered a reward of \$20,000 for information leading to the conviction of those persons. There was copper wire theft from Queensland Rail at Mitchelton. Trains across north Brisbane were disrupted, and boom gates and signals were affected for several years. In 2021 in a Logan shopping centre thieves stripped copper wire electrical wiring from the shopping centre, causing a closure of the underground car park and Woolworths. Earlier in 2021 theft of copper water piping left eight stores in the centre without water.

**CHAIR:** Thank you very much. Ms Thomson?

**Ms Thomson:** I have just referred back to the notes from the round table. It was the manager of protective security and compliance from Queensland Rail. I cannot recall if he mentioned the station particularly, but he said that several train stations had to have closures after theft. From my recall, one in particular was for several days. It had a major disruptive effect for commuters.

**Mr WALKER:** We have heard about all of the legal and criminal aspects of the metal theft. What is the exposure in liability? In local government, when swings and other equipment are vandalised and the public becomes a victim, the local authority has to demonstrate there is an ongoing maintenance or inspection process to make sure things are safe. Has that been looked at on the liability side of things, where the vandalised equipment could be removed but for some time it has not been inspected and there is an element of liability to that provider?

**Ms Thomson:** I am not sure I could really comment on that sort of local government liability piece. That might be something we can talk about with our colleagues in Local Government and Planning—

**Mr WALKER:** I am talking about all departments.

**Ms Thomson:**—and look across to put into the whole-of-government submission. What I understand you are asking is: what is the liability exposure for local governments that have these copper thefts if they know there are issues and whether they would be held liable.

**Mr WALKER:** No, mine is a bit wider than that—all government departments. If the transport department does not have a routine inspection and suddenly something fails and someone dies, what is their exposure in that area? I think all departments will be exposed if they do not have a regime of inspection.

**Ms Thomson:** Can I just ask if any of my colleagues have looked at that at a departmental level?

**Mr Doran:** In terms of inspections, TMR monitors its lighting control and monitoring system daily for any loss of power or communications. This provides the department with the ability to identify at the time when cabling has been cut. This may assist the Queensland Police Service to place offenders at the scene. To assist with our ability to more effectively monitor, we have engaged a vendor to investigate enhanced alarm functionalities within the system. We are often made aware of an outage after being notified by members of the public or through routine inspections which are carried out by departmental inspectors. In remote areas, where there are fewer users in the network, it may take longer for a fault notification to come through. Then, of course, once the department has been advised of a fault, the electrical installation at the site is made electrically safe as a priority. However, restoration of the road safety services is not immediate and can take some time to reinstate.

**Ms PEASE:** I am sorry for my ignorance, but what do the scrap metal operators do with stolen metal once they get it?

**Ms Thomson:** My understanding is that a lot of it is melted down or some of it is repurposed.

**Ms PEASE:** Is there a foundry, a factory or something that melts it down—a copper smelter? I just do not know anything about that. Is there any responsibility on those organisations when they buy that product from the scrap metal dealer to ask whether it has been bought and sold? Is that appropriate? Is there any consideration with regard to that?

**CHAIR:** That is something we could look at.

**Assistant Commissioner Innes:** I suppose it comes down to that any person or entity receiving property suspected of being stolen can be investigated and charged with receiving stolen property or tainted property. It would come down to the individual process of handing it over and how that occurred. Most entities that are buying bulk like that would just assume that a licensed entity that had the product was selling it legally.

**CHAIR:** They would be leaving themselves wide open, I suppose.

**Ms PEASE:** Further to a question that the chair asked around other offences, if the theft involved an impact on the environment for example, would the people found to be the perpetrators be charged with an environmental offence? The incident I am thinking of resulted in a big spill of diesel which had a huge environmental impact on the community. It ran straight into the tributary of one of our creeks. Would there be the opportunity to charge for an environmental offence as well? Does it cross all departments? There was a criminal offence—they stole—but there is an ongoing environmental impact.

**Ms Thomson:** Representatives of the environment department are obviously not here today, but I do know that they have worked in some operations with us. I will just check my notes of the minutes of the round table. I cannot comment and answer your question in particular about whether there would be existing offences under the existing environment legislation or whether there could be scope to add them in.

**Ms PEASE:** That is not the purpose of the question. That was an example. It is the same as the chair's question with regard to an operator performing electrical work when they are not registered to do so. Is there capacity? Is it something that we should consider—that they can be fined, charged, get points or whatever for other offences, not just theft?

**Ms Thomson:** I come back to the point I made earlier around the terms of reference, which came out very loud and clear at the round table about disrupting the supply chain. I think you have to look at every single aspect of both the supply side and the demand side and look at how it can be regulated with offences that might come from an environmental point of view, a dealing point of view, a criminal point of view or an electrical safety point of view at each and every point along the supply chain and get a better understanding of how the market operates and who comes in at the supply side and who controls the demand side. I think that would give you a very good insight—hopefully we have added to that today—in terms of where those touchpoints might be to put offence provisions in the legislation.

**CHAIR:** We are focusing on the offence rather than deterrence. We have to look at everything.

**Ms Stafford:** I know the example that you are speaking of, which is a former hospital where 350 litres of transformer oil were spilled as a result of that theft. I should have perhaps mentioned in my statement about potential environmental impacts, because transformer oil in particular is very harmful to the environment, so I agree that is very important.

**Ms Thomson:** Chair, I found in my notes from the roundtable meeting where the Department of Environment and Science—it is a bit peripheral to the member's line of questioning, but I think for the sake of comprehensiveness—noted that it was quite simple to set up a business of cash for scrap and then dissolve, so people are phoenixing businesses and reappearing somewhere else once you have applied legal pressure or you are seeking to investigate them. They also made some mention about auto wreckers, but I will not go there. He made the point that if they are not abiding by our legislation they will not be following waste laws either and there needs to be better information sharing across government departments, which I think the members have already asked us about today.

