



# ***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 (virtual)

**Staff present:**

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

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

### **TRANSCRIPT OF PROCEEDINGS**

**Friday, 13 October 2023**

**Brisbane**

## FRIDAY, 13 OCTOBER 2023

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### **The committee met at 8.30 am.**

**CHAIR:** Good morning. I declare open this public hearing for the committee's inquiry into scrap metal theft. My name is Shane King. I am the member for Kurwongbah and chair of the committee. I start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respects 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, the member for Gregory and 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 is via teleconference.

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 committee's proceedings are proceedings of the Queensland parliament and are subject to 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 remind witnesses that intentionally misleading the committee is a serious offence. Witnesses should 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. Media rules endorsed by the committee are available from committee staff if required. All those present today should note it is possible you may be filmed or photographed during the proceedings by 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.

I also ask that responses to questions taken on notice today be sent to the committee by 12 pm on Friday, 20 October 2023. Today we will hear from the following witnesses: the Commissioner for Electrical Safety, Powerlink Queensland, the Civil Contractors Federation of Queensland Ltd, the Waste Recycling Industry Association of Queensland and the Motor Trades Association of Queensland.

### **McKENZIE, Mr Keith, Commissioner for Electrical Safety**

**CHAIR:** I welcome the Commissioner for Electrical Safety. I invite you to make a short opening statement after which I am sure there will be some questions for you.

**Mr McKenzie:** Thank you. My role as Commissioner for Electrical Safety is about the safety of Queenslanders. We certainly welcome the inquiry. Whilst it is a concern that people are stealing, whether it be cables or copper or metal—that is one issue this committee is going to deal with—what I am hearing from a lot in the industry and stakeholders is that copper is being stolen that may be energised and live, and whilst that is a risk to the thieves that steal this copper, when they leave an exposed position where they have pulled it out of some roadworks that has been installed or lighting systems which I have heard examples of, the cables are actually live with 240 volts, 415 volts or higher voltage, and that is a risk for afterwards should a young kid or family see something on the ground and touch it when it has been installed in a certain way.

Also with our installations—and I am sure you have received more submissions about it—the earthing system, which requires an earthing wire, whether it be on a substation or otherwise, that is to do with the integrity of an earthing system. Earthing systems are designed to protect the property and persons from receiving electric shocks through the imbalance. When it might only be about a 1.5 metre piece of wire on a transmission tower feeding into the ground or an earthing system in there, and that gets stolen for the sake of a few dollars, it will then affect the integrity and put lives at risk. Potentially, a whole substation could be taken out if there is a risk there by these thieves stealing copper, and then putting our vulnerable at risk, whether it be nearby hospitals and that sort of thing.

When you are looking at delivering the report, one part of it is a solution around how we stop copper theft. A few years ago, it was about \$2 a kilo; now, I understand, it is about \$11 or \$12 a kilo. There is a reason for people to steal. I guess it is that supply-and-demand scenario. What can we do in Queensland to stop it from going over the border or how do we stop it going overseas, making money from scrap copper? It is about the severity of punishment and how it is dealt with. It is one thing stealing a cable drum of copper on a site that is not connected—that can be dealt with one way—but when stealing copper that can affect integrity and potentially put people's lives at risk, that is where my serious concerns are. Like I say, I welcome this inquiry to come up with a whole range of ways we can stop it and make Queenslanders safe.

**CHAIR:** On that—and coming from an industry that that really did affect—recently a generator went down at Callide Power Station. The protection operated to clear that fault. If part of the earthing grid had been stolen, potentially that fault could have gone a lot further; is that what you are saying?

**Mr McKenzie:** Yes. Sometimes it is not even identified until that fault then occurs.

**CHAIR:** The state's grid could have been in far worse condition if—

**Mr McKenzie:** Absolutely. I recently visited the Brisbane City Council's metro busway. They are building a charging facility at Rochedale. I talked to the developer and builder there. Quite a few times thieves have gone in and cut three, four or five metres of cable off and stolen that. Whilst that is not live—they do not know it is not live, but in situations where it is live and it, say, does not short out the circuit, or depending on how they cut the cable, there could be exposed live parts left, if someone comes along and touches it, it is very serious. Unfortunately, we have to stop it sooner rather than later before a fatality occurs (a) to the thieves who do it or, more importantly, (b) a member of the public.

**Mr MILLAR:** As you mentioned, the price has gone from \$2 to \$11. What was that time frame? Was it a 12-month or two-year time frame?

**Mr McKenzie:** I would not know. I have not been scrapping copper for many years. I remember 20, 25 years ago, a lot of companies would take their scrap copper to a supplier and they used to be given cash—happy days. Over a period of time, you could have an ABN, so you could get that copper in your name. I understand that you can get an ABN for a few dollars and call yourself a business. I was surprised when the Attorney-General called a meeting of minds. Before that, she made a recommendation to this committee. I did not realise copper was \$11 or \$12 a kilo.

Whether we in Queensland can stop it from being taken over the border, I do not know. An option might be that one of the states say, 'There will be no cash; it will be by transaction.' That might slow people down if they are not being paid in cash, but we have to try to come up with a more preventative measure. There has to be a severe punishment for those people who steal it and put workers and communities at risk. It is different, I guess, to stealing a bit of plumbing pipe lying on the ground or some other bit of metal they have found. That is wrong, too, but live electrical cables are dangerous.

**Mr MILLAR:** What would be the answer here? Obviously there needs to be more governance and more rigorous control over the transactions. Say someone comes in with a truckload of copper and sells it, there have to be some checks and balances there—a business name, a showing of one's licence, a showing of something.

**Mr McKenzie:** It could be anything. I do not know how these organised crime outfits work, and I do not think it is a couple of people down the backyard thinking about this, going and stealing a bit of copper, the way some of this copper is being stolen. I put in my submission that I do not think there is even a fast, up-to-date national record of things being stolen. If it is a bit of cable and the guy is maybe from Powerlink, then he might be able to provide the info. However, if, say, 500 metres of cable was stolen this afternoon, where could that be uploaded so that all the suppliers who might get cable brought to them are alerted to the fact that 500 metres has been stolen? Notwithstanding that, these guys might cut it up and then let it sit for a period of time. How do you actually manage that?

It is ongoing. There needs to be a proactive approach that when you are stealing certainly live cables—we do not want anyone doing any thieving, but there will always be thieves around—it is about understanding the risk and severity of it. In my view, if you steal some cables and leave the community at risk, it has to be up in the manslaughter world. I know I am not a legislator, a police officer or that sort of thing, but it is the same, I guess, as the wearing of seatbelts. You should not have to legislate to wear seatbelts. It should just be the right thing to do because it saves your life, but people still do not wear seatbelts today. It is how we get the message across. I think there will be a raft of options around what we need to do, whether it is to do with cash or bank accounts or the

suppliers have to hold cable for a period of time before they can actually make a payment, I do not know. That is for your minds to come up with the solutions by listening to all these submissions. Obviously, as time goes on, we have to monitor and review that. It is pretty bad out there. You would have heard from the likes of those people losing this money—it is a few millions of dollars worth of it being stolen—and that is one thing, but it is also the safety of Queenslanders to be considered.

**Mr MILLAR:** I am from Western Queensland—agriculture. From my point of view, we are finding they are starting to get into the theft from infrastructure out there on farms, grain depots and so on.

**Mr McKenzie:** I suppose out there with the SWER lines—the single-wire earth return lines—if they start getting greedy, they try to short that out, go and steal all that copper overnight, and next minute you are actually taking out complete homes and grid systems, depending on how much you are actually stealing, in that one point, because it is a lot easier, and it is probably out of sight, out of mind in those regional communities.

**CHAIR:** I want to go further into SWER lines. We have heard anecdotally that sometimes they are a little unreliable and the power goes out and the farmer does not check down to his pump or something, but when he does, he has found a kilometre of line gone. That sort of thing is appalling. That is their livelihood as well, not to mention the safety component involved. We have heard in my area of Moreton Bay—and we may get to visit as the mayor is pretty keen for us to go and have a look—thieves stole a whole heap of streetlighting. They seemed to cut it off at the pits. There were live conductors exposed. There were schoolkids going to school past live conductors on the footpath. So I certainly understand what you are saying.

**Ms PEASE:** Thank you very much for your submission and for the work that you do. I am interested in your comments here around the need for higher penalties and potentially a live database to record theft immediately. Further to what you were saying around the agricultural industry, we have a very huge state, so quite often I imagine that there would be instances of theft going unreported for a very long time. I cannot imagine that it would be easy to monitor and put more security around that. Could you elaborate on that? Would it be feasible to have CCTV cameras, or is that completely—

**Mr McKenzie:** I do not think you could do that. There would be a fair bit of work in that. For one, you have to educate these people who are stealing. They are not in the mindset to be safe. I do not know if there are safety conscious thieves out there or not. They are there for a quick buck and making money. Maybe it is organised crime. The advantage with some of these regional communities—or any community—it is about how the community operates locally. The Queensland Police Service will probably get quite a few calls each day about people stealing or lurking around something. I do not know how they prioritise it. They are probably understaffed, but you can talk to them. If they get a phone call that there are some people lurking around a substation at night, they are not stealing probably anything other than the copper or live cable, so that is probably more of a higher priority than someone stealing something from a local shop, notwithstanding that it is still theft.

Other communities in these regional centres who conduct local community town halls know the integrity of the systems. They are aware their livelihoods and their families are at risk. They know there is a cabling system through the SWER lines or the whole network. We have to be vigilant. Then obviously if there is a pattern in one particular town of things getting stolen, they are alerted to, 'Gee, maybe the next town is on the radar.' CCTV probably works with the likes of Energex, Ergon and Powerlink, and they might have equipment on the substations and that sort of thing, but it is about how fast you can respond to make people safe.

**Ms PEASE:** Further to your submission around the live database to record the theft, how do you imagine that would work?

