

Inquiry into scrap metal theft

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Submission on the Inquiry into Scrap Metal Theft

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Introduction

The Australian Energy Producers (formerly APPEA) is the peak body of the explorers and producers of essential energy – oil, gas and lower-emission fuels. The industry supports around 32,000 jobs in Queensland and many more in electricity generation, manufacturing, transport and other industries that rely on the sector's outputs. Our member companies spend over \$3.8 Billion each year with almost 3,000 local Queensland businesses and contribute billions of dollars to Queensland Government revenue (state and local) through royalties and rates¹.

We welcome the inquiry into scrap metal theft and appreciate the opportunity to provide comments. This submission responds to certain elements outlined for consideration in the terms of reference.

Submission

Scrap metal theft, in particular copper theft, continues to be a significant issue for our members. We make the below comments on specific items in the Terms of Reference:

Issue 1: the types of metal at risk of being stolen and resold as scrap, taking into consideration copper, precious, and other metals, and vehicle parts

Commencing in early 2022, a number of gas producers have sustained repeated, dangerous thefts from numerous oil and gas infrastructure sites, such as well heads (that produce natural gas). Targets of this theft is primarily for copper cabling, other items include batteries, fuel and equipment.

Item 3: the prevalence of scrap metal theft in Queensland

Well over 500 well sites have been subject to theft over the past year. At its peak 20 well sites were being targeted per day, with up to 60 in a week leading to material impacts across upstream and midstream production. This theft is occurring on host landholder properties in regional Queensland locations, such as areas around Roma, Dalby, Chinchilla, and Arcadia Valley.

Overall, the theft tends to come in waves, although we are unsure why this is the case although availability of black-market disposal may be a factor. Essentially all activity is carried out from stolen vehicles. Additional CCTV monitoring has therefore not identified offenders. The prevalence is significant, and with less police resources in the regional locations, and because of distance to travel it is difficult to catch crime in progress.

Issue 4: the direct and indirect impacts of scrap metal theft on Queenslanders, such as costs, disruption, and essential service delivery

This has cost tens of millions of dollars in damages, lost productivity time and lost production from the wellhead (it is anticipated to have exceeded \$50 million in total).

The thefts are having a negative effect on the industry's social licence to operate as there is some community sentiment that hosting gas infrastructure is leading to an increase in crime around their rural properties. Criminals are actively entering private property looking for metals to steal. In general, the community is worried that gas infrastructure is a drawcard for thieves.

We note that with the significant increase in renewable infrastructure being constructed or proposed in regional areas, that this impact is likely to increase.

Item 5: direct and indirect risks to worker and community safety, as well as other risks such as environmental harm

We have extremely strong concerns about the safety risk of theft from active well sites – this includes high voltage electrocution and damage to critical production components. This risk extends to staff and contractors who are required to repair any damage.

Other safety hazards include use of cutting equipment in dark places at night and erratic driving at speed to avoid detection.

¹ 2023 QLD budget. Petroleum royalties were \$2.6B in 2022 and average \$1.4B over the forward estimates.

Further, we are is concerned that direct conflict – such as thieves being caught in the act - may also occur.

Item 7: a recommended contemporary legislative, regulatory and enforcement framework for deterring, detecting and disrupting scrap metal theft which is informed by national and international approaches and experiences

The Government should:

- consider whether the *Second-hand Dealers and Pawnbrokers Act 2003* could be expanded to include scrap metal, copper and other second-hand dealer businesses;
- assess on the ground police resources and how they could be enhanced, including utilization of police drones and other surveillance options. This could include considering implementing broader CCTV and other monitoring networks (such as permanent camera sites), particularly along key routes (e.g. Warrego Highway) and increasing 24/7 stations in affected regions; and
- investigate better records and identity requirements for individuals disposing of scrap metal and copper as well as purchaser licensing and standards. This should include batteries, solar panels, electrics and other industrial items.

Item 8: other non-regulatory measures, such as information sharing, education and public awareness raising, and technology solutions, which may assist in reducing the prevalence and impact of scrap metal theft in Queensland

In this section we outline some operational measures that petroleum operators have undertaken in response to the issue of theft:

- Some operators have installed lights and alarms in high theft activity zones and have changed out copper wiring for cheaper non-copper wiring in our equipment where possible, although cheaper wiring is still being stolen.
- Some operators have formed a response plan which proved largely successful in reducing incidents of theft including: contracted security night patrolling, signage, additional CCTV, enhanced reporting of suspicious activity, micro-dotting of batteries, security gates and other access routes.
- Operators are able to provide camera/CCTV footage where available however this is not proactive.
- Drones are being considered for over property however this will likely identify sites impacted sooner, rather than proactive deterrence/detection of offenders.

Collaboration to date

- In mid-2022 the Police founded an industry collaboration (CSG companies, Energy Queensland and Ergon) group called OP COBRE which met monthly to streamline information and issues to Police. Within months of Operation, the focussed efforts of Police started to pay off with arrests and prosecutions, and awareness within the community of the issue. This approach, and additional hardening and reporting from Companies has seen success and eventual reduction of incidents. Copper theft is prevalent in most industries in regional and metropolitan Queensland including: building industry, gas, electricity. The OP COBRE Team continue to meet and manage the continuing and potential issues surrounding copper theft.

We appreciate the opportunity to contribute to the review and are available to continue assisting the inquiry.



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