**Ms PEASE:** Is there a fit and proper person test for scrap metal dealers?

**Ms Thomson:** Yes, there is a suitability test. It includes things like disqualifying offences, so if people have been charged with receiving.

**CHAIR:** Member for Callide, you wanted to ask a follow-up question?

**Mr HEAD:** Yes. It might be something we can even perhaps write to the department about. You have spoken a lot about direct impacts and Energy Queensland had some figures. There were four weeks of lost production at one of GrainCorp's sites. A big GrainCorp site can bring in 5,000 tonnes of grain in a day, so if you shut it down for four weeks then trucks have to divert at a huge cost. As part of a broader submission, if all of the departments had figures they could bring to us on those flow-on economic impacts, that would certainly be very helpful. That is where I was leading with those questions earlier. Further to that, Ms Thomson—and this might be something that you have to come back to us on—would you or the QPS be able to provide relevant statistics on the number of court cases or convictions for metal theft?

**Assistant Commissioner Innes:** We should be able to glean that statistical information out of our system.

**CHAIR:** That would be a question on notice. Member for Mundingburra, do you have any questions? We all have lots more questions.

**Mr WALKER:** Today has been very informative. Metal theft impacts so many agencies. My real concern is how different states work. I know that we are focused here on Queensland, but it just leaves so many questions. Has there been any consideration given to creating a database or centralised system for all of these operators? I heard you say there is fit and proper person test to be a buyer and seller, but does that include the staff who work there?

**Ms Thomson:** It would be just the licensee.

**Mr WALKER:** That is my concern. Who is working within those operations?

**Ms Thomson:** Bear in mind that the duty resides with the licensee, so it would get to what systems and procedures they have in place. I think there might be something around who they can hire, but I would have to check the legislation. Their associates have to be checked as well as part of that licensing process—not all employees necessarily but their close associates.

**Mr WALKER:** Is there a definition of ‘associate’?

**Ms Thomson:** Yes, in the legislation. Further to your question about a national approach, Fair Trading is obviously part of consumer affairs regulators across the country. This is not something we have discussed from a fair trading, consumer protection point of view. I think Assistant Commissioner Innes said that, from a policing point of view, it has not been something that has been discussed at a national level.

**Ms PEASE:** Do you think it should be discussed at a national level? That is a personal question. I am not really seeking an opinion, but would there be any benefit across Australia for considered discussion or engagement across all jurisdictions?

**Ms Thomson:** I will answer that in an around-about way which does not give my opinion. It kind of relates back to the question from the member for Gregory, and I think the committee touched on this porous border between Queensland and New South Wales. One of the things I wanted to cycle back on is that in New South Wales, with the level of scrutiny around people who are transacting with the dealer, section 16 of the New South Wales legislation is worth looking at. It says that if it is sold to a dealer by an individual then the name, address and date of birth must be shown on photo identification of a kind prescribed in the regulation. When you turn to the regulation, it clearly documents what types of photo ID are suitable: Australian driver’s licence, a New South Wales photo card, some other Commonwealth or state or territory or foreign driver’s licence. It is very clear about what is acceptable identification. Government thinking about how changes happen within other states and what the unintended consequences might be is something that policymakers should turn their minds to as part of their policy thinking. I just thought that would be useful for the committee to know. I think it does get back to what the member was saying about how you can get a more joined-up approach, if you like.

**CHAIR:** I think that part of the role of our inquiry would be to look at what has gone right and what has gone wrong in other states. I think we really should be looking at that and maybe if there is a way to progress it to a national level. We cannot do it, but we are here to look at that and make recommendations. Member for Callide, do you have a further question?

**Mr HEAD:** I just have a quick question for the Department of Resources. In your opening statement you said there are \$50 million in impacts to the resources industry. Was that in the last 12 months?

**Mr Moor:** Yes, in the last 12 months there was \$50 million worth of impacts to the gas sector alone.

**Mr HEAD:** I believe we will receive submissions from resource companies or industry bodies about those impacts. I am a Western Downs boy and there have been certainly many gas wells hit. That is just the gas industry. Do you have any broader figures on the wider resource sector and whether there have been other impacts there?

**Mr Moor:** Not specifically. We are aware that it occurs in other parts of the resources sector. If I put them into two categories it might be of assistance. We have sites that are active and under a fair amount of security, so in those situations any loss of material might be happening closer to home from contractors and the like that are actually onsite rather than from others coming in in an opportunistic manner. Whereas if you have sites that are care and maintenance, extremely remote sites, then the same issues that we have heard from all of the witnesses today are taking place where people are turning up and availing themselves of all types of scrap metal.

**Mr HEAD:** I have heard anecdotally that there are a lot more thefts in the gas industry than are reported. Have the industry shared with you their level of reporting or under-reporting?

**Mr Moor:** No, they have not. My understanding from our investigations over the last couple of weeks is that they are accurately reporting. Because it has such a significant impact on their business and they are publicly listed companies, you would expect that.

**CHAIR:** I think we can wind it up there. The whole-of-government response comes out on the 22nd, so after that—if it is okay with all of the entities—we may be writing back with some other questions. We really want to get to the bottom of this. I would like to thank the safety office for putting in a submission already. I know that we are going to get many more. There is a lot of interest in this. That concludes today's briefing, but we will likely interact with you much more over the course of this inquiry. I would like to once again thank the Department of Justice and Attorney-General for coordinating all of this; it is really appreciated. A transcript of these proceedings will be available on the committee's webpage in due course. Thank you all for your time. I declare this public briefing closed.

**The committee adjourned at 11.26 am.**