**Mr McKenzie:** I would have thought if someone just had a house wired and they just stole a little bit of cable or copper, you would never find them. When you talk about the entities where there is lots of cable being stolen or a council that has lost a whole lot of cable from a sports field, ripped out of the sports lighting, if they could actually report it instantaneously then, when these suppliers or metal recyclers go online each morning, it might come up that this company has actually identified a theft. I guess there should be some sort of reporting, but it is whether they look at it. The thieves could hold it for six months and then sell it. I do not know what their business model is about supply and demand and when they want to get their cash involved. It is about, how does everyone know? The entities might have something amongst themselves, but I do not know how often they talk to all the different suppliers, whether it be in Queensland or interstate. I would not have thought it would be too hard to set up, but it is about how people can report something that has been stolen so that people are aware, notwithstanding that if you steal 500 metres of cable you might get something a metre long or melted down in ingots—whatever you want to do.

I guess it is about having all these deterrents to make it harder. It is obviously to protect them. I do not know how it works but if a metal recycler pays out so many thousand dollars for cable that has been stolen then I do not know if it gets covered by insurances or whatever. I want to try to prevent it in the first place so that a young kid or family does not say, 'What's this lying on the ground?' and receive a fatal electric shock.

**Ms PEASE:** I imagine that many community organisations such as sporting clubs have been hit. In fact, in my electorate an old hospital site that is being demolished was hit. People are not necessarily aware that the theft of that metal is actually a thing; it is organised criminal gangs that are doing it. The clubs are not aware that they are being targeted. They think, 'It's just some theft.' Is education necessary to let organisations know to keep an eye on these sorts of things? Would that be of benefit, do you imagine?

**Mr McKenzie:** Absolutely. It is not so much in the housing area, unless kids are going in there and cutting off a bit of cable in a house that is then rented to someone. In some of these delict buildings it is about making sure that people do not go in there and strip a whole lot of cable out of the ceiling. They will go in and steal a lot of copper pipes but it is also about the cabling. Education is important. I guess it is about how we actually educate and who is bothering to listen to it. That might be something that we can recommend the LGAQ promote through the councils through flyers and brochures: 'If you see this sort of thing, this is how you report it.' It is like the Energy Queensland 'Look up and live' campaign about not touching live cables. If a hot-water system has been stolen, for whatever reason, there is a good chance that the cable coming out of the wall is live and a licensed electrician should be called. Someone says, 'What's this cable? Someone has stolen it,' and now I have a fatality. It is only by luck, when you cut a cable of any size, whether it actually shorts out when you do it and then it trips the circuit breaker or the main switch.

I also understand from one of the people who turned up to the inquiry that the Attorney-General ran that they are a little bit smarter and they are buying volt sticks. A volt stick is a proximity tester that you can run over a live cable and it beeps and lights up. But if they run that near a high-voltage cable, because the high-voltage cable is encased in lead it does not beep and they think it is dead. When they run their grinder through it who knows what would happen. It is a risk out there and we have to try to do whatever we can to stop people stealing it but also to protect the community. We need to think of ways to do that too.

**CHAIR:** Your office looks after electrical safety for Queensland and, basically, electricians who are doing the wrong thing.

**Mr McKenzie:** To be clear, my office is me as the Commissioner for Electrical Safety. I provide guidance to the minister and the safety board and licensing, and then the Electrical Safety Office stands separate. They do all the hard lifting and that support. We work hand-in-hand with those.

**CHAIR:** That is probably who I am referring to—the Electrical Safety Office. Do they have powers over non-electrical people performing electrical work? If someone is cutting cables then they are performing electrical work.

**Mr McKenzie:** Yes, and if they are undertaking electrical work without a licence they will get taken to the Magistrates Court.

**CHAIR:** There is a penalty.

**Mr McKenzie:** Yes, that is right, for unlicensed electrical work.

**CHAIR:** And if someone did unlicensed electrical work that caused a death. There is already a process there that we could make more robust.

**Mr McKenzie:** Yes, that is right. Whilst there is a process for someone who steals copper, depending on how they steal it, if it was live at the time potentially they are doing unlicensed electrical work. It is the old pincer move. We have to try to stop them from even going down that road. Steal potatoes or some other thing, but do not put Queenslanders at risk.

**Mr WALKER:** There are some good points there. The electrical industry and a lot of industries have signage such as stickers to tell you not to touch. The chair just mentioned that there are laws around doing unauthorised works, but some of these people are not bright sparks—pardon the pun. Should there be a lot more signage that cable interference is illegal works and you can be charged?

**Mr McKenzie:** Yes, there is all that. I guess the people who are doing this might not even be reading the signage. When you see an earth cable signed 'This is live'—that is the idea if it is not meant to be live but it is about the medium to the joins. Without getting into the technical side of it,

there is the actual site to the earth system when you have the earth grid. It is about: I see a bit of cable and I might hit it with the back of my hand and say, 'Right, let's go and steal it.' A little knowledge is dangerous.

**Mr WALKER:** On the power boards I see a lot of signage, but when I go past pits I do not see anything. That is quite interesting because you do not know if it is an irrigation pit, an electrical pit or something else. Even an uneducated person, going into that pit, probably does not put two and two together that it is live. Is that one of the other strategies that we need to look at for safety to help you out and help us out and the not so educated when they are tampering?

**Mr McKenzie:** While some of these pits might have the lightning bolt, the arrow and that sort of thing, it might be that whoever is installing that cable puts up a sign that you see on the cables in the pits, 'This is live', 'This will kill you', 'Keep out'—something like that. I do not know. It is just one other thing that might make someone think: 'If I cut this cable there's a good chance I'm not coming home tonight.' It is not because you are going to go to jail; it might be because you do not survive what you are doing.

**Mr HEAD:** Following on from the previous line of questioning, obviously if people are stealing copper cable or cable from a live grid then that is unlicensed electrical work. With non-live sites, what is defined as 'licensed electrical work'? Do you have that handy?

**Mr McKenzie:** It is to undertake electrical work, and electrical work is installing or removing electrical cable or electrical equipment. With a piece of cable on a cable drum, you can go and buy a piece of cable from a wholesaler or a retailer. You can buy six metres of cable. That is not electrical work. You are not installing it. As soon as you go to install it or remove it then that is deemed electrical work and you need to have an electrical works licence. For example, let's say you are going to demolish your home because you want to build a nicer place. To do that you want to take all the cable out yourself. It has all been disconnected. You want to remove all of that cable yourself and then sell it. You cannot pull that cable out yourself because you are not a licensed electrical worker. For the installation or removal of cables or electrical equipment you need an electrical licence.

**Mr HEAD:** Further to that, if I may, Chair?

**CHAIR:** Yes. We are going to run out of time, but you may as well finish up.

**Mr HEAD:** I have a couple of questions about informing Queenslanders about this issue. I know Ergon runs ads about the dangers of this. Is that something your office has the capacity to help with, not only by letting people know that this may be happening and copper may be being stolen from their facilities but also the dangers that might be associated with that? Is that something that you do?

**Mr McKenzie:** Certainly with Queensland's electrical education community, that is something that we can work on to inform Queenslanders that if they do see cable—not necessarily the stuff that Energex and Ergon approach, but it might be at home and they notice something that is there then they have to be aware that it could be live and dangerous and they need to get a licensed electrician to report it. I am pretty sure that is something that the safety office would do as well, to try to get that information out there to the average punters if they see cable. How we promote it to the people who are actually stealing it, that is another thing. Unfortunately, an event is going to happen that will not be too good, but that might not stop people. There could be more education that we could do around it being illegal. As I said, it is illegal to do 65 in a 60 zone but many people do that, unfortunately, even though it is against the law. It is against the law to steal. However, when it comes to stealing things that put Queenslanders at risk and could cause a fatality then that is a higher bar, in my view. The education we can work on more, and we need to do more on that. That would be good.

**CHAIR:** We are just about out of time. If we have any other questions are you happy for us to write to you?

**Mr McKenzie:** Yes.

**CHAIR:** We really appreciate your time. Thanks very much.

**BEKKER, Mr Rikus, Manager, Technical Services, Powerlink Queensland**

**NIVEN, Mr Tony, Manager, Electrical Safety, Powerlink Queensland**

**SINNAMON, Mr David, General Manager, Operational Engineering; and Energy and Digital Management, Powerlink Queensland**

**CHAIR:** I now welcome representatives from Powerlink Queensland. We are always happy to see you guys. Could you please make a short statement and no doubt we will then have some questions for you.

**Mr Sinnamon:** I will kick off with introducing the team. My name is David Sinnamon. I am the general manager of operational engineering and I also have the dual role of energy and digital management at the moment. Rikus Bekker is the manager of technical services and Tony Niven is the manager of electrical safety.

Powerlink provides high-voltage electricity transmission network services, providing electricity to five million Queenslanders and 253,000 businesses across Queensland. For a bit of background, the network is 1,700 kilometres long, from Cairns to the New South Wales border and extends out to the Surat region. We have about 15,000 circuit kilometres of transmission line and 147 substations. It is a fair footprint.

Powerlink is exposed to metal theft. The metal commonly targeted on Powerlink sites is copper. Powerlink sites have experienced about 250 recorded occurrences of unlawful access and metal theft since 2015. The risks: Powerlink uses earthing conductors made of copper to bond metal objects to earth grids. This manages a step and touch potential, which is that the voltage rises in those particular objects which may occur due to high voltage induction or coincident with network switching and new network faults. If these earthing conductors are removed by a thief then there is a risk to the thief of exposure to uncontrolled voltages and possibly electrical shock if they touch the unearthed metal objects.

A recent example we had was at one of our western substations at Bulli Creek, which is west of Toowoomba. It was recently targeted by thieves. Many copper earthing conductors were cut and removed, but we found there were a number of other copper earthing conductors that were not. They were cut but were not removed. That would suggest that the removal of the earthing conductors was allowing the induced voltages in the metal structures to rise and make them uncomfortable for thieves to actually then take those conductors.

There is also a risk of electric shock to electrical workers if these earth conductors are removed by thieves. Safety control measures used by workers when entering the substation, which is a requirement of substation entry, include performing a perimeter check of the site. If there are any signs of unauthorised entry such as holes cut in the fence et cetera, then prior to work a more detailed assessment of the whole site is made to determine if further damage has occurred or conductors have been removed. If it is discovered that conductors have been removed, special precautions are used to replace those conductors using temporary electrical bonds on the open points and also the use of appropriate personal protective equipment such as gloves et cetera.

There could also be a step and touch potential risk to the public who may be in the vicinity of compromised power assets. An example is transmission structures that have earthing. They can be in the public domain post a theft event. There is also a risk of uncontrolled access to Powerlink sites, which is a dangerous electrical event. Following a break-in, if there is a hole in the fence and critical control to prevent that is defeated, then the public can actually get into the substation.

The actions of thieves can also create the possibility of a network risk and widespread outages to electricity consumers. As in the Bulli Creek example, the thieves went through and cut a number of cables indiscriminately and they inadvertently cut some of our telecommunications fibres as well and some of our protection cabling. That reduced redundancy on our systems. We did not have any outages from that, but our protection redundancy was reduced.

Thieves tend to target construction sites and construction activities. They will steal newly installed conductors and materials from drums and equipment located at substation or construction site compounds. Some equipment has a very long lead time, so the theft of the equipment can delay projects. These projects could be associated with renewable projects to deliver the Queensland Energy and Jobs Plan.

Powerlink is very sensitive to, and acts swiftly on, occurrences of metal theft and unlawful entry. Powerlink incurs direct costs during the initial emergency response and longer term repairs. Powerlink estimates that in the previous 10-year period unlawful access and copper theft had a direct cost of

approximately \$2.6 million. There are a lot of indirect costs as well such as delays to critical maintenance and projects. It is difficult to assess the indirect costs in terms of an actual monetary figure from these delays. The costs incurred include rework, the potential contractual damages of missing lead time frames on projects et cetera.

All occurrences of unlawful entry with or without theft are reported to the Electrical Safety Office and the Queensland Police. Powerlink supports any investigation undertaken by these organisations. In addition, Powerlink performs an appropriate investigation based on the circumstance.

Powerlink uses several techniques to prevent break-ins and loss. Powerlink has invested in electric fences at high-risk sites. On project sites we use separate compounds, lighting plants and security guards. Powerlink has invested in future deterrence in real-time monitoring. We do have some operational camera systems on our sites, but we are working on more of them. An example is the trial use of a Boston Dynamics robot dog for early detection of criminal activity at the Powerlink sites as a perimeter patrol and early deterrent. Thank you for the opportunity to present.

**CHAIR:** Thanks Dave. I appreciate that. You mentioned 'step touch potential'. For the benefit of the committee could you explain the voltages that could occur between footsteps in a substation with compromised earth grids?

**Mr Bekker:** That is compromised when the energy or the electricity does not drain down to the grid. The voltage will then rise and if people touch it they would become the path of the electrical current that they would be exposed to.

**CHAIR:** I remember years ago talking about if a conductor had hit a piece of machinery they were to jump out and keep both feet together. If their feet were apart because of the voltage between their feet, they could become a circuit.

**Mr Sinnamon:** The  $V=IR$  is a component of that. There is a resistance in the soil. As the voltage drains off you can actually have a voltage gradient, so the current goes through the soil; there is a voltage gradient there. In our substations we have induced voltages. Our highest voltage currently is 330,000 volts. That can induce currents or eddy currents into our metal structures and that is why we earth them. The earthing is to ensure that everything is at the same potential. If there are different earthed areas within the substation there might be that resistance between the two and then you get the voltage drops. As soon as you put your foot or hands across a voltage drop you have a potential to have a current pass through your heart.

**CHAIR:** Thanks. That explains that. You mentioned the redundancy of the network and when the protection is compromised. You would have heard the previous witness talk about the severity of the crime and the actual damage to the state grid. I mentioned the generator failure in my colleague's area and what could happen potentially if the fault could not clear because the earth grid had been stolen and the severity of it. I do not want to paint doom and gloom, but could you let us know? That is a real thing; we could lose the state's grid.

**Mr Sinnamon:** It depends on what they cut because they are not experts. They just see a conductor like a sheathed conductor and they are hoping it is copper. In that particular case they cut a number of cables including fibre. For a 330 kV or a 275 kilovolt line we would have dual protection, so X and Y protection. One of those protections was compromised. We would have a number of other backups as well. Depending on what the thieves cut, they could severely compromise a particular node on our network which could cause some issue. It depends on the node as well.

**Mr HEAD:** Your submission notes that the direct cost to Powerlink of these thefts over the last 10 years has been about \$2.6 million. I know in the scheme of things in terms of Powerlink's budget it might not be a huge portion. Are you able to elaborate further on these costs and how they might have been spread across the last 10 years and if there has been an increase more recently?

**Mr Sinnamon:** Those particular direct costs associated with the response are from when someone would go to site to respond—so people would go and carry out assessments or investigations—and the repair works that go with that. Initially, they would go to site to make it safe. There would be a team of people who would assess that site and they might put a restricted access zone in, which is bunting, to prevent further risk to other people. Then you would plan works to then go and repair those damaged assets.

**Mr HEAD:** I assume at the end of the day those additional costs incurred end up being passed on to the consumer?

**Mr Sinnamon:** Absolutely.

**Mr HEAD:** Further to that, the extra infrastructure and even site inspections they have to do when they go there would add significant costs to Powerlink's operational expenditure?



**Mr Sinnamon:** Yes, that is correct. Also there is the change of our standards—we now start getting into the indirect costs—and the electric fences we put in at our critical sites. There are different control measures that we have to employ now to prevent this going forward.

**Ms PEASE:** I was also going to ask about the additional costs associated with the new infrastructure in particular. Have you had to put in security and electrical fences in a lot of places, or is it just your important infrastructure sites?

**Mr Bekker:** We started a few years ago with a few in Brisbane like Belmont, Murarrie and so on. We have started to roll it out. I think we are looking at around 10 to 20, but we need to come back to you with an exact number on that.

**Ms PEASE:** Sorry, what was that?

**Mr Bekker:** We are looking at around 10 to 20, but we will have to come back to you with the exact number. We are definitely increasing that as we go forward.

**Ms PEASE:** I am also very interested in the robot dog. What does that look like?

**Mr Sinnamon:** It is a four-legged robot. It has an infrared camera and a normal camera. From a security sense in order to do a perimeter patrol—say we have a remote site that could be five hours away from Brisbane for a call-out—if we have one of these devices at a particular site it could do hourly rounds and then charge itself up and look for breaches in whatever time frames we determine. It has real-time reaches.

**Ms PEASE:** Are you able to give any idea of the cost associated with just that one?

**Mr Sinnamon:** For the trial robot dog, the individual dog is around the \$300,000 mark with all the technology that goes with that and then subsequent ones are less than half of that.

**Ms PEASE:** You mentioned in your opening statement the year 2015. Has there been a significant increase since then—have you seen that—or has this just been ticking along all the time but we are just taking note of it now?

**Mr Niven:** I can talk to that. Year on year, yes, we have seen a significant step-up. I will read some numbers for you. Back in 2016 that was our lowest year and then year on year, starting at 2019, it jumped up to 42 incidents, then 52 incidents, 67, 73 and then 82. They are going up by a magnitude each year.

**Ms PEASE:** Is there any correlation between that and the changes in legislation in other jurisdictions perhaps? I think 2016 was when they introduced changes to the scrap metal industry in New South Wales.

**Mr Niven:** I could not comment on that. We saw a rise before 2015. We put some interventions in which we thought would reduce it, but then it did keep stepping up.

**CHAIR:** There was a huge construction phase going on there which correlates with the construction sites being hit as well.

**Mr Niven:** Yes, absolutely. As David mentioned, that was the intervention we did. We put a lot more control on our contractors to ensure that the attractive material was not inside the substation where it was a safety issue.

**Mr WALKER:** I see in your submission you talk about costs of \$2.6 million. I turn to the training around this. Since this sort of behaviour has been happening across the industry, has the training changed and what has that cost? Has there been a whole new approach to going to substations, for example?

**Mr Sinnamon:** What we have done is increase our restricted access zone capability. We modernised our procedures effectively. In terms of the costs of the training associated with that, I do not have the figures on that. It is something we could probably work through.

**CHAIR:** We would not ask you for that.

**Mr Niven:** There has been incremental training and extra responsibilities for all of our electricians and other guys who visit substations and towers. It has been an incremental awareness first—so, 'Be aware that this is a target. Be mindful of when you go to a site, a substation or a tower,' as David mentioned, we look first. There are steps we put into that training which ordinarily you would do anyway. We have just focused on the awareness and now there is also the reporting piece. We expect every person who is authorised to visit our sites to do a perimeter walk. Then they will identify it and report it back straightaway. It is more an incremental cost to the way we work it.

**CHAIR:** Yes, a change to your safe work procedures. It has been an impost of sorts. You should not have had to do that but you did because of necessity.

**Mr WATTS:** My question is in relation to the modus operandi. Is this happening in similar ways? I am trying to work out if it is one group of people who have a particular way of operating. Secondly, is there any intel at all on what they are doing with the stolen material?

**Mr Sinnamon:** I do not have any knowledge of that.

**Mr Niven:** I can answer part of that. We did see a noted increase with the advent of battery angle grinders—when they became available. Actually, it made it a whole lot easier rather than bolt cutters or unbolting things. We saw that as part of the MO. We have noticed that, as you would expect, we need to be the next step ahead of the thief. We have had to not just bolt our stormwater grates, we are now welding them, the other panels in fences, things like that. We need to actually step up. They are getting more sophisticated in their methods, in their MO, yes.

**Mr WATTS:** In relation to where the material is ending up, are there any thoughts on that?

**Mr Niven:** We report all of our copper theft to police. We have a specific role in our organisation called the officer for local security—one in each of the southern, central and northern regions. They monitor that and then support the investigation and often become witnesses for the investigation. We do not talk about the actual copper theft an awful lot inside our organisation so it is not a playbook on how to come and steal our copper. We try not to talk about it.

**Mr MILLAR:** I have a question that you may not be able to answer. Obviously this has been an issue since 2016 as you mentioned. What is the solution? Do you have any thoughts on that?

**Mr Sinnamon:** We are certainly focused on control measures that we have influence over. If this is a trend that the thieves are taking on, we will try to get ahead of that with our control measures that we can influence—electric fences, surveillance et cetera.

**Mr MILLAR:** That is costing you up to \$12 million a year, plus the \$2.6 million in lost copper or whatever they are taking.

**Mr Sinnamon:** Yes. If there are other deterrents to prevent people wanting to do this then we would certainly welcome them. I do not have any real idea of what that could be, but it certainly would help save some of our efforts in securing our sites.

**Mr MILLAR:** Obviously there are live cables. Has there been any reporting of any incidents where someone has been injured?

**Mr Sinnamon:** I am not aware of any injuries.

**Mr Niven:** Not to our knowledge. They may have been injured and not sought treatment, but on our records, no, we have not had any yet—touch wood.

**Mr MILLAR:** Your fear is that this could possibly happen?

**Mr Sinnamon:** The potential is definitely there.

**Mr Niven:** Absolutely.

**Mr Bekker:** Can I just add that on our transmission towers we are actually looking at different designs as well for our earth strip—or earthing down to the ground. We are looking at different ways to stop them doing it.

**CHAIR:** I spent a lot of time in the industry years ago and it is interesting that it was the fence that got stolen. There were ways around that such as spray painting the fence to stop it being useful to someone. Now they do not care about the fence. It is really disappointing.

**Mr HEAD:** You may not be able to answer this, but with the risk to the thieves, are there any concerns you have about where liability lies if Powerlink has not gone to appropriate lengths to protect their assets from thieves and then someone does get seriously injured or hurt on your site? Do you have any comment on that?

**Mr Niven:** Of course, that is always our concern. Workplace health and safety legislation and electrical safety legislation drives that for us as well. We are mindful of, yes, the person, the thief themselves, if we are not responding and building our network so far as we can to make it as robust as we can. That is what we are working against—that fear. The other one, which I think David mentioned, was that on occurrence you will see the thief will leave a hole in the fence, and sometimes two holes in the fence, in and out, so our fear there is then if we do not discover that soon enough then a member of the public—kids—might actually think it is a good idea to go in. That is why we are so sensitive to it and we really respond to that. So, yes, that is our fear. We really try to do as much as we possibly can and that is part of our messaging to our people and the public: that we want to know about it and we try to close it down and make it safe as soon as we can.

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**CHAIR:** Time has beaten us, but I want to thank you for coming in. I did want to take the team to a remote substation to see how remote they are. I was thinking of Bulli Creek or Chalumbin, but I do not think we will have time. We may be visiting a scrap metal recycler at Rocklea and there is a substation adjacent; if it would be possible for someone to show the team around exactly what the hazards are.

**Mr Sinnamon:** Yes, we can definitely do that.

**CHAIR:** We did have a question on notice about the indirect costs to Powerlink since 2015. If we could get an answer to that by 12 pm on Friday, 20 October that would be great. We will be in touch about that.

**LONG, Mr Damian, Chief Executive Officer, Civil Contractors Federation**

**CHAIR:** Welcome. I ask you to could make an opening statement after which the committee will have questions for you.

**Mr Long:** The Civil Contractors Federation Queensland represents contractors across all of Queensland who build private and capital infrastructure. Our members are small owner operators right up to multinational organisations. They are building a lot of work for TMR at the moment—subdivisions and a lot of other electrical infrastructure. The electrical component of what we do is mainly a subcontract part of the infrastructure we install. There is a lot of it. Whether it is public lighting, traffic signals, lighting for sports fields, there is a heap of electrical infrastructure that we provide through our services.

The theft of scrap metal, mainly copper in our industry—although it is starting to broaden a little—has been around for a very long time, but it has absolutely become endemic in recent times. When this committee or the government decided to lift the hood on this issue we did a survey—and you have a copy of it our submission—just to get a feel and some numbers around the problem within our industry, and it is quite significant. We surveyed contractors all over Queensland. We had a fairly good response rate. It was saying roughly a bit over six per cent of contractors had not experienced anything, but they may not have had infrastructure that had electrical infrastructure in it, but 68 to 70 per cent were saying it was frequent or very frequent incidents. There are multiple facets to the cost of the damage let alone the safety issues.

A lot of the infrastructure that is installed is not copper, quite often it is aluminium, but we are getting situations where people cannot distinguish the difference so they cut aluminium to see whether it is copper and basically that ruins that whole infrastructure because, depending on the type of cable, once it is damaged it is not a matter of replacing that little section, you have to replace the whole run of cable. We have those issues as well. The copper theft absolutely is endemic. Either it is ends of cables or the full length of cables. Every now and again we see machinery being broken into, so wiring looms, anything that houses copper, alternators, that type of thing, being stolen. It seems to be in the higher populated areas you are getting more incidences, and that is probably due to population. We have members working remotely who are based in Cairns, Townsville, Mackay and they are all reporting it at similar frequency to what we are seeing in South-East Queensland.

We have not seen anyone injured, that we are aware of. The potential for it is very high. In some of the previous questioning you touched on liability. For us it is a concern. We have liability issues for the safety of our workers. We are not too sure where we sit around due diligence if a worker or a member of the public gets injured because of theft or damage to an asset that has occurred overnight.

The other thing we are starting to see is that the insurance costs are telling. It is very difficult to get insurance in our industry now. It is becoming more and more expensive. The excesses are getting higher and higher. That is eventually a cost that is passed on to the end user. In many cases it is taxpayers or maybe people who are buying houses. That cost is going to filter through to some end users. A lot of it is not being reported. It is depending on the scale of it. People are just basically self-insuring it, so they are not reporting it through their insurance company, they are treating it a bit as a cost of business. It is not, I would suggest, from what I am hearing, on QPS's radar. It probably ranks relatively low depending on some of these things so it goes into the system as a theft. There is probably not a great deal of coordinated investigation across that. Whether it is the one person or one group of people thieving this type of thing in a coordinated approach or is it one-off people doing it I have no idea—I have no visibility on that sort of data.

That gives you an overview of where we are at. The contractors themselves are using various means to protect themselves. They are using on-site CCTV and motion sensors, they are backfilling pits with sand to try to reduce the exposure of cables. Once again, that costs the contractor because they have to uncover them to present it to the authority. They are increasing patrols—in some cases if the risk is high enough they have actually had security onsite. In my previous life I have done exactly that. I have had to employ 24-hour security to protect these assets. That just gives you a snapshot of where we are at.

**CHAIR:** It sounds pretty organised when you are filling pits with sand and they are turning up with a vacuum excavator to remove it knowing exactly what is in there. One of the questions that we had is whether the industry feels it is an organised effort or just random.

**Mr Long:** I think in the past it was random. I think it is organised now. A lot of these thefts are quick, well organised and well resourced. To pull cables out of the ground—and some of these cables are quite long and quite heavy—they take equipment to pull them through the conduits and they take equipment to pull them out of the conduits.

**CHAIR:** We have heard that they turn up with high-vis and flashing lights on utes. It sounds a little bit more than just a random theft.

**Mr Long:** You mentioned public awareness. Public awareness around this type of theft will become part of the security mechanism because they understand then it is not workers, it actually potentially is theft and then hopefully it gets reported and the police can act and hopefully shut it down.

**CHAIR:** Other jurisdictions have tried stopping cash for scrap. We know that part of that has worked. We have heard that other parts have not worked. Are there any suggestions from your organisation? We want to stop it happening. We want to penalise it at the other end, but to stop it happening is the best way.

**Mr Long:** I am not a criminologist. You have to cut off the market.

**CHAIR:** If you could make copper worth nothing.

**Mr Long:** That is exactly it. How do you cut off the market? It is the sale source. They can take it out of the ground or out of substations or wherever they are taking it from, but they have to dispose of it somewhere. The ease of it being disposed of I think is the issue. At the source is security and surveillance. I think we are doing as much as we possibly can. I have worked in other jurisdictions. Back in the eighties I was doing some work in Victoria. They banned receiving cables that had been burnt because people used to burn it instead of strip it, but that was an environmental issue not so much a tracking of the cable itself. If infrastructure, any sort of metal, can be tracked, traced and there is a way of just tracking it through that system you are not going to eliminate it but certainly it would probably reduce the frequency, I would suggest. The report we got back through industry was that it is very easy to roll up at a lot of places and get cash for scrap.

**CHAIR:** The industry likes the way it operates. We will be hearing from them as well. A previous witness mentioned real-time reporting. If a kilometre of cable for a streetlight circuit gets taken, all of a sudden everyone in the industry knows that that is out there. Other suggestions were made around that. There are potentially a few ideas.

**Mr MILLAR:** You mentioned in your submission that other states are doing better at this. What are they doing that is better?

**Mr Long:** I think it is the tracking. As I said, I do not have a good bearing on it. I am getting the reporting back to me. People who work in other jurisdictions are finding that the legislation in those areas works better. I think it is to do with identification of disposal, breaking down the cash for scrap and having some sort of tracing of the materials that come in.

**Mr MILLAR:** It will be hard to track that load of copper. It could have been stored for two months in someone's backyard and then they move to sell it.

**Mr Long:** All cabling is labelled. The people who manufacture cable and deal with it every day would have a better idea than me, but a lot of it is barcoded. If I am talking about cables, if the receiver can only receive cable that is sheathed so that barcoding is available, maybe there is a mechanism there that could track it. At least then we know if it has been stolen, maybe there is a way of reporting that particular batch—it may be a batch or it may not be. At least you can say, 'We know that that piece of cabling came from a batch of cabling that was stolen at some particular time.'

**CHAIR:** A great idea. Even if it was bright earthing conductor—and I know there would be a cost—we could have something run down the centre of it. I know with steel aluminium conductor with steel in the middle no-one would ever steal that because it is steel in the middle. It is not worth as much.

**Mr Long:** That is right. The manufacturers would be able to advise what is possible and what they can do.

**Mr MILLAR:** This would be more of a national approach, too?

**Mr Long:** Yes.

**Mr MILLAR:** If you were doing this, you would want to make it a national approach.

**Mr Long:** Absolutely correct.

**Mr WATTS:** On that national approach, are these well-organised thieves jumping across state borders because there is a legislative difference or is there something in other jurisdictions that you think we should definitely have in Queensland?

**Mr Long:** I do not know. That has not been reported to me. I am not saying it has not happened, but I am not aware of that. I know that certain refuse can be disposed of across borders for that very reason, but, in this instance, it has not been reported to me that that is the case.

**Mr WATTS:** Further to that, if I am driving along the road and I have a bunch of cable in the back of my ute—obviously this has to be transported from (a) to (b)—at the moment there is no requirement for people to be able to prove where that has come from, why they have it or where they are going. Would that be correct?

**Mr Long:** I think it is just another tool in the kit, isn't it? If you have accountability for equipment or materials, I think it helps. There is no doubt there. A lot of the cabling at the moment is hard to get. People are buying it ahead of time in anticipation of it being used. It is being stored in either warehouses or yards. A lot of it is going into containers, into lock-up and under security. I think that there is possibly a valid point in having people being able to prove what they want to use it for or what it is going to be used for.

**Ms PEASE:** A gentleman from Powerlink suggested that there had been an increase in theft since 2015. Have your contractors seen the same increase?

**Mr Long:** There has certainly been an increase. I could not tell you the time frame. Powerlink has some great data and percentages over time. We do not have that sort of data. It is very anecdotal but, even in my own experience, I know that it has certainly increased. Our members are telling us that it is increasing.

**Ms PEASE:** Certainly from the survey you can see that. Thank you for going to so much trouble. It was a great submission.

**Mr Long:** It is great, isn't it?

**Ms PEASE:** Yes, it is really good. I am interested in the cost associated with theft. Are your contractors now factoring in the potential theft of this cabling?

**Mr Long:** No, they do not, because if they did it would make them uncompetitive to win the project. It becomes a risk that they need to manage. The cost of that risk will manifest itself eventually in the cost of the tendering. Under our contracts at the moment the Australian standard form says that up until 4 pm on the date of practical completion the contractor is responsible for everything up to that point. After that, it becomes the client. Depending on what side of the timeline that theft happens determines who is going to be responsible for it? No. 1, it will be an insurance claim.

**Ms PEASE:** That was going to be my next question: are they are able to insure against that?

**Mr Long:** They can. Insurance is expensive, so their premiums go up. They also have an excess component. They will have rework. Some of that will be claimable and some of it will not be. For anything that comes out of the ground needs to go back in and there could be collateral damage. In my experience is that it is very rare to get 100 per cent coverage on that. Those costs, which are direct costs to the contractor, will manifest themselves in pricing in further projects. There will be an escalation. Powerlink have confirmed what we have seen and that is that infrastructure is being cut after it has been made live—that is, after it has been handed over—but there we still have responsibility for the site for some time after that. That will become a client site problem. Eventually, once again, if it is a state asset, it is coming out of the state coffers so eventually it is a taxpayer problem. If it is a private asset there is an end consumer of some description who is going to pay for it. The cost does not disappear; it just gets transferred to somewhere.

**Ms PEASE:** What does your membership look like? Is it small contractors or is it big contractors?

**Mr Long:** We have owner-operators—people who literally own earthmoving equipment and a truck or a very small family business right up to contractors working either on their own or in joint venture. Most of those doing work on the Bruce Highway and the packed motorway are our members. The Townsville Ring Road, for instance, was built by our members.

**CHAIR:** Civil contractors—we have had Powerlink in—do power work and they can be gardeners as well.

**Mr Long:** Our members will do substation work as well. They actually build the substations. As I said, nothing starts without a civil contractor. They are the first ones who come in to do work to make other things happen.

**CHAIR:** For full exposure, I have a brother who is a civil contractor in Far North Queensland.

**Mr WALKER:** In your submission you discuss some non-regulatory measures. Can you elaborate on those approaches?

**Mr Long:** I was referring mainly to the communications side of things. One issue was that contractors were saying that once they thought they had cracked the code of the types of thefts that were happening, the next weekend they found out it was being reinvented. They were saying that if they could get a heads-up about trends and what it was looking like, forearmed is forewarned. It is an at the source problem. They are trying to protect things as best they can. QPS can advise you a lot better than I can, but our impression is that a theft is a single theft and it is being treated as that. Could it be a more coordinated effort? If there were communications across Powerlink, ourselves, QPS and others we could bundle that information up and we would probably start to see better trends and probably be a lot more pointed in how we tackle it not only from a security point of view but particularly in terms of who the offenders are and how we can actually crack down on them.

**Mr WALKER:** Just recently \$100,000 worth of cable was stolen from the Mundingburra football club. Interestingly, when I spoke to one of the guys who worked for a company that lost the cabling—they owned the building—he felt it was an inside job because of the way they went in, knew what to touch, what to turn off and how to access certain points. Is there information that you feel may point to that?

**Mr Long:** We actually asked that question. That was a question I asked of one of our members who actually is an installer of electrical infrastructure. I asked the same thing. I said, 'Are these people, No. 1, from the industry, because it seems to be fairly sophisticated, and are they potentially inside jobs?' His response to me was that he did not believe so. He said, 'There is enough information on YouTube to work out how to do this sort of thing.' He said that he does not believe it is inside jobs at all.

**Mr WALKER:** There is the electrical trade inside thing, but what about people on the site? It could be a big waste disposal site but insiders in that industry know where things are.

**Mr Long:** There is that potential. You could never rule that out. It happens on construction sites that things get stolen, and sometimes it is people on those sites. It is not often, but it does happen. Is the information being leaked out to others? It is not being directly done by insiders, but certainly information is being provided. Maybe it is for others to investigate that. I think you could not rule that out.

**CHAIR:** It is not worth me telling stories, but I will tell you a story later.

**Mr HEAD:** What can the Queensland government be doing through legislation or regulation to fix this problem?

**Mr Long:** I would not go into specifics, but we need to kill the business model of the criminals. It is about cutting off the supply and cutting off their market. The price of copper is not going to go down any time soon. It is still going to be a valuable resource. It is interesting that Powerlink were saying that they are starting to change their specifications. I think that will happen in the background. There may be more security around installations. That will add a cost. At the front end, it will organically change without regulations because eventually this is all owned by somebody. It will organically change to make it better at the installation side of it, but we have to cut off the market for the criminals—it is simple as that.

**CHAIR:** I know that Moreton Bay council has had a lot of trouble with lighting on the fields. It is not just a replacement because if you go to aluminium it has to be bigger conduits, different bend radiuses and it disrupts the players. We recently opened a field and made a big announcement about how it was aluminium conductor. That was not about how great it was for everyone but so that people would leave it alone.

**Mr Long:** At the moment we are seeing where some of our contractors have actually put signs up saying 'aluminium only installed on this subdivision' for instance and it is still being cut because they do not believe the signs. Once people get to know that now they are only installing aluminium for whatever reason, I think they will go, 'No, we know it's not a lie; it's true. We won't bother.'

**CHAIR:** I still like the previous witness who said, 'Make potatoes dear and I will dig up potatoes.' Thank you for your evidence and your submission. There were no questions on notice.

**Proceedings suspended from 9.44 am to 9.55 am.**

**JEFFERSON, Mr Mark, Queensland Ferrous Trading Manager, SIMS Metals; Chair, Metals Working Group, Waste Recycling Industry Association; and Board Member, Waste, Recycling Industry Association (Qld)**

**PRICE, Ms Alison, Chief Executive Officer, Waste, Recycling Industry Association**

**CHAIR:** I now welcome representatives from the Waste, Recycling Industry Association of Queensland. Thank you for coming in today and for your submission. I invite you to make a short opening statement after which we will have some questions for you.

**Ms Price:** Good morning, ladies and gentlemen. Thank you for the opportunity to appear before you, representing Queensland's waste recycling industry today. I would like to commence with a brief statement and then we will answer your questions. I was concerned but not surprised to read comments in published statements regarding the metal recycling industry. It is entirely untrue that the industry is 'predominantly unregulated'. The problem is not a lack of regulation but a lack of enforcement of regulation. Obviously there is always room to improve existing regulations. WRIQ would be very supportive of amendments similar to what was mentioned in our submission. If stolen metal were to end up at a licensed metal recycling facility, a statement by supplier form must be filled out by the customer to declare that the material they are selling belongs to them. I will pass around an example. Their ABN or government issued ID for personal sellers is collected.

While there is not currently any obligation to report suspected stolen goods, there is a very real commercial driver in the industry to avoid stolen goods as these could be confiscated by police, leaving the recycler out of pocket. Our members report that the best way they can identify stolen goods is where they receive early communication from police about theft so they can look out for suspicious activity. If nobody has caught the thief in the action of actually stealing this metal, legitimate metal recyclers work with law enforcement to provide the necessary photographic and statement evidence for a conviction. Many larger operators have cameras everywhere—over the weighbridge, over the scales, in the office. Not everyone does this, but we would encourage the addition of cameras to be a condition of holding an environmental licence. This is on the proviso that holding a licence is consistently enforced and operators doing the wrong thing are penalised—not given multiple warnings and chances to fix the situation.

WRIQ's legitimate licensed metal recyclers are very supportive of dedicated Queensland police and environmental regulator taskforces such as Operation Cobra, Tensile and Voltaire. We would like to encourage the committee to find ways to formalise and strengthen this early warning network and facilitate industry assistance to the police by resourcing a permanent taskforce. There were suggestions made in some of the submissions that industry should be given more powers to enforce laws. Unfortunately, the industry is not the police and we are not resourced to enforce laws. We are, however, happy to collect the evidence so criminals can be prosecuted and convicted. Industry would like a level playing field where all metal recyclers are required to ask the same questions. If a metal recycler is happy to operate illegally without a licence, they will probably not care if we make a regulation and ask them very nicely to please not accept cash for recycled metal. No cash for scrap rules appear on the surface to those who do not understand the recycling industry to be a simple and effective way to solve what is a far more complex problem. Unfortunately, if we introduce no cash for scrap rules and continue to enforce them as sporadically as some of our existing industry regulations, it will almost certainly result in worse outcomes for recycling in Queensland. Thank you.

**CHAIR:** Thank you. I will first of all seek leave that this document be tabled. Is leave granted? Leave is granted. At another hearing someone mentioned pawnbrokers. Is that part of your industry?

**Ms Price:** It is. The two acts are kind of joined together, and it can be a little difficult because they are quite different. In the Sims Metal submission they included some legal advice that WRIQ had about 10 years ago with suggestions for changes.

**CHAIR:** I saw those.

**Ms Price:** Those exact changes are exactly what would be perfect to solve all of the issues.

**CHAIR:** You mentioned early notification which the Electrical Safety Commissioner also mentioned earlier.

**Ms Price:** And CCF too.

**CHAIR:** It related to if there was a system when someone took a certain amount of streetlighting and you guys were all aware, and that brings me back to the other bit that you said, and I had not realised the large number of illegal operators.



**Ms Price:** So many.

**CHAIR:** I would love to hear some more about that, because we have heard anecdotally—probably not anecdotally. Someone might have said it as a fact; I cannot remember. We would have to look back through. With regard to stopping selling for cash, they will just sell it for crypto and car parts and that sort of thing with these illegal operators. Could you elaborate on the illegal operations and where that ends up, if you know? If it is not coming through Sims Metal or one of your colleagues, where is it going? What is happening?

**Ms Price:** Those illegal operators often are not doing any processing, so they are sending unprocessed metals overseas to other jurisdictions that do not have our same safety standards to be processed in Third World type countries. I think Mark had a very good story yesterday that he shared with me. New South Wales has introduced no cash for scrap laws. In terms of some of the behaviour they have seen outside their facilities in the car part, Mark, you might want to mention that.

**Mr Jefferson:** Yes. In New South Wales, particularly with their laws that have come in, they have separated the car part, so you can still pay cash for car parts. There is a blurring of lines there, but we definitely would not like to see that in Queensland. In New South Wales we also have situations and reports of unlicensed operators parking in front of licensed operators and selling out of the back of a truck for cash and causing conflict between the licensed operator's premises and someone who is doing it off the street. It all comes down to no enforcement so they do not feel like there is a risk of then being caught.

**Ms Price:** New South Wales had a taskforce for policing their new laws which unfortunately was disbanded after just seven months. It is hard to resource police. I know murders and other major crimes are maybe considered more serious, but there is no enforcement of the existing requirements to hold licences and there is not going to be any enforcement of, 'Please don't take cash for scrap.' It is just going to cause that illegal black market to go further underground.

**CHAIR:** Just before I go to my colleagues, you might have heard me mention to Powerlink earlier for us to go and look at some sites. If we could come to Sims Metal at Rocklea as well that would save our time, because it is right next door to one of Powerlink's substations, so we could kill two birds with one stone, if that would be okay.

**Mr Jefferson:** We have put that in our submission.

**CHAIR:** Thank you. I think the committee would benefit from that.

**Mr MILLAR:** What is the answer, Alison and Mark?

**Ms Price:** I think a joint taskforce permanently resourced and appointed and real communication between industry. Listening to Damian from the Civil Contractors Federation, he also mentioned that early warning about the processes being used can help industry, and metal recyclers communicating with police and industry. We all want the same outcome. We want that good outcome; we just need that enforcement behind the existing regulations which is not there at the moment.

**Mr MILLAR:** It is like the stock squad in Western Queensland.

**Ms Price:** Yes, very much so.

**CHAIR:** I think you hit the nail on the head too with the fact that it is not in the industry of legitimate operators to take stolen goods because they get taken off you, so you have lost.

**Ms Price:** Yes.

**Ms PEASE:** Thanks very much for coming in today.

**Ms Price:** Thank you for having us.

**Ms PEASE:** I understand that your organisation represents other jurisdictions as well; is that correct?

**Ms Price:** WRIQ represents the waste recycling operators in Queensland and there are sister organisations in all of the other states and a national organisation as well, so we do work closely with them too.

**Ms PEASE:** Are there any jurisdictions that have been successful in managing this matter?

**Ms Price:** When we saw this inquiry we feared that this was the way that Queensland would want to head and we have not seen any other jurisdiction be successful with a no cash for scrap scheme. Western Australia introduced some requirements where the goods had to be held for a certain period of time, and I think it is six weeks. For a volume business like a metal recycler, imagine the number of things coming in. Where do you store six weeks worth and continue to run your business effectively in a safe way without people tripping over things? So, no, unfortunately we have not seen other jurisdictions be successful in no cash for scrap.

**Ms PEASE:** I have just been having a look at the document you just tabled. What happens with this document?

**Mr Jefferson:** It is filed. It is an ATO requirement, so if the ATO ever wants to do an audit the paperwork is there.

**Ms PEASE:** So it is simply for Australian taxation purposes?

**Mr Jefferson:** Or police. There is a lot of information the police can ask for, particularly if they want to narrow in on a certain incident or stolen property.

**Ms PEASE:** There is a declaration around ownership. There are various questions that have to be answered. Is there any onus on the scrap metal organisation to have proof of legal ownership? Where does that lie?

**Ms Price:** Unlike jewellery, which can be unique, there are no identifiers on cabling. It can be incredibly challenging to prove ownership. I think, Mark, your description to me yesterday was that where it is a private individual Sims is asking questions.

**Mr Jefferson:** Yes, they have to fill out that form, but if they are a business they are exempt from filling out that form because they are registered for GST and will have tax.

**Ms PEASE:** So currently then there is no requirement for the person who is the supplier to say where they got the scrap metal from?

**Mr Jefferson:** There is a declaration on that form to say that it—

**Ms PEASE:** But you said that businesses are not required to complete—

**Mr Jefferson:** Not businesses, no, not with a valid and registered ABN, so that is for individuals.

**Ms PEASE:** That is interesting.

**Ms Price:** The form could easily be tweaked to ask other questions, to collect other information. It is already being collected. That is an easy fix, but, yes, the problem is that there are only a limited number of licensed metal recyclers that are actually doing this. The rest are not.

**Ms PEASE:** So for your metal recyclers, if someone rocked up with a whole heap of what was questionable metal scrap, what is the process? What do they do?

**Mr Jefferson:** I cannot speak for everyone, but with the law there is nothing to say that they have to report it. For individual businesses, you can identify if something is brand new or it has been pulled out of the ground. We normally refuse at Sims Metal. We would be refusing to purchase that.

**Ms PEASE:** Is there any oversight from your peak body as to recommendations about what your industry supply should be doing with what is obviously potentially stolen scrap metal?

**Ms Price:** We do a lot of talking obviously amongst our Metals Working Group members and sharing of information like that so that we are improving business practices. We would be very happy to work with government to put in place, if necessary, a code of practice or something along those lines, but, again, we can put it in place all we like but if it is not enforced it is not going to change a lot. It is only going to mean that the good operators keep getting better and the operators who are not so good do not improve at all.

**Ms PEASE:** Finally, with regard to membership of your organisation, is there a fee involved?

**Ms Price:** Yes, there is a fee involved. It is based on the number of employees in the business in Queensland, and it varies quite wildly. Sims obviously has many employees. It is one of our category A members and pays, I think, around \$25,000 a year right down to less than \$1,000 for very small owner-operators.

**Ms PEASE:** Thank you.

**Mr WATTS:** Thanks very much for being there today. My question relates to this pressure between an organisation that is legitimate—a business that is operating—being overregulated and incurring costs and someone who is operating illegally, and I am interested in your comment around lack of enforcement. What do you see that we could do to enforce that or what regulations or penalties could be in place so that it enhances the capacity of the legitimate operators without them incurring a load of costs but starts to attack the business of illegal operators?

**Ms Price:** That is something we have spoken about a lot within our Metals Working Group, so thank you for the question, member. Higher penalties for unlicensed operators is one. If they are willing to operate illegally without a licence, they are willing to do all kinds of illegal things. Currently

our environmental regulator gives unlicensed operators many chances to fix the problem as opposed to simply a large fine. It is obvious that an environmental licence is required for this kind of operation. I would love to see those penalties enforced a bit more.

**Mr WATTS:** Could you give us an example of the penalties and how many times they might receive a warning or an opportunity versus what would happen if a licensed person breached the same sort of standard?

**CHAIR:** Before you answer that, I think Mr Jefferson wanted to add to the previous answer for you.

**Mr WATTS:** I apologise.

**CHAIR:** That is okay. It is hard for you to see.

**Mr Jefferson:** Just resources really, on top of what Alison was saying, so a permanent taskforce. They will have the resources. What we find is that these taskforces normally, for a lack of resources, skim the top, so they identify the licenced EA holders—the licensed second-hand dealers—and they target them for their audits, yet it is the ones that are not licensed that really require looking into.

**CHAIR:** And now to the other question the member asked.

**Ms Price:** Yes. I have huge unlicensed operators in the industry given five, 10 or more chances and six to 12 months or longer to resolve their licensing issue.

**Mr Jefferson:** A lot of the time the penalty or the fine is underneath what the threshold is to actually get your licence, so it is not really a deterrent.

**Mr WATTS:** I have seen it in that I came out of the liquor industry. What I saw was that it was quite profitable for people to breach and so therefore illegal operators grew and decent operators who were following the rules left the business and bought a McDonalds.

**Ms Price:** We have the same issue.

**CHAIR:** Thank goodness I come from a licensed trade.

**Mr WALKER:** Thank you for coming in. In the liquor trade—and the member for Toowoomba North would understand—in hotels and clubs a driver's licence with a photo goes into a central database. That would help enforcement because the agency could go into a database and have a look at those people who are going through on their driver's licence with a photo. Would that be of assistance where people just walk up there and get a photo and their driver's licence and it is automated and it goes into a database?

**Ms Price:** Yes, so long as those unlicensed operators who are not doing that are followed up and made to do that as well.

**Mr WALKER:** If you have not got it, you cannot operate. The other thing is the feds. You say that the bad operators may be exporting it straight out of the country. Is there an area for the federal government or agencies to look at how those sorts of materials are moved? They should be batch numbered from, say, Sims Metal. There should be something on that container that it is approved to leave the country. Should that be looked at as well in the scrap metal industry?

**Ms Price:** NWRIC, which is WRIQ's national parent organisation, has done a lot of work in this space and I believe there are some announcements coming soon.

**Ms PEASE:** What is the cost of a licence?

**Mr Jefferson:** I am not sure off the top of my head. I would say it would be around \$6,000 from memory.

**Ms PEASE:** Does that depend on the number of employees again, or is that just the cost of a licence?

**Mr Jefferson:** Just a licence, I believe.

**Mr HEAD:** In your submission, you talk about a lot of the stolen metals being put into shipping containers and sent overseas. How much does the industry—the licenced and legitimate operators—send into the overseas market? I am asking that because with whatever recommendations we make for the government to consider, we do not want to be restricting legitimate business at the same time. I would love to hear from you about that.

**Mr Jefferson:** That is a good question. In terms of predominantly what gets stolen, with the non-ferrous metals like copper, it would be something like 80 or 90 per cent is exported.

**Mr HEAD:** From the waste industry?

**Mr Jefferson:** From the recycling industry, yes.

**Ms Price:** Is that because we do not have the market?

**Mr Jefferson:** In the ferrous, in the steel, it would be the other way around. There is quite a strong domestic ability to process. I think in WRIQ's submission there was an article with BlueScope and how much they had to import in the last few years because of the lack of access to steel because it was being exported. Ferrous would be roughly about 50 per cent recycled in Australia. With nonferrous, 80 to 90 per cent is going overseas.

**Ms Price:** Could I ask for a follow-up clarification? Is that because of the technical requirements for processing or because of our lack of demand here in Australia?

**Mr Jefferson:** I think it is just our maturity as a manufacturer.

**CHAIR:** We have a few aluminium processing companies. Would aluminium be different? Do Comalco take scrap elements?

**Mr Jefferson:** They produce.

**CHAIR:** Do they take scrap though and recycle it?

**Mr Jefferson:** Not usually. There are some, you are right, but they normally produce from raw products. It would be bauxite.

**CHAIR:** I just did not know what Comalco did.

**Ms Price:** Just one thing on export bans and things like that, there can be levers that can be pulled. Where we do not yet have the capability—obviously government wants us to develop the capability—it is very important to keep in mind for the purpose of recycling that you need recycling markets to stack commercially. If you force the price of commodities down by reducing the size of the market, it can be very challenging for that recycling to continue to happen.

**Mr HEAD:** With the existing export industry through legitimate operators, are there any restrictions on that, or is it as simple as you have a supply line, you put it in a shipping container, you take it down to the port, it gets put on a ship and it goes to wherever it is destined for?

**Mr Jefferson:** It is pretty unregulated what you can send.

**Mr MILLAR:** Where is the market overseas? Is there a specific destination it is going to?

**Mr Jefferson:** It is particularly South-East Asia. A lot of aluminium goes to Korea. Copper originally was China many years ago, but with the new domestic policies a lot of it goes to Korea, Malaysia and Taiwan.

**Ms Price:** There has been a lot of work being done currently in this space and I think there are some announcements coming soon.

**CHAIR:** I have a question that has been plaguing me. In my mind I have an idea but you correct me if I am wrong. Volumetric-wise, we are seeing how easy it is for people to steal. If you were to cut up bright copper conductor—and we said earlier it is \$11 a kilo—what volume would it take to be a tonne? I have been saying a wheelie bin full of conductor.

**Mr Jefferson:** That would be about right.

**Mr HEAD:** You said the export market is highly unregulated so it might not take a huge amount of organisation to access that for the illegitimate operators. Could you elaborate on why you think a lot of it is going to export? It takes a lot of volume so you have to be pretty organised to fill a shipping container full of scrap metal to ship it overseas.

**Mr Jefferson:** It is through businesses that do this. Unfortunately, the export is a national regulation I believe, so in terms of what Queensland can do, it is really making sure that it is all aggregated through a recycler at some point to be exported. By enforcing licence conditions to those aggregators, you will stop the export, I suppose—well, not stop because the export is going to keep happening, but legitimate export will happen.

**Mr HEAD:** So rather than a criminal syndicate going through the full supply chain, they might be working with existing unlicensed operators to supply them to get the volume to send it, rather than it being all a backdoor sort of thing.

**Mr Jefferson:** Correct.

**Mr HEAD:** It is from a black market to a grey market to export.

**Mr Jefferson:** Correct.

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**CHAIR:** You mentioned that your parent organisation may be making some announcements soon. If that happens during this inquiry, could you please pass them onto us or inform us about that? I think we are reporting on 24 November. It would be handy evidence if other things came to light.

**Ms Price:** I think your concerns on the federal front will hopefully be addressed soon, so if we can address the Queensland-based concerns.

**CHAIR:** Okay. Thank you for your time.

**CAMM, Mr Rodney, Chief Executive Officer, Motor Trades Association of Queensland**

**CHAIR:** Welcome. I invite you to make a short opening statement, and then we will have some questions.

**Mr Camm:** Thank you for the opportunity to appear today. We are here today representing the broad cross-section of the industry, particularly in relation to the theft of catalytic converters, diesel particulate filters and the like. That really is about new car dealers, used car dealers, automotive recyclers and rental vehicle yards. They are the ones that are mostly being hit. The challenge in this space is that lots of this is going unreported. It is a challenge for the police; it is a challenge for us. As we indicated in our submission, some businesses are identifying the real cost that this trend is having, but now that there are media and social media reports this is now impacting universities, shopping centres, streets. As recently as this week, I saw a report that the honourable member for Toowoomba North would be interested in of a guy driving around Toowoomba in a high-vis shirt with a ute full of catalytic converters, taking them out of shopping centres. The challenge is when people see this they contact their insurer; they do not often think to talk to the police. That is why we are here today. It is a complex problem. We do not blame the police. We think it is a challenging space.

**CHAIR:** Out of interest, I ask this because I am a motoring enthusiast—

**Mr Camm:** I am aware of that.

**CHAIR:** You always need a new catalytic converter for some reason. Does an old catalytic converter that is past its use-by date still hold the same value for scrap? It is unusable on a vehicle, but is the scrap metal value the same?

**Mr Camm:** They hold the value not so much about the metal; it is the rare earths inside them—the platinum, palladium and rhodium.

**CHAIR:** That is still in there. That is not used up by the process.

**Mr Camm:** I think it gradually gets used up, but if there is any in there, some of it is worth \$1,200 or more an ounce and they box them up and send them overseas.

**Mr MILLAR:** I have asked this of all the witnesses. What is the solution?

**Mr Camm:** We wrote to the Commissioner of Police on this issue and we have been working with the police as best we can and local police solutions are important. It was very surprising to us that lots of our industry did not have camera surveillance and the like, so we have certainly encouraged them all to put that in. However, you see these sorts of thieves cut the fence, walk through, smile at the cameras pretty much and go. The only ones the police have been able to catch are the ones who are silly enough—and they are there—to use their own car and park it where it can be seen. There has been some of that. If they use stolen cars and the like, it is harder.

We think a whole-of-industry solution is required here. We are working hard with manufacturers saying, 'You have to fix this. Make them harder to access.' On some of the SUVs, they are really hard. On the Isuzu SUV type models, for example, the utes, it is hard to get to the DPFs so the thieves do not take them. There has to be tracking technology, with some type of serial number put in them. We are exploring some of the after-market things but we think we, the police and industry more broadly should run a pilot of some of this tracking technology so we know who the hotline is to report this to. At the moment, if the police find a bunch of catalytic converters, there is really no way of tracing where they came from.

**CHAIR:** A catalytic converter is a bolt on, bolt off. It would be easier if they were welded on—

**Mr Camm:** No, they cut them off. They get under the cars. There is some social media around of them with grinders. We all like our battery tools but they are not helpful in this space. There has been a death in the US where someone was under a car cutting it out and the guy jumped in his car and drove off. We do not want that as a punitive action. There is also video around of people in shopping centres in Sydney saying, 'What are you doing under my car?' The thieves just have a little tool and they are only there five minutes and they are gone.

**Mr WATTS:** You said that people sometimes do not report it as a theft but just report it to their insurance company. What obligation do the insurance companies have to pass that claim onto the police?

**Mr Camm:** I think that is a very good question and I do not think that is an obligation. That is not to say that they would not sometimes. That could be part of that pilot I mentioned—you bring insurers into it because they are certainly an important part of it. These things are expensive to buy. Maybe that is the disincentive for manufacturers to fix the design—because they are selling heaps of them.

**Mr WATTS:** That is a little cynical! The main thing you want to be able to do is, first of all, obviously cut off the ability to sell them. At the same time, how do you see we can change penalties or put an additional deterrent on people from doing this?

**Mr Camm:** In terms of the market—and I listened with interest to the last witnesses—it is not the authorised scrap dealers that are a problem. When people are turning up with a bag full of cat converters, they are asking for evidence of where they got them from—receipts and things like that. They are getting boxed up and sent overseas again, like the last presentation. The police tell us that the challenge is that if they find them—and there have been some public stories where they have found 700 in a garage—they prosecute them through the courts and it is up to the magistrate as a discretion and it is not always seen as a serious offence. Non-discretionary fines are always something that industry is interested in, but it would have to be significant. At the moment it is a very easy process to box things up and they just disappear and money arrives. That would be worth exploring. I would encourage the committee around what a non-discretionary fine might look like in terms of the quantum.

**Mr WATTS:** You said that people are exporting these things.

**Mr Camm:** As we understand it.

**Mr WATTS:** I take it there is no licence. You just basically put them in a shipping container and ship the container off to wherever you want it to go.

**Mr Camm:** Correct.

**Mr MILLAR:** Would there be legitimate exports of catalytic converters?

**Mr Camm:** Yes. If automotive recyclers are dismantling a car and they have cat converters, they would be boxing them up and selling them to scrap metal dealers—and therefore providing the evidence—and they would then box them up and send them overseas.

**Mr MILLAR:** Where do they go overseas?

**Mr Camm:** Third World countries and the Middle East are all good buyers of these things. It is places that can actually reprocess those rare earths. I guess they turn up in electric vehicle batteries.

**CHAIR:** What are the minerals in the diesel particulate filters?

**Mr Camm:** It is the same minerals. It is the same process. They are still all about getting the toxins out of the exhaust and reducing the emissions. Some young people have a habit of cutting them out themselves because they think it makes their car more powerful, but it also churns a lot more petrol and it is worse for the environment so we do not encourage that. Both processes are very similar. The chemical reactions are slightly different.

**CHAIR:** I know one failed in my car and it was like a bushfire following me down the road.

**Mr Camm:** It is very noisy. You will get in your car and the car will still operate, but the first thing you know is that it sounds noisy.

**CHAIR:** I looked in my rear-view mirror and I literally thought there was a bushfire behind me. It was terrible.

**Mr Camm:** It is frightening.

**Ms PEASE:** Can you tell me what a catalytic converter actually is?

**Mr Camm:** In your exhaust system, it is a broader tube. It is wider than the rest of the exhaust system and inside it are these rare earths and filters that take the toxins out of the exhaust. We are trying to reduce emissions in our country—and rightfully so—and that is what it does. It filters them and it actually burns them. A car gets to a certain heat and it starts to burn them off.

**Ms PEASE:** You also mentioned the DPFs. Is that what they are?

**Mr Camm:** Yes.

**Ms PEASE:** What size is that? What size are both of them? Could it be this big or that big?

**Mr Camm:** About this big and about this wide. We have a training institute at the association, so we are often showing apprentices how to put these things on and off and so we have a few lying about. Yes, they are not very big, and they are light.

**Ms PEASE:** So the car can be driven if they are taken off?

**Mr Camm:** Yes.

**CHAIR:** It would be loud.

**Ms PEASE:** Yes, as you just said.

**Mr Camm:** And you lose a bit of power.

**Ms PEASE:** You talked about that happening in a shopping centre with a guy in hi-vis. Is it happening in car yards and places like that?

**Mr Camm:** Absolutely. With car yards, some of our members have lost \$200,000 worth of these things and, because of the supply constraints in the world, it takes a while to get them. If you look at rental cars and rental trucks, they have cars sitting idle for three or four months. It is an enormous cost to small business and that worries us, but it is happening. I saw a report about a Boondall shopping centre. These guys turn up in hi-viz shirts in utes. They look legit. They are very bolshie. They jack the car up—with SUVs you do not have to—and everyone thinks, 'Oh, they must be fixing it.' No, they are stealing catalytic converters.

**Mr WATTS:** Sorry, Chair, but can I just ask: when you said 'that long and that wide', I cannot see what that is. I am just curious.

**CHAIR:** Sorry, Trevor, but the member for Lytton has a question.

**Mr Camm:** A bit under a metre; 600 mil, say.

**CHAIR:** So about 600 mil and a catalytic converter is about the size of a football.

**Mr Camm:** Yes, American.

**Mr WATTS:** Thank you. Sorry, Joan.

**Ms PEASE:** You are right, Trevor. Do you think that organised criminal gangs are involved with this or is it just fly-by-nighters and those who are opportunistic?

**Mr Camm:** I think it is certainly organised. I think they are all going to very similar places. It is just too organised, it is too frequent, it is too quick for it to be just young people, for example, thinking about cutting fences. In Townsville we have had guard dogs killed. It is a pretty unfortunate process, but we are pretty convinced. Whether they are criminal gangs—I guess they are criminal—they are certainly organised.

**Ms PEASE:** Thank you.

**Mr HEAD:** I note that you touched on the fact that it is generally pretty obvious that there is something wrong with a car when either these DPFs or catalytic converters are stolen. Some drivers are not very mechanically aware. Do you know if there are many instances where people have been driving their car for extended periods of time before they have picked up that something has been wrong?

**Mr Camm:** It is very loud. At worst you would think it was a hole in your exhaust. It is pretty noticeable with the sheer volume of noise.

**Mr HEAD:** Yes. Just for the sake of being able to catch these thieves, obviously if you know where the incidents occurred it is—

**Mr Camm:** If you had your radio up really loud, maybe you would not notice, but generally, as the honourable member said, you would notice.

**CHAIR:** They are straight after the headers or extractors—that end of the exhaust.

**Mr MILLAR:** Where is my exhaust?

**Mr Camm:** Do you drive an electric vehicle?

**Mr HEAD:** I was just curious because given some other things I see on the roads where drivers perhaps should have noticed there was something wrong—

**Mr Camm:** No, that is fair. That is very fair.

**CHAIR:** It could be mistaken for a Harley Davidson sometimes.

**Mr Camm:** Yes, maybe they would not notice.

**Mr MILLAR:** Back to my original question about the solution, is there something from the Motor Trades Association that we should be recommending?

**Mr Camm:** We would certainly look for the committee to consider recommendations around design fix. Manufacturers importing cars into Australia should have some responsibilities here. That is not a quick fix, but in after market I have mentioned the potential of fines but more importantly is there a tracking technology the police would see as useable that we as an industry can then promote across the industry and get them installed? There are microdots. We have tested that. They are pretty



good and they are pretty cheap, but there needs to be a process then to engage with law enforcement around tracking them. How do we find them? Obviously if they are boxing them up and sending them overseas that is difficult, but the police tell us that they are slowly but surely working out where these things are going.

**Mr MILLAR:** You mentioned design. Is this happening in other countries as well where they are getting stolen?

**Mr Camm:** It is massive in the US.

**Mr MILLAR:** We do not manufacture cars in Australia anymore.

**CHAIR:** Sadly.

**Mr MILLAR:** Obviously Japan with Toyota and Kia and all those sort of—

**Mr Camm:** It is massive in the US. It has been big in Europe. We have researched and looked for after-market fixes, and there are things trialled in the US. Essentially I would describe them as these non-cuttable cables, but it is very niche, very small and largely untested, but it is certainly big overseas.

**Mr MILLAR:** Are the manufacturers prepared to change the design to protect—

**Mr Camm:** We have spoken to manufacturers and they tell us they are not considering that at the moment. That is disappointing.

**Ms PEASE:** If someone has their catalytic converter stolen from their vehicle, they would take it to a mechanic and the mechanic would replace it? They can be replaced?

**Mr Camm:** Absolutely, but you have to order them—order the parts—and if it is a genuine part there are some supply constraints. The interesting thing is if you put a generic part in—so an after market that is not specific to your manufacturer—it has less rare earth in it so the thieves are less interested in it, so that is intriguing. Yes, mechanics can fix them easily enough. It is essentially welding another one on.

**Ms PEASE:** I know you mentioned it in your opening statement, but can the consumer make a claim on their insurance?

**Mr Camm:** We believe so, but then they are subject to excess and things like that.

**Ms PEASE:** And what does it cost to replace?

**Mr Camm:** As I said that I thought, 'I know what the next question is,' and I am not sure what the answer is.

**CHAIR:** I can tell you.

**Mr Camm:** There you go. You tell us. Certainly for light commercial vehicles, it is up to a couple of thousand dollars for the bigger trucks, but you might know the domestic one.

**CHAIR:** Just from my experience—and I should go and sit there for a moment—for a full exhaust system on a V8 Commodore, for example, you might pay \$1,600 or \$1,800 without cats. That might go up to \$2,400 or \$2,500 with cats.

**Ms PEASE:** What is a 'cat'?

**CHAIR:** Catalytic converter, sorry, but obviously depending on the year of the vehicle and its requirement for unleaded fuel. The catalytic converter came in to take the toxins out of unleaded fuel, so certain aged vehicles technically, because we are running all unleaded fuel now, should all go and get catalytic converters to comply. It is about emission control. Anyway, I should not have answered that. I was like a witness.

**Mr HEAD:** Further on the design issue, you said that if vehicle manufacturers are not particularly interested then we are not going to get very far. You said Isuzu has a couple of designs where they are out of the way, or was that just the way the engineers designed the vehicle? Do you know if that was factored in?

**Mr Camm:** I have spoken to Isuzu. They tell me that they did not do it specifically to avoid catalytic converter theft; it just suited the design of their vehicle, but it is helpful. Everything that makes it harder is helpful.

**Mr HEAD:** You mentioned microdots. Those would not be impacted by the heat coming through at all?

**Mr Camm:** Very good question. We have tested them and the answer is no, but there are other solutions. You can get SmartWater which is being tried in the UK, so the thieves cannot see it—I think it is better if it is visible—and there are some paints that get very hot but the microdots, no, they are okay.

**Mr WALKER:** I know over the years some car makers had the serial numbers stamped in every panel—the boot, the door. They could match a car up.

**Mr Camm:** There is the solution.

**Mr WALKER:** On the catalytic converter they could have the serial number of that vehicle. I know they might cut them open and take the earth minerals out and box them up, but I think the serial number of that vehicle should be implanted at the manufacturing plant.

**Mr Camm:** Absolutely. That is a great idea, yes. That would solve it.

**Mr WALKER:** I will not charge you for that yet. I think we should maybe let them report, but thank you for that.

**CHAIR:** You are an ideas man, Les.

**Mr MILLAR:** He has been very helpful this morning—chargers and—

**Mr HEAD:** I have a follow-up on that, and this is getting into the technicalities of it. If you put a serial number or microdots on the outside of it, they would cut it and break it up even further if we put a serial number on the outside of it. If they just cut it—because it is the internal part of it where the elements are that are of interest—how difficult is it for them to get the next part out?

**Mr Camm:** They will be able to do it, but it is about timing. What seems to happen with these things is they are stockpiled and then sent away. Certainly from the police videos that I have seen that is what happens, so sure, but the advantage of a serial number is that it at least creates a window to find them before they do that, but certainly they could cut them off.

**Mr HEAD:** Yes. Like you said, they would have to—

**CHAIR:** Put the serial number on the inside.

**Mr Camm:** It is getting harder now.

**Mr HEAD:** Even if they got caught that afternoon or the next day, at least the police would be able to track some of it.

**Mr Camm:** Correct. If you have a couple in the back of your ute, you know they can stop you and go, 'Let's have a look at that.'

**CHAIR:** As there are no further questions, thank you very much. We appreciate your time and your submission. It gave us a lot of information.

**Ms PEASE:** Thanks. It was great.

**CHAIR:** That concludes this hearing. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public hearing closed.

**The committee adjourned at 10.40 am.**